

# A STUDY ON FACTORS AFFECTING THE CONSUMER INTENTION TOWARDS ONLINE FOOD DELIVERY SERVICES

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## ABSTRACT

Online food ordering system is a business management system. Their major purpose is to help customers manage their companies by providing online orders and booking lunch for clients. The concept was designed in response to the long queues that builds at the restaurant during lunch and dinner hours. Customers will be able to buy meals without having to wait in line at their offices, classrooms, hostels, or outside the school premises. The drawbacks of the current approach will be solved by the new system. This paper aims to analyse the socio-economic characteristics of the sample respondents and to study various factors affecting the consumer intention to use online food delivery services in the study area. It is an empirical study carried out in Trichy town in January, 2022. A sample of 250 respondents were selected using convenient sampling technique. The required primary data was collected using the interview schedule. The data was analysed using the SPSS software. To analyse the factors, descriptive statistics and Friedman ranking technique are applied. Hence, it is concluded that the convenience in buying food through online delivery service, variety of foods available, best delivery system are important factors that affect the consumers' intention.

**Key words :** Consumer intention, online food delivery services and market potential

## Introduction

Customers' enthusiasm for online restaurant ordering is growing. Restaurant owners and managers are always seeking for methods to make it simpler for customers to order meals online and have them delivered at their home on time. It is true that as more restaurants implement this business approach, online ordering and delivery systems are progressively becoming the norm. An online ordering and delivery system may channel a restaurant's entire income stream. As a consequence, the restaurant may use it to increase their income and efficiently manage their business themselves. Furthermore, by enabling restaurants to serve fewer customers, it saves them money and space. By enabling a restaurant to get closer to its customers, the strategy may help it gain an edge over competitors. A plethora of food delivery providers has been increasing via partnerships by focusing on methods that may give a true buffet to its clients, leaving the organised food company with a solid development potential and a bright future. According to the IBEF analysis, the online meal delivery market is increasing at a rate of 150 percent each year. According to the BCG analysis, there is a surge in online purchasers due to a variety of variables such as expanding internet penetration, excellent value propositions given by online merchants.

## India's Online Food Service Drivers

This research investigated the numerous development factors of our country's online food service companies. The following are the various positive indicators for online food service providers:

- ❖ Market Potential
- ❖ Increase in Disposable Income
- ❖ Change in Demographic Profile
- ❖ Changes in Lifestyle

## Literature review - Critical review of key theories

Hoffman et al. (2010)[04] argued that commodity markets are stuff or things, while services are efforts, or performances. Due to the fact that people's lives are getting busier by the minute, they have less time to eat

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out or cook meals at home, which makes the utilisation of an online food ordering service necessary. Customers now have access to a wider variety of options and greater levels of convenience as a result of the proliferation of online food-delivery systems, which enable them to place orders from a variety of restaurants with the tap of a finger on their mobile phones. Hirschberg et al. (2016)[06], in their study titled "The developing market for food delivery," acknowledged the conventional meal delivery system as the most common kind of distribution, contrary to what is often believed to be the most common mode of distribution. This traditional category accounts for 90% of the market, and the majority of those orders are still handled over the phone. Customers make an order with a restaurant, and then they wait for the food to be delivered to their door. As digital technology continues to advance, this industry, along with many others, is undergoing a reorganisation. Customers are getting used to the convenience of making purchases on online apps and they want the similar level of accessibility when placing their food orders. Leong Wai Hong(2016)[05]opined that Online ordering of food enhanced efficiency of the restaurant by reducing the time taken to provide food to all waiting customers, minimized human errors and helped provide good customer service.

**Proposed Framework**

The current study had mostly explored the impacts of service quality on purchase intention towards online food delivery services; however, when it comes to food delivery services, the service quality concept needs contextualization. Similarly, when it comes to the idea of perceived benefits, perceptions of benefits from OFD vary from those of other online services, demanding more investigation. There is a plethora of literature on brand familiarity for the conventional market. Several academics in the framework of online marketplaces, applied the concept of brand familiarity in order to evaluate trustworthiness, low risk, and reputation.

**Scope of the Study**

The survey was conducted among the residents of Trichy who used the online meal delivery service. The industry is very young and fast expanding. The research is confined to Trichy and focused only on the various factors upsetting the consumer intent to use online food delivery services.

**Research Objectives**

1. To analyse the socio-economic characteristics of the sample respondents
2. To study various factors distressing the consumer intention to use OFD services in the study area

**Research Methodology**

It is an empirical study carried out in Trichy town in January, 2022. A sample of 250 respondents were selected using convenient sampling technique. The required primary data was collected using the interview schedule. The data were analysed using the SPSS software. Friedman ranking technique was applied to analyse the factors and descriptive statistics.

**Findings, Discussion and Result:**

**1. Socio-economic characteristics**

The socio-economic-conditions of the consumers are believed to be a deciding factor on their behaviour and attitude. In this point of view, the demographic variables of the respondents are studied. The result is given below.

**Table 1**  
**Socio-Economic characteristics of the sample respondents**

Nature		Number of respondents	Percentage
Age group	Young	54	21.6
	Middle	133	53.2
	Old	63	25.2
Gender	Male	155	50.8
	Female	95	49.2
Educational qualification	School level	23	9.2
	Under graduation	128	51.2
	Post-Graduation	65	26
	Professionals	21	8.4
	Others	13	5.2
Occupational status	Employed	143	57.2
	Business	41	16.4
	Agriculture	23	9.2
	Housewives	24	9.6
	Others	19	7.6
Level of income	Less	91	36.4
	Middle	117	46.8
	High	42	16.8
Level of spending	Low	77	30.8
	Moderate	129	51.6
	More	44	17.6
Total		250	100.00

The table shows that 54 (21.6%) respondents are young (less than 30 years) while 133 (53.2%) belong to the middle age group (lagged between 30 and 50 years). Regarding gender of the respondents, 50.8% of the respondents are male and 49.2% of the respondents are female. Data regarding their educational qualification show that 128 (51.2%) are under graduates, 65 (26.0%) are post graduates while the rest of the respondents are less qualified.

According to the occupational status, 143 (57.2%) respondents are identified as employees from both private and government organisations. The distribution of the respondents according to their annual income exhibit that 117 (46.8%) belong to middle income group (between Rs. 6 Lakhs and Rs. 10 Lakhs pa).

The respondents are also grouped based on their level of spending by ordering online food. The percentage of respondents spending low (less than Rs. 2000 per month) are 77 (30.8%) while 129 (51.6%) respondents spend moderately (between Rs. 2000 and Rs. 5000 per month) and 44 (17.6%) respondents spend more (more than Rs. 6000 per month).

### 1. Factors affecting consumer intention towards OFD

The factors influencing the consumers' intention to buy food through OFD services are analyzed using ranking technique.

**Table 2**  
**Factors affecting consumer intention towards OFD services**

Factors	Mean	Std. Deviation	Mean Rank	Rank
Less price	3.02	1.092	4.10	IV
Trust	2.58	1.438	3.26	VII
Payment system	2.78	1.194	3.56	VI
Offers and discounts	2.96	1.017	3.82	V
Delivery	3.20	1.157	4.16	III
Convenience	3.50	1.389	4.68	I
Various food choices	3.35	1.058	4.43	II

The result from the descriptive statistics shows that making order through the online service is felt convenient to buy food (4.68). It is ranked the first.

Secondly, the availability of variety of food in the online delivery services makes it attractive (4.43). Delivery service called timely delivery, safe delivery and polite approach of the delivery boys are also considered as important factors (4.16). Less price (4.10), offers and discounts (3.82) and convenient and secured payment system followed in the online delivery systems are ranked fourth, fifth and sixth respectively.

**Table 3**  
**Friedman Test**

N	250
Chi-Square	99.915
Df	6
Asymp. Sig.	0.000

The significance of the ranking is calculated using the Friedman ranking technique. The results from the above table show that the ranks identified in the Table 2 are significant. The calculated Chi-Square value is 99.915 for the degree of freedom 6 is more than the table value. The value of probability is 0.000 which is significant at 1% level. Hence, it is concluded that the convenience in buying food through online delivery service, variety of foods available, best delivery system are the important factors that affect the consumers' intention.

### Managerial Implications and Conclusion

The study acknowledged the characteristics that are significant to clients in the OFD service market. Food delivery condition, time, service quality, price are all relevant characteristics that are openly tied to the core online SDP. The parts include characteristics such as the number and diversity of restaurants and delivery monitoring service, and person attitude, which may be considered peripheral components that work together to provide the overall package benefits. Future research should focus on the transformations in individual client behaviours. Hence, it is concluded that the convenience in buying food through online delivery service, variety of foods available, best delivery system are important factors that affect the consumers' intention.

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