

CONSUMER'S MOTIVATION TO ORDER FOOD ONLINE WITH REFERENCE TO COIMBATORE

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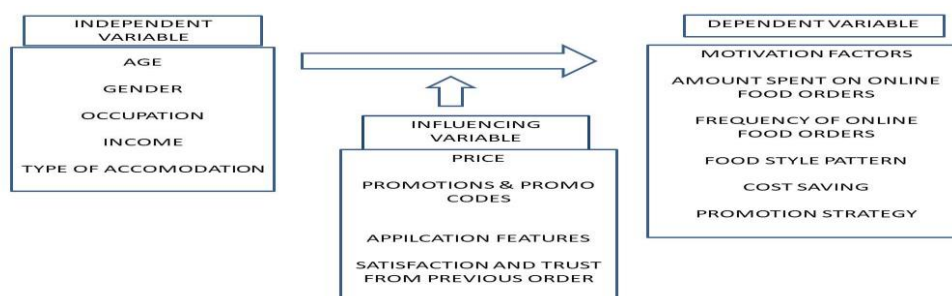
Abstract: Coimbatore is the second largest city in Tamil Nadu next to Chennai. Coimbatore is the home to various famous restaurants like SreeAnnapoorna, Haribhavanam, Junior Kuppanna & so on. There are 250 and above registered restaurants in Coimbatore. With numerous restaurants and lakhs of the population which knowledge about online food ordering makes Coimbatore serve as a better market for Online Line Food Ordering Platforms. As of November 2017 in the city of Coimbatore, there was only one player ZOMATO in the field of Online Food Ordering. Within a span of one and a half years, players in the field of online food ordering have increased. The people of Coimbatore are readily supporting the upcoming players too. As of now, there is no study made in Coimbatore to find out the reasons behind for successful growth of online food ordering. The study is to find what motivates people of Coimbatore to use online food ordering platforms rather going to a restaurant and having food. With the sample size of 200(150 from consumer and 50 from restaurants) collected in Coimbatore using questionnaire and interview regarding Online Food Ordering Platform. Percent analysis, weighted analysis, cross tabulation, chi-square, and regression analysis is done using SPSS and Ms- Excel. As a result, convenience is most important factor that motivate consumer to use online food ordering and environmental reason such as sustain in market, customer recommendations. SWIGGY is the most preferred online food ordering platform in Coimbatore. The sufficient awareness is created among consumer is due to the promotions done in Social Media. The scope for online food ordering is high among the consumer; platforms can introduce Scheduled Ordering and Take away program for better future.

Keywords: Online Food Ordering, Swiggy, Uber eats, Zomato, Online Food Ordering Platform.

1. INTRODUCTION

Online food ordering is a process of food delivery or takeout from a local restaurant or food cooperative through a web page or app. Much like ordering consumer goods online, many of these allow customers to keep accounts with them in order to make frequent ordering convenient. A customer will search for a favourite restaurant, usually filtered via type of cuisine and choose from available items, and choose delivery or pick-up. Payment can be amongst others either by credit card, cash or through other modes, with the restaurant returning a percentage to the online food company.

2. CONCEPTUAL FRAMEWORK



2.1. LITERATURE REVIEW

According to Ramesh Kumar Bagala and Jasmine Khan, “factors contributing to the popularity of online food ordering were found to be: lack of time to prepare food, availability of variety, rewards, and cash back. There is a scope for improving the users' satisfaction levels by understanding their expectations more precisely and offering more attractive options while ordering food online.”

In a study made by Aparna Ramalingam, Saving is major factors that motives customer to online food ordering platform a customer saves 20% to 50% per order while making their ordering through online. 20% is set to rise if they make order through mobile phones.

In a survey conducted by Sathiyaraj, Santosh & Subramani on influencing factors on customers to order food online have identified discount offers, variety of options on the menu available, free home delivery, app- user friendly, cash payment options and exclusive services are the crucial factors which have an impact on influencing customer decision process to order food online.

According to Zulkarnain Kedah, “the online food ordering companies have to emphasize information quality, website design, security/privacy, and payment system towards their customers in order to increase the level of web trust and satisfaction. The service providers could also enjoy continuous recurring revenues from loyal customers if they provide efficient delivery, reliable customer service, and food quality.”

3. OBJECTIVES

The primary objective of the study is to identify the factors that motivate the consumers among Coimbatore to use the Online ordering platform. Besides this, the study also identifies the factors that motivate the restaurants among Coimbatore to use the Online ordering platform and find marketing strategies and their current practices that are being used by them to attract customers. Online ordering platform will include Zomato, Swiggy, Uber Eats and other players like Dominos, KFC.

3.1. LIMITATIONS

- The geographical area is confined to Coimbatore city of Tamil Nadu state in India.
- Only online food ordering user and restaurants partnered with online food ordering platform can take part in the study.

4. RESEARCH METHODOLOGY

1. Source of Data

The study is based on primary data and secondary data

2. Collection of Data

Primary Data : Questionnaire for Customers; Interview for Restaurants

Secondary Data : E- Journals, Magazines and Websites

3. Geographical Area:

The study covers Coimbatore – Peelamedu -641004 area only

4. Sample size: 200

150 – General Public using Online Food Ordering

150 – Restaurants partnered with Online Food Ordering Platform

5. Sampling Technique: Convenient sampling

6. Statistical Tools:

Ms – Excel

IBM- SPSS

7. Techniques Applied:

Cross Tabulation

Chi-square Analysis

Regression

Weighted Analysis

5. ANALYSIS AND INTERPRETATION

Demographic Details of the respondents

Table of The demographic details of the respondents

S. No	Demographic Characteristics	Frequency	Percentage
1	Gender		
1.a	Male	65	43.3
1.b	Female	85	56.7
2	Age		
2.a	19-25	122	81.3
2.b	26-32	23	15.3
2.c	33-40	4	2.7
2.d	41 and above	1	.7
3	Occupation		
3.a	Student	101	67.3
3.b	Professional	11	7.3
3.c	Self Employed	10	6.7
3.d	Corporate Employee	22	14.7
3.e	Other	6	4.0
4	Your monthly Income / Pocket Money		
4.a	0-3000	73	48.7
4.b	3001-6000	26	17.3
4.c	6001-10000	9	6.0
4.d	10001-15000	4	2.7
4.e	More than 15001	38	25.3
5	Your type of accommodation		
5.a	Institutional Hostel	50	33.3
5.b	Paying Guest	25	16.7
5.c	Home with cook	42	28.0
5.e	Home without cook	33	22.0

Gender is the most important factor in segmentation of consumer. It is evident from the table that a majority of the respondents are female (56.7%) and 43.3% are male.

The want, needs and desire of an individual depends upon their age. Age is the most predominant factor for an Individual's buying, consuming and decision making behaviours.

From the table, we can clearly see that 82% of the consumer belongs to age group 19-25, 15.3% belongs to the age group of 26-32, and 2.7% belongs to the age group of 33-40.

From the total study most of the respondents are students (67.3%), followed by corporate Employees (14.7%), Professionals (7.3%), Self Employed (6.7) and others (6) that may include housewife, freelancers.

Income has been a considerable influencing factor on individual for making purchase decision. From the sample it is shown that 49% of the sample has Rs. 0-Rs. 3000 as monthly income/ pocket money, 25% of the sample has more than Rs.15000 as their monthly income/ pocket money, 17% has Rs.3000- Rs.6000, 6% has Rs.6001 - Rs. 10000 and 3% has Rs. 10001 – Rs. 15000

Also, the type of accommodation is another major factor that motivates the consumer use Online Food Ordering. As a result most respondent stay in institutional hostel (owned and maintained by college or institution where they work) (33.3%), remaining stay in Home and they cook their own food contributes 28%, stay in home and doesn't don't cook their food contributes 22% and 16.7% of the respondent stay in Paying Guest (owned by other private concern and not by college or institution where they work).

Factors that motivates the customer to order food online

The following are the few main factors that motivate an individual to use online food ordering:

Table on Factors that motives the customer to Online Food Ordering

S.no	Factors	Frequency	Percentage
1.	Price	33	22.0
2.	Convenience	52	34.7
3.	Choice and variety	26	17.3
4.	Home Delivery	39	26.0

From the responses, Convenience seems to be the most important factor that motivates the individual to use online food ordering (34.7%), Price and Home Delivery seems to have equal important value (26% and 22%) and only few have stated choice and variety (17.3%) as the reason

Ordering Frequency of the Customer in a week

To know up to what level the people are attached to the online food ordering, frequency of purchase would help to find the consumer's attachment with OFO.

Table of Ordering Frequency of customer in a week

S. No	Frequency of Ordering	Frequency	Percentage
1	Once	86	57.3
2	Twice	28	18.7
3	Thrice	16	10.7
4	More than 4 times	20	13.3

From above table 57.3% of respondent order food online for Once in a week, 18% order twice a week, 10.7 % order thrice and 13.3% order more than 4 times a week.

Amount spend on Online Food Ordering in a month

Another important factor that motivates an individual to use online food ordering is the price. As a marketer, we must find the price level an individual is ready to pay for the product.

Table on Amount spent on Online Food Ordering in a month

S.no	Amount	Frequency	Percentage
1.	less than Rs.1000	104	69.3
2.	Rs.1001 – 2000	32	21.3
3.	Rs. 2001 and above	14	9.3

A majority of the respondent are spending less than Rs.1000 in a month,(69.3%), 21.3% spend Rs.1001-Rs. 2000 in a month and 10 % spend Rs. 2001 and above.

Most Satisfied Providers

Table on Most Satisfied Providers

S.no	Factors	Frequency	Percentage
1.	Swiggy	121	80.1
2.	Zomato	15	9.9
3.	UberEats	8	5.3
4.	FoodPanda	2	1.3
5.	Other: COA	4	2.6

From the above table, it is clearly evident that

First Preferred Provider: Swiggy

Never Preferred Provider: Company Owned Apps and FoodPanda

Medium of Awareness of OFOP

Table on Medium of Awareness of Online Food Ordering Platform

S.no	Medium	Frequency	Percentage
1.	YouTube	22	14.7
2.	Social Media	79	52.7
3.	Newspaper and Print media	5	3.3
4.	Word Of Mouth	27	18.0
5.	Other: Delivery Partner, Referrals	17	11.3

It is evident from the above table that the majority of the respondents are aware of online food ordering platform through Social Media (53%). Word of Mouth contributes to 18%, YouTube contributes 14.7%, others by 11.3% and Newspaper by 3.3%.

Cross Tab: Type of Restaurant & Reason for Adoption

The following table is the cross tabulation of nature of restaurant and their reason for adoption on Online Food Ordering

Table on Cross tabulation of type of restaurant & Reason for adoption of Online Food Ordering

Type of Restaurant * Reason For Adoption of Online Food Ordering (Cross tabulation)					
		Reason For Adoption			Total
		Increase Sales	Establish Brand	Environment	
Type of Restaurant	General	7	2	9	18
	Lunch & Dinner	3	1	3	7
	Continental	6	1	5	12
	Bakery & Dessert Shop	5	3	5	13
Total		21	7	22	50

From the above table, we understand that most of the restaurants belong to General type. That is their menu is designed in a way that they can operate for breakfast, lunch and dinner.

Restaurant's Opinion Online Food Ordering

Weighted Analysis of Restaurant's Opinion on Online Food Ordering

Table on Weighted Analysis of Restaurant's Opinion on Online Food Ordering

Statements	SA 5	A 4	N 3	DA 2	SDA 1	TOTAL	MEAN (approx.)
Improve the brand Image	7	21	15	7	0	50	4
Score	35	84	45	14	0	179	
Increase the market size	9	20	15	5	1	50	4
Score	45	80	45	10	1	181	
Reduces the operating cost	4	7	12	23	4	50	3
Score	20	28	36	46	4	134	
Useful for promotion	7	22	9	9	3	50	4
Score	35	88	27	4	3	157	

From the weighted average mean, we can easily find the restaurant’s opinion about the online food ordering.

- With highest mean value of 4, restaurants agree that online food has helped them to improve the brand, increase the market size of them

They also agree that online food ordering platforms help the restaurant for promotions

- With mean value of 3, restaurants tells that online food ordering platform are not really helpful in reducing the operating cost.

As a result, online food ordering platform are really use for promotion of the restaurants at economical cost

Crosstabs & Chi-square

H1: Factors that motivates them to use Online Food ordering & type of accommodation

- Null Hypothesis: Factor motivates the user to Online Food Ordering doesn’t depend upon the type accommodation do they live.
- Alternative Hypothesis: Factor motivates the user to Online Food Ordering depends upon the type accommodation do they live.

Table of Cross Tabulation of Type of accommodation & Factor of motivation to use online food ordering

Your type of accommodation * Factor motivates you to use Online Food Ordering Platform. (Most important factor) Cross tabulation						
		Factor motivates you to use Online Food Ordering Platform. (Most important factor)				Total
		Price	Convince	Choice and Variety	Home Delivery	
Your type of accommodations	Institutional Hostel	15	13	12	10	50
	Pay Guest	6	6	6	7	25
	Home With Cook	6	22	6	8	42
	Home Without Cook	6	11	2	14	33
Total		33	52	26	39	150

It is evident that most of the respondent stay in institutional hostel and state convenience as the main reason that motivates them to use online food ordering. As the chi square test detects, the significance level is less than 0.05 (at 95% level of significance) null hypothesis gets rejected.

As a result, we can clearly understand that the factor that motivates an individual to order food mainly depends upon the type of accommodation where they live.

H2: Factors that motivates them to use Online Food ordering & Income

- Null Hypothesis : Factor motivates the user to Online Food Ordering doesn’t depend upon their income they earned in a month
- Alternate Hypothesis : Factor motivates the user to Online Food Ordering depend upon their income they earned in a month

Table of Cross Tabulation of Monthly Income/ Pocket money & Factor of motivation to use online food ordering

Your monthly Income / Pocket Money * Factor motivates you to use Online Food Ordering Platform. (Most important factor) Cross tabulation						
Count		Factor motivates you to use Online Food Ordering Platform. (Most important factor)				Total
		Price	Convince	Choice & Variety	Home Delivery	
Your monthly Income / Pocket Money	0-3000	19	27	15	12	73
	3001-6000	6	3	6	11	26
	6001-10000	0	2	0	7	9
	10001-15000	0	2	0	2	4
	more than 15001	8	18	5	7	38
Total		33	52	26	39	150

It is evident that most of respondent has a monthly income of Rs.3000 and below, they state convenience as the main reason that motivates them to use online food ordering. As the chi square test, the significance level is less than 0.05 (at 95% level of significance) null hypothesis get rejected.

As a result, we can clearly understand that factor motivates an individual depends upon the level of income they earn in a month

Regression

H3: Income & Amount Spend on online food Ordering

- Null Hypothesis: There is no relationship between Income and Amount spend on Online Food Ordering
- Alternate Hypothesis : There is relationship between Income and Amount spend on Online Food Ordering

Table of Regression Model Summary of Income and Amount spend on online food Ordering

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.292 ^a	.085	.079	.629
a. Predictors: (Constant), Your monthly Income / Pocket Money				

Table of Regression Coefficients of Income and Amount spent on online food Ordering

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.127	.090		12.574	.000
	Your monthly Income / Pocket Money	.114	.031	.292	3.720	.000
a. Dependent Variable: How much amount do you spend on Online Food Ordering Platforms every month?						

As the significance level is less than 0.05, amount spent on online food ordering depends upon the monthly income or pocket money of an individual.

Y= amount spend on online food ordering: X= Monthly income

Y=1.127+0.114X

H4: Age & Factors that motivates them to use it.

- Null Hypothesis: There is no relationship between age and factors motivate them to use it.
- Alternate Hypothesis : There is relationship between age and factors motivate them to use it

Table of Regression Model Summary of Age and Factors that motivates them to use online food ordering

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.163 ^a	.026	.020	1.092
a. Predictors: (Constant), Age				

Table of Regression Coefficients of Age and Factors that motivates them to use online food ordering

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.705	.393		4.333	.000
	Age	.345	.172	.163	2.006	.047
a. Dependent Variable: Factor motivates you to use Online Food Ordering Platform. (Most important factor)						

As the significance level are less than 0.05, factors that motivate uses to online food ordering depends upon age of the user.

Y= Factors motivate them to use online food ordering: X= age

$$Y=1.705+0.345X$$

6. FINDINGS & CONCLUSION

Findings:

1. The main factor that motivates the consumer to use online food ordering is Convenience rather than price, variety and home delivery. It's supported by other factors including type of accommodation, their income and facilities provided in the app like time taken for order and delivery, offers and quick analysis of the menu
2. The main factor that motivates the restaurant to use online food ordering is environmental reasons such as customer recommendation, adoption to sustain in the market. But online food ordering platform serves as a better platform to promotions. SWIGGY is most preferred online food ordering platforms for restaurants.
3. The key promotional techniques are through Social Media like Instagram, Facebook etc and Word of Mouth. Promo codes and offers serves main vehicle to grab attention of the users.

Other Findings:

In Coimbatore the most preferred and trusted online food ordering platform is SWIGGY. Next preferred online food ordering is ZOMATO and UBEREATS. People of Coimbatore has no enough knowledge about FOODPANDA and Company Owned Apps like KFC, McDonalds, PizzaHut etc.

Consumers prefer SWIGGY, ZOMATO and UBEREATS because they seem to be free from error and easy to use. They have also reached customer's expectation in the following areas: picture of food displayed in app and food they got, estimated delivery time and information displayed about the product.

From cross tabulation of nature of restaurant & reason for adoption, it is found that general type of restaurant and bakeries mostly wants to increase sales by adapting to their environment and are not very keen on establishing their brand. Consumer's accommodation and motivation to use motivation to use Online food ordering platform, Consumers residing in Institutional hostels seek for variety and are price conscious while people residing at home are not really worried about the price but require convenience. People who have monthly income less than Rs.3000 are very much concerned about price while people with income more than Rs.3000 are not really bothered about the price but care about Convenience. People of Coimbatore generally order food only once in a week. Only few with no access to cooking order more than that. Unmarried, Students within the age of 25 only tend to order more than once a week. Others order just once a week when required

From the regression analysis done, it is found that amount spend on online food ordering is directly proportional to the money earned per month. For every Rs.1000 a customer earns, his amount spends on online food ordering increases by Rs.114. It is also found also found that number of orders on online food ordering platform depends upon the number of dine-in customers at hotels. For every 2 Dine-in customers, one online order gets generated.

Conclusion:

Online Food ordering is most preferred by the students and working professional who stay in institutional hostel and those who stay in home without food. Most of the customers prefer online food ordering platform because of convenience and ease of use. Online food ordering is cost efficient while compared to a dine-in restaurant. Online Food Ordering platform needs to improve on the pricing aspects and information about the product.

Restaurants of Coimbatore aren't having enough knowledge about online food ordering platforms. Restaurants feel using online food ordering platform as extraneous and over heading activity. The core benefits of online food ordering platform are cost saving and increase sales volume. From the study made most of the restaurants has adopted online food ordering to sustain market and satisfy customer needs. So the Online Food Ordering platforms need improve their communication channel and carry their real core value of online food ordering.

Online Food Ordering companies can introduce scheduled food ordering in Coimbatore. They can increase the benefits membership program like rapid delivery, free beverages and few add- on.

Online Food Ordering companies can introduce scheduled food ordering in Coimbatore as of Bengaluru. As there is more well-known and well recognized super- markets and departmental store in Coimbatore, these platform can diverse their business into the field of grocery delivery also like Big Basket and Grocery Cab. There are few customers who are located near to restaurant and they don't require a deliver partner. For these people, Online Food Ordering platform can introduce Take- OFF program. In this program, the customer can order in online and they themselves can get from the restaurants without expecting the delivery partner. They can increase the benefits membership program like rapid delivery, free beverages and few add- ons.

Future Research:

It is important to note that the limitation of the current research is the sample population, which was confined to Peelamedu of the Coimbatore city. The upcoming researchers can adopt this study in other geographical area like Chennai, Madurai, and Bangalore etc. Despite the limitation, this study identifies main factors that motivate consumers to use online food ordering platforms.

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