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Management

RESEARCH PAPER ON CONSUMER BEHAVIOR TOWARDS FOOD DELIVERY APP

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KEYWORDS :

In Present Marketing Scenario, the Study of Consumer Behavior has become essential. Consumers are the king of the market without consumers no business can run .All activity of business concerns ends with consumer and consumer satisfaction. In today's scenario, the study of consumer behavior has become essential part .Consumer behavior study is based on consumer buying behavior. The objective of the research endeavor is to achieve a better understanding of consumer behavior with the factors influence consumer buying processes.

Services are intangible products where in there cannot be any transfer of possession or ownership, and they cannot be sold but come into existence at the time they are consumed or bought. Services cannot be stored or transported. Eg: accounting, banking, cleaning, consultancy, education, etc Consumer behavior is the study of how individual customers, groups or organizations select, buy, use, and dispose ideas, goods, and services to satisfy their needs and wants.

Zomato is one of the most popular applications that provide services to the user to discover restaurants. The rise of digital technology is reshaping the industries. With the increased use of technology, the numbers of people engaging into the digital sector are rapidly increasing. With all the boom in digital industry across the globe, it had its impact on the Indian economy too. The online food ordering firms have grown up in bulk. Many new players joining the segment with innovative business models such as delivering food for health conscious people, home cooked meals, etc. Food tech is a vast market and food delivery startups are just a part of it.

This paper gives information about the online food ordering companies operating in India, their profiles and their USP. It also tells about the market share of the companies and the new trends in the online food industry. Although there are lot of local players in this industry, but this industry is highly dominated by four major players, the major pillars of this industry are Swiggy, Zomato, Food Panda and Uber eats. These four players dominate the industry due to their restaurant listings, marketing strategies, user friendliness of app and websites and on top of all that they are more trust worthy than the others.

Objectives –

1) To understand the advertising strategies and USP of the online food ordering companies in India.
2) To know about the latest trends in the online food ordering in India.
3) To know the latest issues of the major online food ordering companies in India.

Various apps in the food delivery start ups are just a part of it.

Various apps in the food delivery market –

- Food Panda
- Zomato
- Swiggy
- Box8
- Fasoos

Services Provided -

Sr.No.	Apps	Online Menu	Home Delivery
1	Food Panda	Yes	Yes
2	Zomato	Yes	Yes
3	Swiggy	Yes	Yes
4	Uber Eats	Yes	Yes

Although there are a lot of local players in this industry, but this industry is highly dominated by four major players, the major pillars of this industry are Swiggy, Zomato, Food Panda and Uber eats. These four players dominate the industry due to their restaurant listings, marketing strategies, user friendliness of app and websites and on top of all that they are more trust worthy than the others.

1)Food Panda

There are more than 25,000 restaurants in Food panda shelf worldwide. It is the fastest growing rocket venture in terms of country expansion. Food Panda advertised its brand with Shah Rukh Khan in their earlier days. It is famous for its unique restaurants which will not be available from it's competitors. The business strategy behind Food panda is its user-friendly app and swift delivery service at an economical price.

They've grown to become one of the largest food ordering portals Built a network of 2000+ partners including some of the well known brands like: Pizza Hut, Subway, Nirula's, Baskin Robbins, Mast Kalandar, Faasos, Dominoes, Moti Mahal and many more. They have each and every restaurant in their list which is street restaurant or some elite one. Food had been one of the major categories in consumer share of spending. Indian consumers spent more than half of their income on food whereas the consumers around the world spent one third of their income on food.

2) Zomato –

Zomato initially Foodie Bay is started in 2008 in Delhi by Deepinder Goyal, Pankaj Chaddah. Initially Zomato's motto is to list restaurants, their timings, prices of the items and reviews of the restaurants. Later they added an extra feature to book a table of the restaurant just by sitting in your home. Presently, they too became a food delivery service like Swiggy, Food panda and others with the previous features. Now, in Zomato we can book a table, we can have the list of restaurants and we can order food to our doors.

Zomato Advertising is very specific .This makes it highly targeted. They have an in-built analytics platform that run a lot of queries and get valuable information out. This makes it highly targeted. Zomato is famous for its amazing deals than it's competitors. Zomato advertises with animation and cartoons with a caption "Get amazing deals at quicker deliveries". Zomato is aggressive in marketing when compared to others, it actually uses guerrilla marketing.

3)Swiggy –

Swiggy food ordering start up is founded in 2012 in Bengaluru. Swiggy currently has 650 delivery executives from different backgrounds mainly college students working as part-time and full-time employees. It employees 5000 people right now. Swiggy is famous for its hygiene packaging when compared to it's major competitor Zomato, Swiggy advertises its brand with old couple, friends watching a cricket match etc and says that they provide faster deliveries when compared to it's competitors.

4) Target Audience –

Swiggy as a brand can cater to a huge target audience. It can include varied group of ages. it's ideal target audience will be people between 18 to 55.These people could be student's entrepreneurs or professional workings who are financially stable .

Search Engine Optimization –

SEO is an integral component of every digital marketing strategy. It helps improve your search engine rankings on the search engine results pages (SERP's).Along with perfect media strategy. A well planned content strategy also plays vital role .

3)Uber eats-

Uber eats was newer entry in to the Indian market when compared to others. It was started in 2014 and completed 10 billion trips all around the world. Uber eats is famous for its premier packaging and lunch and dinner menus. It mainly targets IT employees and graduate students. It concentrates more on dishes rather than concentrating on restaurants.

-Instead of leaving the delivery process up to its staff and drivers, Ubereats truly involves its restaurants in the entire process. Restaurants work with Ubereats to brainstorm and develop ways to make their menu options delivery-friendly as well as choosing the delivery range for their meals.

-Additionally, restaurants, especially small mom and pop shops, don't have large marketing budgets. Ubereats offers a unique opportunity to restaurants and food trucks by introducing their cuisine to a previously untapped market through its marketing efforts and existing customer base.

-Instead of simply acting as a delivery or concierge service, Uber eats provides value to its restaurant partners through the exclusivity of its Instant Delivery options and cross-promotional opportunities.

Advertising Strategies and USP –

Latest trends in online food ordering in India –

The concept of ordering food online is gaining popularity due to convenience being provided by the companies in terms of delivering food at the doorstep of the customer, option of alternate payment methods and attractive discounts, reward points & cash back offers which are being offered by the company. This sector has revolutionized the entire outlook towards the food industry as consumers now have the privilege to choose from a wide variety of cuisines, anywhere, anytime from a range of restaurants listed online. Moreover, customer flexibilities in form of no minimum order value and various payment options .

Customer Payment options are as follows-

1) **Internet Banking**
2) **Digital Wallets**
3) **Cash on Delivery**

All these payment have further enhanced the convenience of all consumer categories. The growing urbanization with easy access to smart phones has accelerated the growth of online food delivery system.

Latest issues of online food ordering –

Online food delivery system though extremely popular, still it has its own dynamics and it also present a number of challenges which have been discussed below, to give you a deeper understanding of the channel:

Not keeping the price model predictable

Prominence of a new system certainly attracts fierce competition towards it and online food delivery system is no different. Owing to the huge competition in this arena, adopting a price model which doesn't continuously fluctuates and push sales is thoroughly challenging. So now the small businesses run on lower margins & capital, and when they further reduce price it puts them out of business. And then in case of well-set restaurants and delivery firms, there is still no guarantee of higher sales after the price cuts too, noting the customers are always expecting "more benefits" as they place orders.

Dilemma over Logistics

The confusion is immense. Shall we keep the delivery restricted to few areas or across the whole city? Is there any chance of grabbing higher amount of orders from a specific area? How many vehicles would be needed for delivery and how should they be allocated across delivery points? How to ensure that food remains fresh while retaining its quality even when the delivery is for far-off location? Hence, there are endless concerns and it is vital that restaurants & delivery services keep all of these parameters in mind as they decide upon last-mile logistics model. Timely delivery should be ensured as its opposite may tick-off customers and the chances for same are high in case of ineffective logistics. Once the trust in your service is lost, it is going to be real tough to gain it back.

Inconsistent food quality

It is real job to maintain the quality of food being delivered to the customers. After all, the food delivered in packages stands just no comparison to food which has been served straight to the customers' table from the kitchen, which is just a meters away in restaurants. Even when adequate measure is taken to maintain food quality & packaging measures for the online orders, they still remain prone to quality lapse. Like, the pizzas may turn cold, curries are certain to spill; noodles turn sticky while sandwiches get moist. And the customers always equate food quality to delivery quality.

Inefficiency to cope with volumes

So, let's assume that a particular food delivery service has gained prominence. So, the demand is soaring and orders keep coming in. But, do the restaurants have the operations & logistics in place in order to deal with the volume without any interruption to services provided to walk-in customers. Often it happens that restaurants fail in developing a second or alternative line of operations to deal with online delivery orders.

Unreliability in delivery & logistics staff

With there being myriad retail e-commerce services for possibly every arena, the demand for delivery & logistics staff has certainly fuelled. But the attrition is pretty high too owing to various reasons like inadequate salary, poaching & absconding, lack in training, no employee benefits and nor the opportunities of progression, life and health risks (due to weather, constant changes in work schedule and they also carry such heavy, bulky bags). So, the delivery is certain to suffer when there is not enough delivery staff.

Hence, it is evident that the online food delivery system has a bright future but the delivery players must combat the hindrances coming their way to survive the immense competition.

Keeping these facts in mind, it's time to make the most with a brilliant food delivery mobile app and offer a great online food ordering experience for your customers.

In the world of online food delivery and e-restaurants, the challenges that face the food industry are no longer simple and require special efforts to stay ahead in the game.

Wavering customer loyalty-

In the age of e-commerce, fidelity is quite common in customers. The more choices they get, more spoilt they get. For them, the mantra is 'the more the merrier'. A restaurant or delivery service that provides better deals, incentives or freebies earns the loyalty of the moment. There is no sure-shot way to ensure that customers will stick around.

Unpredictable pricing Model –

Due to fierce competition in the online food delivery segment, it is very challenging to adopt a pricing model that is not subject to fluctuation and push sales continuously. As it is, the smaller players work on lower margins and capital, and reducing prices further may put them out of the business. As far as established restaurants and delivery services are concerned, there is no guarantee that price cuts will lead to higher sales as customers always expect 'extra benefits' while placing their orders.

Logistic Dilemma-

Should the delivery be restricted to only limited areas or spread across the city? What are the chances of getting a higher number of orders from a particular area? How many delivery vehicles would be required and how to allocate them across the delivery points? Would the food remain fresh and retain its quality if delivery is at a far-off location from the restaurant? Restaurants and delivery services need to consider all these and various other parameters while deciding the last-mile logistics model. Customers expect timely delivery, and inefficient logistics can only disappoint them and make them lose trust in the service.

Unreliable delivery and logistic staff –

The various retail e-commerce services have fuelled the demand for delivery and logistics staff. However, the attrition is quite high as well for a number of reasons such as inadequate salaries, poaching and absconding, lack of training, absence of employee benefits and career progression opportunities, and health and life risks (weather all

seasons, frequent changes in work schedules and carrying bulky bags). The delivery may take a bad hit if the delivery staff is short in number.

Inconsistency in food quality –
It is a fact that food delivered in a box stands no comparison to the food served straight from the kitchen at the tables a few meters away in the restaurant. No matter what food quality and packaging measures for online orders are taken, they are prone to quality lapses. The pizzas will get cold, curries or sauces will spill, noodles will get sticky and sandwiches will get moist. The customers equate the quality of food directly to the quality of delivery.

Inability to cope with Volume –
Let's say, a particular online food delivery service is getting quite popular. There is a spike in demand and orders just keep pouring in. But, does the restaurant have its operations and logistics in place to handle the volume without interrupting the service to walk-in customers? Most times, restaurants fail to develop a second or alternate line of operations to handle online deliveries.

Latest issues of the major online food ordering companies in India.
Confusing or Complicated Menu.
When hungry customers visit your site to order food online, they don't want to spend extra time navigating through your complicated online menu.

Timeliness
Once an order has been placed online, it needs to pass through several landing spots. The order needs to get to the restaurant, into the kitchen, and into the point-of-sale program. If a hungry customer finds that the wait time is longer than expected or predicted, there is less of a chance of returning to purchase again, and a greater probability that the customer will call to locate the order.

Accessibility
Monitor your analytics to see how customers are accessing your Web page and online ordering system.

CONCLUSION –
The food delivery and restaurant segment is now thriving at a blistering pace. Adding to this scenario is an increasing number of smart phones and food delivery apps. Food delivery apps have now become a big hit with tech-savvy individuals across India. There are several food delivery apps in India that one can download on smart phones to order food on the go and from the comfort of homes. This research paper gave brief idea about advertising strategies of the online food ordering companies in India ,this paper focused on the latest trends and issues of online food ordering in India . The special apps are convenient way for the consumer's to place orders and for the company to attract further more consumer but the comfort of usage must be given a higher preference.