



IMPACT OF ONLINE FOOD DELIVERY APP'S ON HYDERABAD HOTEL BUSINESS ECONOMY

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ABSTRACT The changing life style of Indian citizens making drastic changes in their spending patterns also, especially on food and garments are too impressive. In food sector the online food applications are making the task every easy and effective. The online food delivery apps are performing in a effective way by cashing customer income levels in the market with their effective and fast services. Increasing penetration of internet and smart phones have further facilitated the growth of the market. In addition, growing participation of Indian women in the workforce has also increased the preference for prepared meals and a large young population has expanded the customer base. The present giant players in online food delivery market are Zomoto and Food panda are focusing much in rural areas earlier, they launched in urban areas like metro cities in the country as Chennai, Hyderabad, Bangalore and Mumbai by focusing IT/ITeS employees needs and wants. Now they are trying to capture untapped rural market in district headquarters also with impressive performance. This paper is focusing on Hyderabad online food apps impact on Hotel business on various market dimensions.

KEYWORDS : Efficiency, Service Quality, Food App, Profit Share

INTRODUCTION:

The Indian food delivery operators are primarily focused on double income independent families in the city and their attractive promo coupons to made intended to use apps and brought food to their doorstep. Next they focused on Children in the family with their frequent naughty food wishes by preferring Chinese, Italian food dishes. The boom also reflected due to usage of smart phone by youth and elder generations and also impact of cheaper net tariff by telecom operators. With this supporting sector boost the online food app was virtually created a huge food bazaar for food lovers and the same generating money to restaurant owners and employment too for young generations. Most of the time these transactions are based on CoD (Cash on Delivery) mode.

Factors boosting apps Business in Hyderabad

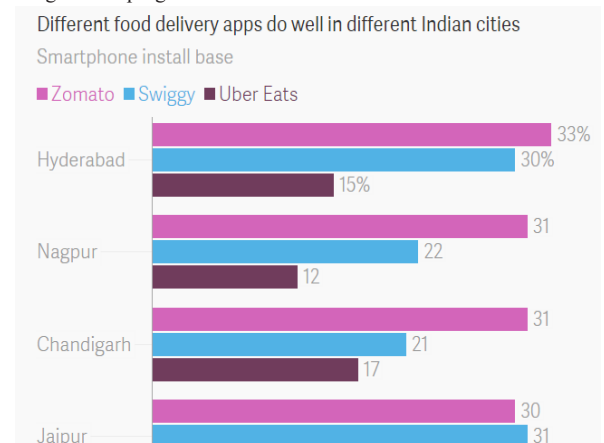
The changing global dynamics are making everything is on finger tips only. The replica of this scenario is online apps and generated its consolidated business in the market. This electronic usage evolution started online food delivery application (Food Apps.) business in world wide. As growing people living standards and their income levels are encouraging for online food apps. Growth rapidly and it records significant share of untapped business share in the market. The term is known as E-Commerce in present market.

- **Ideal Local Demography**—The youth population in the country is a big asset to the marketers in India to do their business creatively and most of the young generation people who are below 25 years of age preferring to have special food items rather than their regular home food items. This generation crating huge revue for food app service providers. Generally in India most of the food lover's orders fast food and snacks which are generally not made in their kitchen and most orders from 25-30 age group people.
- **Rapidly changing lifestyles**—The global working trend of 24x7 work culture made a standard impact on people life style which also changes people daily routine life timings and food habits drastically. This working generation food habits and type of food consumption and relative timings everything is varied from regular human life cycle in the society. This phenomena change food and bed timings of newer generations and also booster for food apps business and some of the young people are gaining good income as delivery boys.
- **Increase in the number of working women**— The increased women employees working ratio comparatively with men from last 10 years also a major supporting factor for food apps success in the country. After hectic work schedule in corporate world women's are not at all showing interest to cook for their family and most of the time they are depending on online food app. Services to satisfy their kids food desires in very quick manner.
- **Upgraded Living standards and increased consumption**— Due to IT sector and BPO sector developments creating more jobs and

earning standards of teenagers in the country supporting to spend more on eating habits and it helps good for online food apps. The system also allowing product range from least to highest which is bearable by all level of employees and all categories in the society.

Market Penetration:

The usage and availability of Smart phone usage (the statistics shows almost 12 million Smart phone users in India by 2019) at municipalities and district areas exploring market opportunities to food apps followed by offers provided by apps creators like Zomoto Gold card program created a huge revolution in food apps growth by provoking consumers to consume more. This offer create a market shake and even time came, the company kept restrictions on usage of this gold card program.



Source: Quartz India - Feeding Food Delivery, 2019.

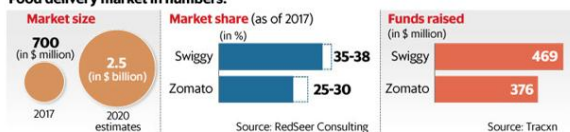
In the process of promotional offers Zomoto started a Gold member program which offering unlimited facilities to the members in its 1200 restaurant partners in and around of Hyderabad. In every purchase the member used to get points, if the points reach to 100, the member can avail a free diner worth 1000/- form partner restaurant which make a crowded orders from customer and the company revised the policy due to uncontrollable crowd in this scheme.

The spreading city and relative culture and heavy traffic problems encouraging people to opt online apps help for food and travel needs purpose. Due to vehicle exploitation and roads shrinkage people are not interested to move from home and at the same time they want their needs and desires will get satisfied without delay. The one source for this problem is using internet readymade apps and orders desired one and the same will get delivered at your doorstep in a stipulated time.

Future food for thought

The food-delivery business in India is expected to treble in size over the next three years to at least \$2.5 billion

Food delivery market in numbers:



To capture these business opportunities the business giants in the market are entered in the war field like Uber eats, Zomato and Food panda such multinational corporate. In the process of existence and survival they come up with attractive offers to customers by expecting great business orders in future course. This competition made a customer is the king in the market and their satisfaction prioritized more.

Literature:

Bhavna Singh (2015) explained in her study about food panda which launched 2012 in India and rapidly expanded their food app business by acquiring Tastykanna and JustEat app to tap market in centralized way. Now this app operating and had deal with 12,000 restaurants parents in all over India. The Just Eat app was launched in Bangalore earlier by the name 'Hungry Bangalore' late merged with Just Eat app by conducting joint business with 2000 hotels. They all are focusing not only delivery service but also hard core business strategies are implementing.

The attractive business figures for online food apps. i.e 32% of market share rise in 2016 compare with last year and expecting much growth further. The market penetration also quiet impressive in the market which increasing 67% of rise in weekend orders is a replica of business success in present market. By tapping this business the service providers come up with promo code offer and introducing offers so on gave boost for service providers and restaurant owners. The owners of restaurant are feeling much happy with free advertisements for their hotels.



Indian consumers habituated to online shopping experience through digital apps and e-commerce websites with maximum convenience and transparency would expect the same when it comes to the matter of online food ordering as well (Kapoor and Vij, 2018).

METHODOLOGY:

Objectives:

- 1) To know the food apps impact on people life style in Hyderabad.
- 2) To know the impact of food delivery start-ups like zomato and swiggy etc..on restaurant business
- 3) To measure monetary impact on hotel business through food apps.

Hypothesis:

H₀₁: There is no significant relation between type of Hotel and revenue increase with online food apps.

H₀₂: There is no significant association between reputation (Age) of the Hotel and profits through online food apps.

Sample:

A sample of 100 Managers/ Owners of reputed Hotels in Hyderabad and Secundrabad, who are in Hotel business from last 20 years and also service providers to Online food Delivery applications in GHMC area.

The data collected during January-February, 2020 are considered as sample for proposed study and data collection was made with a short questionnaire.

Analysis:

i) Business Share of online food delivery Apps.:

Option	Frequencies
10 % -20 %	31
20.1 % -40 %	41
Above 40 %	28
TOTAL	100

Inference: Almost 72 % of respondents agreed that, their online business share increased up to 40 % drastically due to service providers for online food delivery applications in Hyderabad region compare with traditional food business..

ii) Percentage of Order's increased through online Apps.

Option	Frequencies
Up to 30 %	37
30- 40 %	30
Above 40 %	33
TOTAL	100

Inference: The online food ordering rate also jumped above 40 % by different hotel customers through various online food delivery applications in Hyderabad region.

iii) Percentage of Revenue increased through online Food Apps.

Option	Frequencies
10- 25 %	51
25 %- 40	29
Above 40 %	20
TOTAL	100

Inference: With reference to revenue growth with online food delivery applications also reflecting a progressive growth with almost 80% of hotel owners are agreed that they are getting 50 % more income compare with traditional business.

Factor Analysis (Hotel Business Impact)

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.717	
Bartlett's Test of Sphericity	Approx. Chi-Square	14.613
	df	10
	Sig.	.013

Factor analysis is dimension reduction technique used to find out most influencing factors among tested factors. In this process KMO test is used to check the eligibility of factors for factor analysis with its significant value which is above 0.6 (above case it is .717) and the sig.value (Sig. value is less than 0.05 indicates multivariate normal and acceptable for factor analysis). The variance matrix indicating 69 % (statistically 69% variance is valid) variance on tested variable, i.e 31 % of other factors are influencing to decide stress cause factors.

Rotated Component Matrix ^a		
	Component	
	1	2
To Increase Business	.879	.058
To increase Customer loyalty	.513	-.182
For more profits	-.317	.588
Competitor killing Strategy	.194	.805
Regular business not in swing	.641	.329
Extraction Method: Principal Component Analysis.		
Rotation Method: Varimax with Kaiser Normalization.		
a. Rotation converged in 3 iterations.		

The Rotation component matrix helps in the better interpretation of factors. Since the first factor in the ROTATED COMPONENT MATRIX is heavily loaded with the stress causing factors. The Principle component matrix extracted only 2 most influencing factors whose Eigen value is more than 1, among tested 05 factors only 2 is mostly influencing on Stress causers. Those are

1. To increase Business : the Hotel Management want to increase their business share in the market by offering services through online food

apps, where their services/ products can reach by any time anywhere with least investment.

2. Competitor Killing Strategy: The second influencing factor is competitor killing strategy, where by capturing wide area with their services by using apps, the owners of restaurants want to kill competitor market share with software help and most of the present generation preferring same.

H₀₁: There is no significant relation between type of Hotel and revenue increase with online food apps.

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.646 ^a	4	.456
Likelihood Ratio	3.822	4	.431
Linear-by-Linear Association	1.459	1	.227
N of Valid Cases	100		
a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is 4.00.			

The above chi square test indicating the significant value is greater than 0.05 (0.456), hence the **Hypotheses Accepted**. i.e there is a strong relation between type of Hotel (Veg / Non-Veg / Bakery) and revenue increase, if the Hotel is Non-Veg. service provider normally they are gaining huge revenue increase compare to other type of hotels in Hyderabad.

H₀₂: There is no significant association between reputation (Age) of the Hotel and profits through online food apps.

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.189a	8	.001
Likelihood Ratio	7.480	8	.486
Linear-by-Linear Association	1.509	1	.219
N of Valid Cases	100		
a. 7 cells (46.7%) have expected count less than 5. The minimum expected count is 1.00.			

The above chi square test indicating the significant value less than 0.05 (0.001), hence the **Hypotheses Rejected**. i.e the Hotel reputation /age of the hotel in the market have significant impact and gaining huge profits through online food apps if the hotel is well known and famous in Hyderabad.

CONCLUSION:

The overall impression of online food apps impact on hotel business in Hyderabad was very progressive in all means like number of orders, revenue growth and profit share etc.. Considering the present growth patterns in organized restaurant business sector, it is sure that tremendous impact would soon happen on the existing restaurant businesses without own delivery-focused formats and it is only a matter of time and some significant global investments.

The Hyderabad people are much fond of food and snacks in their daily routine life and especially in the evening time and weekends. This habit became a backbone of success of online food apps business in Hyderabad and traffic problems adding somewhat benefit for this success. Second major considering point by local food lovers is item cost and distance of restaurant. In this connection the restaurants are designing customized menu with affordable prices for all category people to gain much business which is acting as pillar of business success. The earning capacity of the people also creating good scope for business where outskirts of Hyderabad is occupied by renowned IT/ITeS multinational corporations with more than 20,000 work force capacity, this generation will fetching good business deals for food apps and the delivery partners, which are expanded accordingly in rural Hyderabad. The smart phone revolution adding wings this business, where all economical categorical people in the society are utilizing smart phone with all common apps. free loaded in it. This initiation also dragging people for widely use of food apps. by everyone and same generating good business for service providers in the market.

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