

A Study on Customer Satisfaction and Perception towards Food Delivery services of Zomato with reference to Hyderabad City

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Abstract

The evolution and revolution of technology have completely changed the customization of products and services required by the consumers, especially in the e-commerce industry. E-commerce service providers are reaping benefits by offering online technological support to the consumers who cherish to get various services to their doorsteps quickly. Food delivery service through online booking is the latest version of e-commerce. The strength of these services is embedded in the fact that one does not need any kind of technical skills or proficiency of any particular language to avail the services. Having a minimum technical knowledge to place the orders via web browsers or mobile apps will make a good business nowadays. Though the Covid Pandemic has troubled this sector for the last one year, the global online food delivery services market size is expected to grow from \$115.07 billion in 2020 to \$126.91 billion in 2021 at a compound annual growth rate (CAGR) of 10.3%. (Mckinsey report, 2020). In India, we have major online food delivery channels like Zomato, Swiggy, Foodpanda, Travelkhana, Ubereats and so on... Among all, most of the customers prefer the services of Zomato or Swiggy due to their availability across the country.

This paper throws light on the perception and level of satisfaction of customers towards online food ordering services through Zomato. The data is collected through a structured questionnaire and interviews. The study has come up with some interesting findings which are incorporated in the report.

Key Words: *Online Food Delivery, Consumer Preferences, Expectations of Consumers, Consumer Satisfaction.*

Introduction

These days the restaurants are playing a dual role of providing offline services (Table services) and Online services (Food delivery to homes by taking the orders). The present food industry has been reaping

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the benefits of technological development while competing to serve the customer in a better way. Food is the basic need for every human's life and people do not want to go out to eat food due to many reasons like lack of time, stretched working hours, distance, lack of proper transportation, per head cost, etc. Given the option of online food ordering service, customers browse the required food items from their preferred restaurants which is time-saving as well as cost-effective. The other beauty of this service is that it is available throughout the day. The local restaurants tie up with the food delivery aggregators like Zomato or Swiggy for taking orders from customers. Zomato or Swiggy deliver the ordered food items in the specified time by hiring the food delivery boys. The convenience and affordable services induce a large number of customers access the online food delivery system. Customers order their preferred dishes online which also allow them more variety in placing food orders and that too from quality restaurants. Moreover, the delivery is assured by specific time limit beyond which, the customers can refuse the orders stating the delay in execution as the cause. To impress the customers and to maximize their satisfaction, online food aggregators always try to provide top class services as per customer needs. Zomato, one of the giants in the online food services sector, has been rendering its services since 2010. This study is made to extract the perceptions and satisfaction of customers towards the services of Zomato.

Review of Literature

Mrs I.Karthika and Miss. A.Manojanaranjani (2018), in their article "A Study on the Various Food Ordering Apps Based on Consumer Preference" stated that the advent of the Internet, accompanied by the growth of related technologies, has created a significant impact on the lives of people around the globe. The goal is to save time of customers by providing facilities like vacancy list at reception, digital food ordering, instant e-billing and fast parking service which will result in consumer satisfaction and ultimately profit the restaurant. This automated system saves time, reduce human errors, and reduce manpower and gives consumer satisfaction, thus beneficial for both restaurant and customer.

Ms. Harshleen Kaur Sethi (2017) in her article "Product and Brand Strategy of Zomato" stated that with the boom in e-commerce in India, the Indian consumer's life has been impacted in almost every vertical from online shopping to ticket bookings, healthcare, etc. One of such verticals is the e-food industry, which has very efficiently utilized the e-commerce platform in the online food review and food ordering business. This vertical has shown tremendous growth over the last 5 years signifying the untapped potential. The pioneer and leader of this segment in India has been Zomato. Zomato is a brand which



every consumer would associate with when he thinks of an e-food platform.

H.S. Sethu & Bhavya Saini (2016) in “Customer Perception and Satisfaction on Ordering Food via Internet, a Case on Foodzoned.Com in Manipal” stated that they aimed to investigate the student’s perception, behavior and satisfaction of online food ordering and delivery services. Their study revealed that online food purchasing services help the students in managing their time better. It is also found that ease of availability of their desired food at any time and at the same time easy access to the internet are the prime reasons for using the services.

Leong Wai Hong (2016) in the article “Food Ordering System Using Mobile Phone” stated that the technological advancement in many industries has changed the growth trajectory of the business. Efficient systems can help improve the productivity and profitability of a restaurant. It is believed that the use of an online food delivery system can lead the restaurant’s business to grow from time to time and will help the restaurants to facilitate major business online.

Hong Lan, et al, (2016) in “Improvement of Online Food Delivery Service Based on Consumers Negative Comments” stated that the online food delivery market is still immature; there are some obvious problems that can be seen from consumers’ negative comments. In order to solve these problems, one can neither rely merely on the self-discipline of online food delivery restaurants nor the supervision and management of online food delivery platforms.

Varsha Chavan, et al, (2015) in their study “Implementing Customizable Online Food Ordering System Using Web-Based Application” stated that the use of smart device -based interface for customers to view, order and navigate has helped the restaurants in managing orders from customers immediately. The capability of wireless communication and smart phone technology in fulfilling and improving business management and service delivery has been a boost to this industry. Their analysis states that this system is convenient, effective and easy to use, which is expected to improve the overall restaurant business in coming times.

Serhat Murat Alagoz & Haluk Hekimoglu (2012) in the article “Customer Perceptions of Electronic Food Ordering” stated that e-commerce is rapidly growing worldwide, the food industry is also showing

steady growth. In this research paper, they have used the Technology Acceptance Model (TAM) as a ground to study the acceptance of online food ordering systems. Their data analysis revealed that the attitude towards online food ordering vary according to the ease and usefulness of online food ordering process and also vary according to their innovativeness against information technology, their trust in retailers and various external influences.

Research Methodology

Research Objectives

The present study has the following objectives:

1. To study the customer satisfaction towards online food delivery and packing
2. To study the customer satisfaction towards the online food ordering app Zomato

Research Design

The researchers have adopted a descriptive research design for their research work. This research describes the level of satisfaction for the food delivery system.

Primary Data

The researchers have collected primary data from the consumers who are buying food online through the Zomato application downloaded in their mobile phones.

Secondary Data

Secondary data sources like a catalog of the company, product range book of the company, various internet sites, and Literature Reviews have been used.

Data Collection tool and technique

Data Collection Tool

Data has been collected using a structured questionnaire.

Data Collection Technique

The researchers have conducted a consumer survey to collect primary data. Primary data has been collected from the regular online food buyer of Hyderabad City.

Sampling Size

The sample size for the consumer survey is 100.

Sampling Technique

The researchers have adopted a convenient random sampling method for data collection.

Tools for Statistical Analysis

The researchers have analyzed the data and interpreted the results by using percentage analysis and ranking simple Percentage Method. They have used SPSS version 15 for data analysis. To examine the influence of the demographic aspect on the satisfaction of consumers for delivery of food, they have also conducted Chi-Square test.

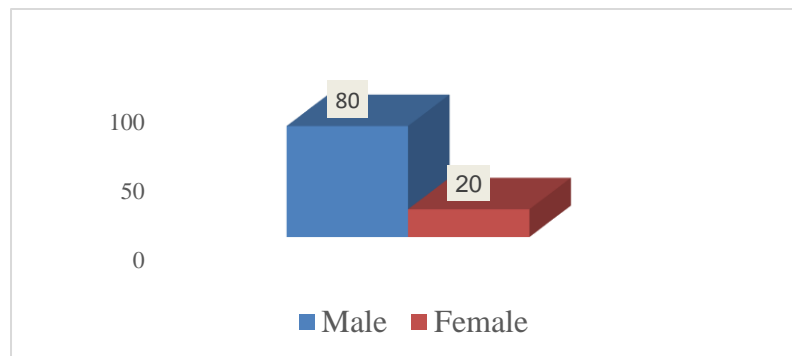
Limitations of the study

1. A small sample size of 100 respondents has been taken.
2. The data has been collected within Hyderabad city.
3. The interpretation is completely based on collected data and statistical analysis. The results might differ if someone else conducts the same study.

Data Analysis

Percentage Analysis:

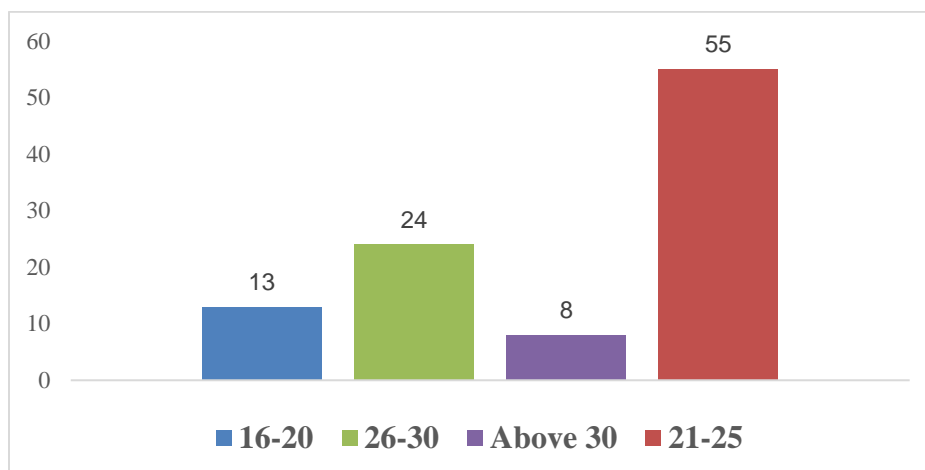
Figure 1: Gender of Respondents



Interpretation

From the above table, it can be inferred that 80% of respondents are male and 20% are female. It means the majority of the respondents belong to the male category.

Figure 2: Age of Respondents



Interpretation

The above table and graph analysis shows that 13% of respondents belong to the age group of 16-20. 54% of respondents belong to the age group of 21-25. 25% of respondents are from the age group of 26-30. 8% of respondents aged more than 30 years. The majority of the respondents who participated in the survey belonged to the age group of 21-25.

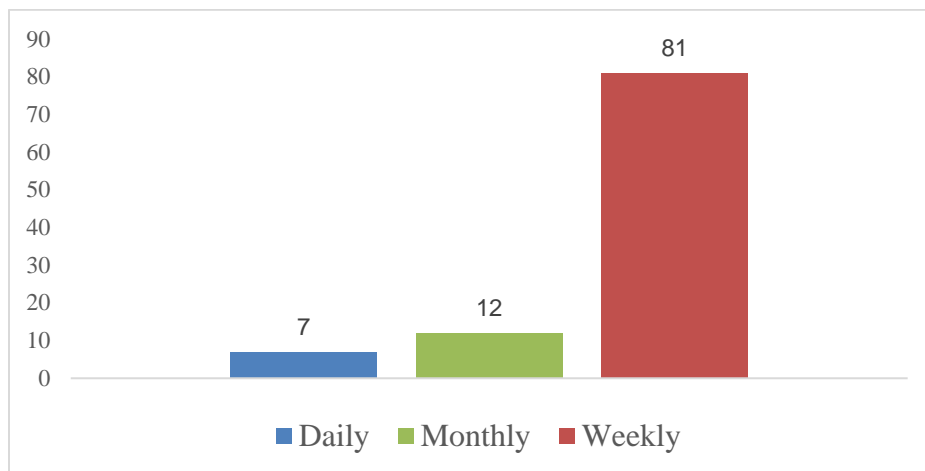
Table No 1 : Occupation of Respondents

Designation	No. of respondents	Percentage
Professional	6	6
Businessmen	11	11
Govt. employees	4	4
Student	66	66
Others	13	13
Total	100	100

Interpretation

The above analysis shows that 6% of the respondents are professionals, 11% of the the respondents are businessmen, 4% of the respondents are government employees, 66% are students, 13% of respondents are others. It can be said that the majority of the respondents who participated in the survey are students.

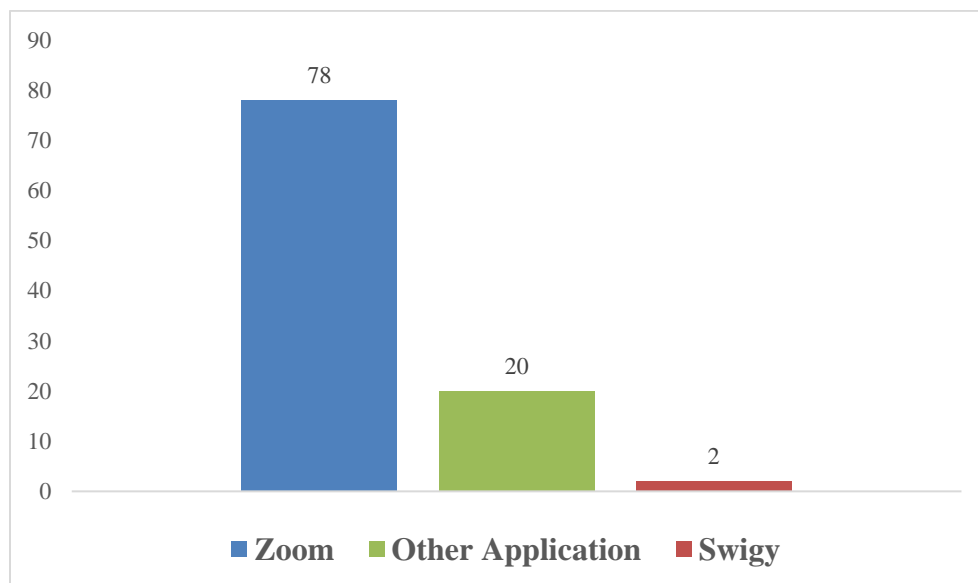
Figure 4: Online Food Ordering Frequency



Interpretation

The above figure exhibits that 7% of the respondents order food online daily, 81% of the respondents order food online weekly, 12% of the respondents order food monthly. It can be inferred that the majority of respondents order food online weekly.

Figure 5: Type of Food Application used for food delivery

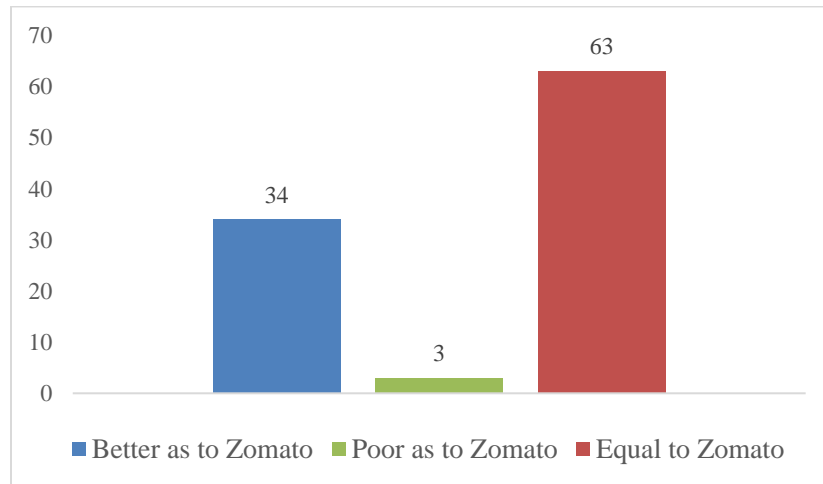


Interpretation

The above graph shows that 2% of the respondents preferred Swiggy app for ordering food online, 78% of the respondents preferred Zomato app for ordering food online, 2% of the respondents preferred other app for ordering food online. It can be safely said that the majority of the respondents preferred Zomato app for ordering food online.

app for ordering food online.

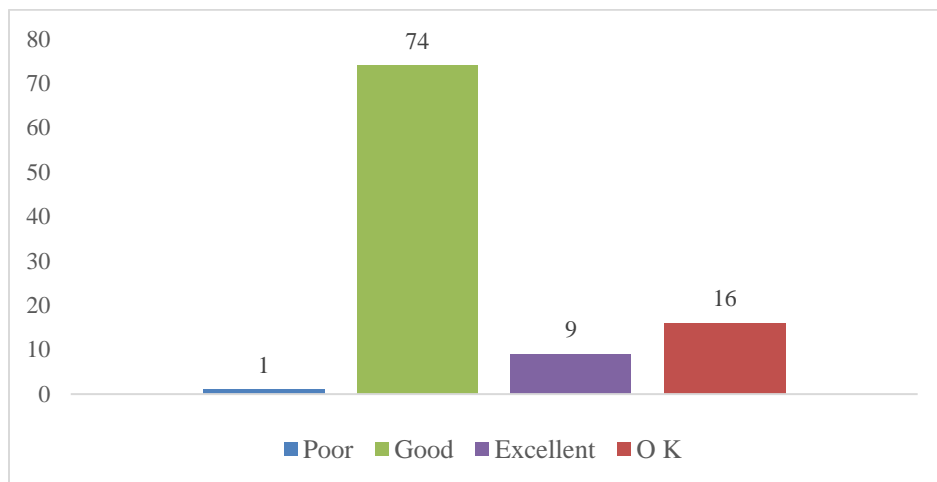
Figure 6: Respondent's experience with regard to other apps



Interpretation

The above figure shows that 34% of the respondents opined that Zomato offered better experience than other apps while 63% of the respondents felt that Zomato and other apps offered same type of experience whereas 3% of the respondents deemed that other apps offered better experience. The majority of the respondents perceived that Zomato and other apps offered equal experience.

Figure 7: Respondents' rating on packaging style by Zomato



Interpretation

The above graph shows that 0% of the respondents rate the food packaging style by Zomato as 1 on a scale of (1-5). 1% of the respondents rate the food packaging style by Zomato as 2 on a scale of (1-5), 16% of the respondents rate the food packaging style by Zomato as 3 on a scale of (1-5). 74% of the respondents rate the food packaging style by Zomato as 4 on a scale of (1-5), 9% of the respondents rate the food packaging style by Zomato as 5 on a scale of (1-5). The majority of the respondents rate the food packaging style by Zomato as 4 on a scale of (1-5).

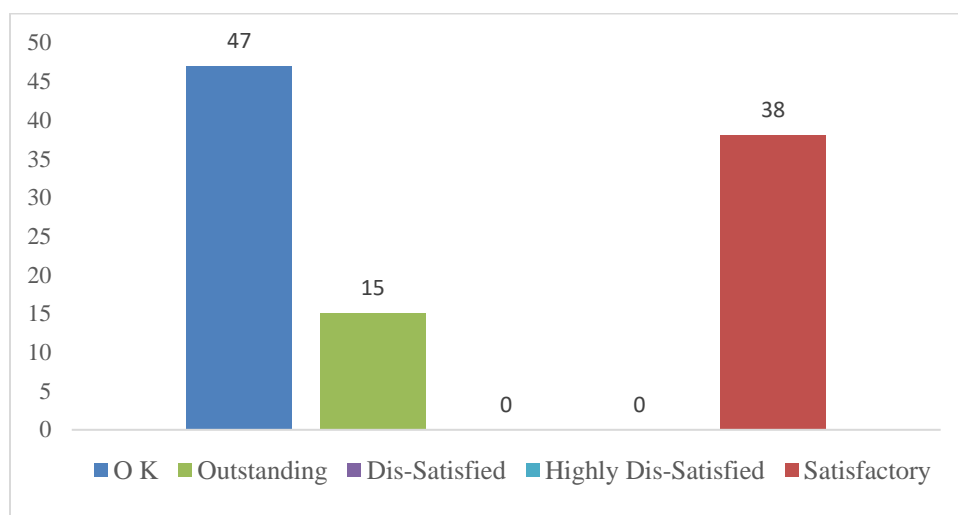
Figure 8: Respondent's rating on the Service Quality of Zomato



Interpretation

The above graph shows that 0% of the respondents rate the quality service offered by Zomato as 1 on a scale of (1-5). 17% of the respondents rate the quality service offered by Zomato as 2 on a scale of (1-5). 41% of the respondents rate the quality service offered by Zomato as 3 on a scale of (1-5). 35% of the respondents rate the quality service offered by Zomato as 4 on a scale of (1-5). 7% of the respondents rate the quality service offered by Zomato as 5 on a scale of (1-5). The majority of the respondents rate the quality service offered by Zomato as 3 on a scale of (1-5).

Figure 9: Overall satisfaction Level of Respondents on Zomato App



Interpretation

The above graph shows that 15% of the respondents opined that satisfaction level with Zomato services

is outstanding, 38% % found it very satisfactory, 47% % opined that satisfaction level with Zomato services is “O.K.”

Hypothesis Testing

Sr no	Null Hypothesis	Chi-Square p-value	Result
1	No significant influence of Gender of respondents and their experience on other apps	0.00	Reject Null
2	No significant influence of Gender of respondents and their satisfaction with the food packaging quality of Zomato	0.00	Reject Null
3.	No significant influence of Gender of respondents and their satisfaction with the Quality of service of Zomato	0.00	Reject Null
4	No significant influence of Gender of respondents and their overall satisfaction with the usage of the Zomato App	0.00	Reject Null

Based on the above table showing the P-value of the chi-square test, the researchers concluded that there was a significant influence of age group as well as gender on the satisfaction of Zomato’s food delivery system as well as Zomato’s food ordering system.

Findings

- In the gender-wise classification, it was found that 80% of the respondents were males and 54% of the respondents belonged to the age group from 21-25 years.
- Even though most of the respondents were students (66%) out of which 20% were females, there were differences in their satisfaction levels with the Zomato app and other app preferences.
- It was found that females were more satisfied with the quality of food rather than packaging as they



preferred quality over a presentation.

- Males were more concerned with the overall satisfaction of the Food delivery app which included packaging, customer service and food quality as it can be analyzed that most of them were students and were more concerned with getting their food delivered in whatever time they had in a short span to quell their hunger pangs.
- Most of the respondents tried using other apps but only 34% found them better than Zomato as they had better offers and schemes than Zomato.
- When it came to the overall satisfaction of Zomato application only 15% found it outstanding and almost 50% of them found it to be ok which means that they had been using these services frequently, almost weekly as a resort to finding convenient means of satisfying their hunger.
- As mentioned earlier, most of the respondents were students and hence the frequency of ordering food was the highest among them and most of them were satisfied with the food packaging but when the quality of service was in question, they found it okay.
- Zomato was found to be a hit among the students due to ease of access, reach, and delivery. However, if given cheaper options with better quality most of them could switch their preferences to other food delivery apps.
- It can be said that even though other food delivery apps were there in the market, Zomato was still a hit among most of the respondents.

Suggestions

Based on the above analysis and personal interviews held with the various restaurant business people, food delivery boys, the following suggestions are made to augment the quality of services by Zomato:

- Advertising not only plays a very important role in popularizing online food services but also influences customers to place orders online.
- The company should devise strategies targeting the age group of 21-25 years as their most of the customers belong to this category.



- The company should focus on giving better quality products as most customers were very brand loyal and were generally satisfied with the product.
- The company should focus on promotional schemes as it influenced customers to visit the app.
- The company should look after its service as many customers have rated (3) on (1-5) scale, as the customers expect good service from the company.
- Overall the company is providing good customer service as the satisfaction level rated by the customer is satisfied.

Conclusion

Online food ordering service such as Zomato nowadays has become very popular in India. People do not find adequate time to dine out or take away food due to fast pace of life. The internet has become a major source in the digital era where online food ordering has gained immense favour not only among the entrepreneurs but also among the consumers. Online food ordering is at the fingertips of the consumer. It gives the consumer a different but enjoyable experience as he/she gets used to it. Integration of a web food ordering system is no doubt the simplest, cheapest and helpful call for an eating place business owner. With a constant deluge of experts in urban areas and fast urbanization of the Indian scene, the food delivery and eatery portion is currently flourishing at a raging pace.

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