

ROLE OF FOOD BASED APPS IN INDIA

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Abstract

Getting food through online food apps has gained momentum in recent times. Online tools have shown a new perspective on the food industry. Online allows consumers to choose the food of their choice anytime, anywhere. Facilities like net banking and digital wallet payments, cash on delivery and minimum order value attract the customer well. Distances between City and Village have been reduced due to the widespread use of smart phones. Companies are making their services available online according to the convenience and preference of the customer to keep pace with the changing times. Due to the present Covid-19 pandemic situation, the online food delivery system is gaining momentum. In this research, we will specifically look at the growth and significance of digital apps in food delivery systems operated by food companies in India in specific and some of the approaches they can accept for maintainable business in the coming days and challenges faced by the company.

Keywords: Foods Apps, Food Industry, Online Payments, Smart Phone Revolution, Customer Perception, Food technology.

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1. INTRODUCTION

Online food delivery means ordering food online from a nearby hotel or restaurant. It also allows you to order and pick up items online, as well as pick up food online from the hotel of your choice. The amount for the food can be paid by plastic money (debit card or credit card) or after receiving the order. A portion of the amount paid will be refunded to the online food company.

Due to the time constraints of the current busy schedule, these online food apps allow you to get the food of your choice to the place you want. This means that it is more popular with the customer because of the availability of these services online. Customers can easily access competing service providers at competitive prices and at the same time they can also get input from their peers through social media, which affects their final purchase decision.

2. ORIGIN AND BACKGROUND

The process of ordering food online first began in 1994. The first to order and deliver pizzas online from Pizza Hut. The first online food ordering service, Worldwide Waiter (now Waiter.com), was founded in 1995.

Total population of over 1.2 billion, India today is one of the leading customer marketplaces in the world. Fifty percent of this population is under twenty five years of age, creating India one of the youngest countries in the globe. Furthermore, the large number of middle class Indians is predictable to reach five hundred and fifty million by the year 2025. In

addition, electronic commerce is projected to grow from US \$ 2.9 billion in 2014 to \$ 100 billion by 2021, making it the speed growing e-commerce market in the globe.

In this context it should be noted that the majority of fast food demand shows a growing trend towards those aged between 10 - 40 years. The recent increase in the number of young Indians working productively in sectors such as IT services has increased the spending capacity of individuals. According to figures provided by the World Bank, there has been a fifty percent increase in per capita income since 2006. This growing appetite and the spending potential of young Indians have made the food industry an attractive and lucrative area to start a business. With this significant growth in the online food and restaurant service industry, the gross value of the online food and restaurant industry is projected to reach \$ 2.8 billion by the end of 2019, a significant leap from \$ three hundred millions in 2016. Along with young Indians fueling the growing demand for online food delivery services, the rise of dual-income families in urban India, where both parents work, is dramatically changing the way people live in subtle and important ways. Changes in routines, lifestyle and eating habits have increased the demand for easily accessible and good quality food. It is projected that almost ninety two percent of small families who want or take out fast food do so to save time and energy, rather than making meals at home. Also, the upsurge in the number of working women and the increase in non-renewable income has proven to

be a key demand driver.

3. LITERATURE REVIEW

Cornell Hospitality Reports. Kims and P. Lock has printed an article entitled 'Online, Mobile and Text Food Ordering in the US Restaurant Industry'. It surveyed the top three hundred and six U.S. restaurant chains. Out. It shows that the industry is slowly accepting electronic collation in the form of online, mobile and text orders. Benefits of Electronic Order Improved sales, particularly through automatic upsurge and storage of order information, encourage customers to repeat their previous orders with a single click. Apart from the cost of installation and operation, the main disadvantage of electronic ordering is the ability to expand the rush time volume, which is likely to overwhelm the kitchen.

Cornell University School of Hotel Administration has published a paper entitled 'Consumer Awareness of Electronic Food Ordering'. Researcher Sheryl E. Kims surveyed four hundred seventy online users and originate that almost half of them ordered food online through online food delivery apps or through text messages. The study showed that the main reason for electronic ordering given by those who placed the order (customers) was that they gained convenience and control. The main factor deterring those who do not order through the electronic channel (non-consumers) is the desire for interaction (although technical concern is also a factor).

In the research paper 'Consumer Experiences, Attitudes and Behavioral Intent towards Online Food Delivery (OFD) Services', released by Vincent Chiev Cernoyo, C-Kwang Goh, Sajad Rezo, researchers studied the constructive relationship between positive motivation and post-utility, Hedonic motivation, price saving trend, time saving trend, online shopping experience, consumer attitude and behavioral intent towards online food delivery (OFD) services. They conclude that consumers are attracted to technology that can provide them with comfort by saving time and effort. Therefore, the website must be user friendly and be able to process the customer request as quickly as possible. In return customers are able to complete the transaction quickly, which is beneficial to both customers and sellers. Some discounts or promotions attract price-sensitive customers because they are more likely to choose the channel as it offers the best value for money.

According to Varsha Chavan et al., the use of a smart device-based interface to view and navigate orders from customers has enabled restaurants to quickly handle orders from customers. Wireless announcement and smartphone technology competences in satisfying and educating business organization and service distribution. Their analysis is that the system is flexible, efficient and easy to use, which is expected to improve the overall restaurant business in the years to come.

Under the title 'Factors Affecting Behavioral Intent to Use Food Delivery Apps' in the Lee E, Lee S, and Xian Yon study, the authors discuss the relationship between decision makers affecting consumer use of food delivery apps. Using an expanded technology acceptance model, they explored consumer experiences in purchasing delivery food through mobile apps. Hypotheses were tested by using the self-management questionnaire online and modeling the structured equation used. In conclusion, it was found that user-generated information, company-generated information, and system quality have a significant impact on perceived use. In addition,

system quality and design quality have strongly influenced perceived usability, which has improved perceived usability, and perceived useful feel and ease of use has influenced attitudes towards the use of mobile apps.

4. OBJECTIVES

1. To study the origin and growth of online food delivery Apps
2. To analyze the approaches of food delivery apps by companies.
3. To identify the challenges of online food delivery Apps.

5. RESEARCH METHODOLOGY

This research has been conducted by secondary data. The data has been gathered via various magazines, journals and online portals so on.

6. GROWTH OF ONLINE FOOD DELIVERY IN INDIA

The huge increase in the number of vehicles and the huge population density leading to high traffic jams, which is more prevalent in metropolitan cities like Delhi, Mumbai, Kolkata and Chennai, has seen a growing trend towards households that prefer to use online food delivery app services rather than cooking at home.

In a recent survey, more than 80% of food orders came out not only from the top 5 metropolitan cities in India, but also exclusively through online food delivery services. The "dining out" culture is now leading to the "eating in" culture. Worldwide food brands are now consolidation their association with food delivery service suppliers such as Zomato and Swiggy. Recently, Cafe Coffee Day launched Chain Virtual Restaurant, the largest indigenous coffee shop in India, offering orders only through Uber. Currently, the Indian online food delivery market is valued at \$ 7 billion. The market is largely occupied by Jomato and Swiggy, who have an 80% share.

7. Swiggy

Swiggy was founded in 2014 in office space by Birla Institute of Technology and Science Pilani alumni Nandan Reddy and Sriharsha Majeti. It started with a neighborhood, six delivery executives and twenty five partner restaurants. It now has partnerships with forty thousands restaurants and thirteen thousands delivery executives in twenty five cities. It currently has a market value of \$ 1.2 billion and approximately \$ 460.5 million in funding.

In 2017, Swiggy was named the 2017 Startup of the Year Awards by the Economic Times Startup of the Year. Co-founders Rahul Jaimini and Nandan Reddy are also listed in the Forbes thirty list. With a backdrop and best industry average delivery time of thirty seven minutes on this list, Swiggy tops the online food delivery market among most competitors.

8. Zomato

Zomato was originally founded as Foodiebay in 2008 and later renamed Zomato in 2010 by Deepinder Goyal and Pankaj Chadha. By 2011 Zomato had expanded to Bangalore, Pune, Chennai, Hyderabad and Ahmedabad and by 2012 it had expanded to the UAE, Sri Lanka, Qatar, the UK, the Philippines and South Africa. It currently operates

in 24 countries.

Zomato came up with an innovative concept called Cloud Kitchen. Over this invention restaurants can increase their business without experiencing any permanent costs. Zomato's market value is now estimated at approximately \$ 2 billion, with Alibaba payment subsidiary Ant Financial holding a nearly ten percent possession stake. Furthermore, Zomato has also picked up twelve startups globally. Despite numerous security breaches and controversies, Zomato continues to be one of the top competitors in the online food delivery market, despite being severely behind in achieving their goal. Zomato also propose made to order consumer service and multiple compensation options. With the availability of all services such as breakfast and dinner.

9. Uber Eats

The company was created in 2009 by Garrett Camp as a carrying network company. It now offers a wide range of services such as ride sharing, taxi cab hailing, bicycle sharing system and food delivery. The company made its first attempt at food delivery in August 2014 in Santa Monica, California. It has gradually begun to expand its network to other cities across the USA and is now present in over two hundred and fifty cities.

The Uber Eats app has been launched separately from their app for Uber Rides. Users can pay for menu, order and food from participating restaurants using their device on iOS or Android platforms or through a web browser. Customers may additionally tip for delivery. The app detects the user's location and displays restaurants separately from those that were closed at the time. Credit / debit card payment will be charged on file with Uber. Meals are delivered by cars, bikes or pedestrian couriers. Upon ordering, the customer will be notified of the total price including delivery fee and meal price. Customers can track the status of delivery after ordering. Uber Eats launched in India in May 2017. In India, the Uber Ride app has been integrated with the Uber Eats app so that the rider can choose to order meals during the ride. Although Uber seems to be a late entrant in the online food delivery app in India, they claim that other online food delivery giants in India, Jomato and Swiggy, have paved the way for them by building a strong market for themselves. Since entering the Indian market, Uber Eats has grown seven times in order volume and they add nearly four thousands and five hundred delivery partners each week. Globally, they have nearly 400,000 active delivery partners. Uber Eats contributes thirteen percent of Uber's gross bookings.

10. Approaches of food delivery apps by companies.

Online ordering:

With the advancement of technology, online ordering has now become the most preferred medium for ordering food. There are a lot of famous food delivery service providers amongst the customers like Foodpanda, Zomato ,Swiggy, etc. You can choose any service depending on your needs and preferences. You may also have your own restaurant online ordering mobile app or website which can be integrated directly into your point of sales.

If you are consuming more than 1 online ordering service, it is imperative to choose the point of sales that automatically collects orders through various online ordering services. This makes it difficult for you to manually count orders at the end

of the day. Applying knowledge can improve your food delivery service and online ordering familiarity for you and your consumer.

Make sure your website is SEO optimized and has a clear CTA. If disordered, deliver on to find out how you can improve your restaurant website to charm more online transactions.

11. Save clear message

Phone ordering is still prevalent, but it can also prove inefficient. Chances are that your staff will accidentally delete the wrong orders, or that a customer will not explain his order properly. Make sure your staff is properly trained to communicate well with customers over the telephone. Train them to make a decent person in perfect order, without any distinction. Make sure customers understand that you offer options in clear order and so place their orders.

Assign status balls with commands and technology we can use technology to our advantage with allotted orders to your restaurant delivery proxies, and then track them after orders have been sent. Through the point of sales is delivery application, you can assign free riders orders. You can track the entire delivery process to assess driver performance and positive routes. It helps you record the time you send and take the time it takes to deliver orders to track and analyze your delivery staff. This module also helps to classify customers according to their order data and maximize home delivery orders based on data.

12. Source of delivery drivers

3rd party restaurant delivery partners such as Zomato, Swiggy, Foodpanda, etc., or subcontracting self-employed distribution drivers to suit your needs, you no longer have to invest in delivery boys and vehicles. Subcontracting distribution drivers is an inventive way to decrease delivery time during unanticipated urgency . It also reduces the cost of such insurance and hourly food supplies.

It averages seventy percent of all restaurant orders that protect children from having children delivering online ordering at home, and almost all restaurants are expected to produce, merging with various online delivery companies.

12. Correct address and customer message

Preparation can take a long time with most restaurant delivery orders are delayed, but can also take a long delivery time. Your delivery can seem daunting reaching the address given by the guys. This is a small hurdle that can be easily managed with proper communication by customers. Confirm the address and call the customer before taking their order for delivery to ask for the appropriate landmarks if the address seems incomplete. Also, use a customer relationship management software to avoid asking for address name, contact details and details every time the user handles the address. Provide your riders with global positioning system to help them identify customer addresses.

13. Pay attention to packing

Packaging or delivering food that the breaks down restaurant delivery sales is a key. Make sure you pack food neatly so that the food is in good condition and not spilled. Ideally, the food should be good to eat as it is served in a

restaurant. You can also use the packaging to create a brand recall for your restaurant. Make sure the restaurant's logo and theme are displayed on the package.

14. Standard delivery procedure

Restaurant Own Sourcing Restaurant delivery partners will not compromise your service capacity to you. Assign kitchen staff and delivery driver's specific delivery responsibilities. Our outsourced delivery drivers must be proficient in their coverage area and make sure your home kitchen staff knows who is responsible for ordering supplies so they keep orders ready. This gives drivers more time to definitely match content and avoid any mistakes.

15. CHALLENGES

The main problem leading to closure of online food delivery startups is that most of them still have not touched a significant portion of the value chain. Referring to a report available by Readymade & Off-Premise, sixty percent of customers' texture that the food they order and eat at a dine-in restaurant tastes the same and forty percent of customers want the same level of freshness.

Additional fundamental cause for the letdown of numerous online food delivery startups is that they are carbon duplicates of each other and lack whole modernization.

These online food delivery service providers are constantly facing the following challenges:

- Lack of appropriate transport control - timely delivery problems and deficit of distribution staff
- The attitude of customers 'on the fence' does not mean loyalty
- Inability to handle large orders (meal - take and take)

16. CONCLUSION:

With the constant flood of professionals in India and the rapid urbanization in India, the food delivery and restaurant sector is now thriving. Currently, many food delivery apps in the Indian market are available for download on smartphones and can order food from their homes. Currently, cash on delivery is the most preferred option of payment, but other digital techniques are also seeing significant growth.

It is safe to say that online food delivery apps are not a passing step and in order to keep up with the growing demand and competition they need to constantly monitor their activities and processes, re-examine and be sensitive to opportunities. There is a huge market for online food delivery startups as consumers are now spending less time preparing food for a variety of reasons such as wage increases, less free time and work stress. Therefore, it is now a waiting game to see how the industry progresses and develops.

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