

Driving Forces for the Success of Food Ordering and Delivery Apps: A Descriptive Study

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ABSTRACT

Ever changing demographics customers demanded changes in practices of marketers and especially in food ordering and delivery sector. Revolutionary advancement in information technology and communication has amended the way customers interact with sellers and particularly in the field of ready food. Customers can easily order the food and get it delivered at their door steps than earlier with the help of food delivery apps. The industry is growing at a pace than the expected due to many forces like convenience to customers, cost benefit, flexibility, more options to choose, time saving etc. The present study is based on previous researchers conducted on similar subject and it will emphasise on understanding the reasons for success of food ordering and delivery applications.

Keywords— Food Ordering and Delivery Applications, Ready Food, Information Technology, Flexibility

needs of eaters and provide them a better service. This model is a huge success due to convenience to make decision by the customer to select the food easily from menu, convenience to place an order with service provider and convenience to make payment through multiple channels [16].

The business of online restaurant food delivery is undergoing major changes as it creates new approaches to reach the end customer. Millennials being the key drivers, there are new delivery channels at hand with new delivery methods like robots, drones etc. reaching new niche markets with the help of new technology like virtual and augmented reality and artificial intelligence [12].

Online food order and delivery applications and website are definitely future of restaurant business as they can provide many benefits to both customers and service providers. Digital platforms can enjoy a dominating position in the market by offering customised services at affordable prices to the target customers. The market also will grow at rapid pace due to favourable conditions like changing markets, high purchasing power of customers, technological advancements etc.

I. INTRODUCTION

In the complex environment of serving customer, all the service providers thriving to maximize their capabilities by increasing the customer base. Food industry is not an exception to this scenario. Sellers engaged in food industry are looking for new opportunities to serve the customers. In the process, we have witnessed a new platform in the form of food order and delivery system for food industry. Digital platforms have been evolved to cater to the customized needs of the customers due to social and cultural changes. Changing family system, changing life style of people, double income, lack of time to prepare food at home, increased disposable income, offers from restaurants and delivery system are some of the reasons for evolution of food order and delivery apps.

Online food delivery applications have become popular because of reasons like visible menu with prices, complete information about service, real time tracking of delivery, push notifications, multiple payment options, GPS searching of nearby restaurants, better interface and discounts and deals offered [15]

Online food ordering connects the eater and restaurants through web or mobile applications. The websites and applications are customized to cater to the

II. REVIEW OF LITERATURE

Customer experience with food ordering apps is not only influenced by performance expectancy, effort expectancy, social influence, facilitating conditions, price value, hedonic motivation and habits but also online reviews, online ratings and online tracking. Customer satisfaction about mobile food ordering apps is determined greatly through customer experience and the above said factors [1].

Customers may find many benefits from ordering food through mobiles applications like comfort, time saving, different options to buy, offers from sellers, avoid travelling distances, door delivery and assured quality. There are few disadvantages like lack of face to face interaction with service provider, no replacement facility in case of bad taste or spoilage of food and no guaranteed taste and hygiene [2].

There is a progressive awareness among customers about food delivery apps in the recent years. Buyers are

using the food delivery apps for a quite time as they offer advantages like convenience to use, multiple payment options, better customer service, tracking order, receiving expected order and providing information. Though there are benefits, customers are worried about risks like loss of financial and personal information [3].

Online food delivery has its pros and cons based on the perception of customers. This system helps the customers to order and deliver food more conveniently and in less time. It provides complete information about the order to enhance customer experience. It also helps customers to track the delivery of food. Customer database maintained by service providers can improve the service to customers [4].

Restaurants enjoy benefits like more orders from customers, increase in sales, increase in customer base, opportunity to retain the existing customers and order accuracy from food delivering apps. The online food buying decision of customers is influenced by factors like ease of payment, availability of different options, time saving and convenience in ordering the food [5].

Growth in usage of smart phones has triggered the growth in the use of digital food delivery applications. The major driving forces for growth in digital food delivery platforms are changes in social status of people, increasing nuclear families, changing role of women as they start pursuing their career, increased ready food culture, more restaurants are set up and less time to cook at home [6]. The quality of information provided by service provider has huge influence on preferring food delivery apps by the customers. Website design can get the trust of the customers while they use apps for food ordering. Better customer service, security and effective payment system also can influence the decisions to buy food from delivery apps [7].

Most of the people using digital food delivery apps are the young customers. The frequency of buying food using delivery apps is also increasing among the customers. Customers also prefer to make online payment using digital wallets and UPI platforms. Offers provided by the delivery apps is also one of the factors influencing customers [8]. With rapid urbanisation, the food delivery system and restaurants are thriving for more sales and higher customer base. Stupendous growth in use of smartphones and applications in smart phones, there are opportunities for food delivery apps in the market. Social media and different payment options can help the service providers to attract more buyers in the market in the present scenario [9].

Door delivery of food is the prime reason for success of food delivery apps apart from ease of buying and convenience. Rewards and cashback offered by service provider can also influence the buying decision of customers. Location is also a driving force while ordering food from a restaurant through apps. Previous bad

experience and negative influence by friends and family are the factors which can negatively influence the decisions of customers to buy food through apps [10].

Customers who are young and working group are more inclined towards online food delivery apps. Among the gender, male is dominating compared to women in ordering food online. More married customers preferred to order food online than the unmarried. Many preferred to buy food from a restaurant through delivery apps due various advantages but few rejected due to hygiene and quality concerns [11].

Millennials are the drivers for food delivery services as they highest share of their budgets compared to other generations. Food delivery companies funding new ways to distribute the services to end customers. They are using different platforms like social media, virtual assistant, smart watch etc. Drones, robots and parachutes are used to deliver the food to the door steps of customers in selected markets. The food delivery business is also finding the niche markets to serve it [12].

Popular food delivery apps are mostly preferred by customers as they can provide better services. Food delivery apps provide only limited information as the customers look for more comprehensive information. There is perception among customers that online food delivery apps charge a bit higher delivery charge [13].

Changing customer preferences triggered the increase in sales for online food delivery apps. High income group and millennials are the major target group for digital food ordering services. Independent platforms are picking up as the restaurants investing in creating customer base. Third party platforms are able to bridge the gap between restaurants and food lovers [14].

III. OBJECTIVES

The current research has the following objectives to achieve.

- 1) To understand and identify driving forces for the success of online food order and delivery applications
- 2) To develop a conceptual model to understand the dynamics of digital food delivery business.

IV. METHODOLOGY

The present study is based on secondary data from previous studies conducted on selected research problem. Articles similar to the research problem were collected from available sources and they were reviewed to understand the dynamics of digital food order and delivery business. The driving forces for the success of online food delivery business were understood from previous researches.

Based on that a conceptual model was developed to understand the driving forces. This study could be a basis

for further study on online food delivery applications to understand the dynamics of business and to understand the consumer behaviour about the same.

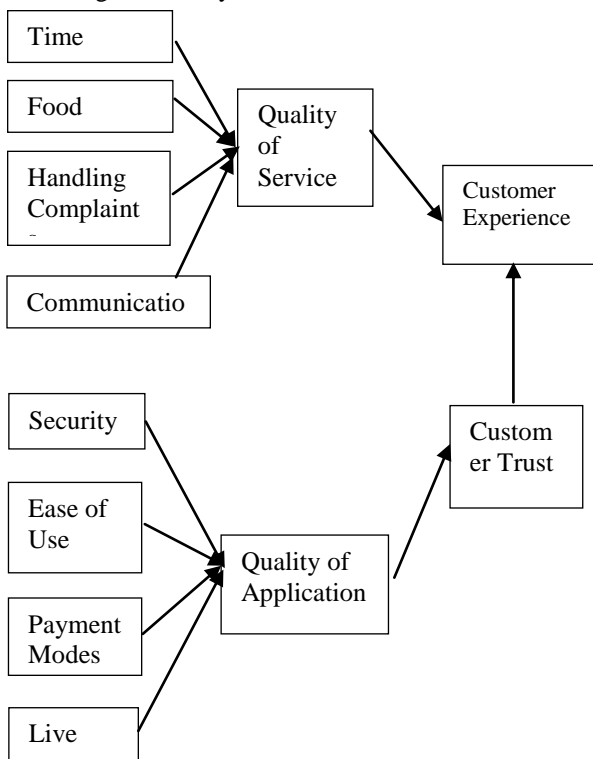
V. CONCEPTUAL MODEL

A conceptual model was developed to understand the driving forces for the success of online order and delivery applications. After analysing few available models on online food delivery system, a conceptual model was developed with two major components namely quality of service and quality of application and factors contributing to the better experience of customers while they order food from online platforms.

Quality of service and quality of application are considered to be most important factors contributing to the success of online food delivery business.

Quality of service in digital food delivery business is influenced by time taken to deliver food at the door step of the customers, quality of food served by the restaurants, quality of information disseminated to the customers and the way customer complaints handled by the service provider.

Quality of mobile application has an impact on trust of customers about food delivery apps. This quality of application can be determined by ease of using the app, security provided, multiple modes of payment offered and live tracking of delivery of food.



Picture 1: Conceptual Model

VI. DISCUSSIONS

As the markets change due to changes in customer preferences, there will be opportunities for marketers to grab from the market. Digital food delivery business is expected to grow very fast as the market offers potential growth in the near future. The major driving forces for the success of this business could be convenience to place an order at any time and from anywhere, different options to make payment ranging from net banking to digital wallets, more variety of food items to choose from different restaurants, searching the restaurant nearby, saving time, discounts from sellers, free delivery and safe secured transactions and comprehensive information about services.

VII. CONCLUSION

This conceptual research paper can give inputs for further study on understanding the reasons for growth of online food delivery business in the market. Marketers can explore the future opportunities in this segment and design their marketing programs. We can see more updates and new technologies in this business as it is growing exponentially. Marketers need to invest their resources cleverly as the competition in the segment also intensifying. Digital food delivery business can flourish in the future due to demographic and economic advantages in the market.

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