

An Analysis of Online Food Ordering Applications in India: Zomato and Swiggy

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Abstract : *Startups in India become a talk of the town in world business scenario. Youngsters are coming up with innovative concepts to counterpart untouched concerned area of consumers. Currently Indian Online food market is \$350 billion. Food technology in broad area, online food delivery apps are just part of it.*

This conceptual study will give more insight about emerging innovative technologies in restaurant industry and strategies followed by online food start ups Zomato, Swiggy.

From this research paper we would understand drivers of online food sites. Different services given by application that makes consumers happy and satisfied. Comfort and Convenience which makes consumer more inclined towards online food ordering.

The research concluded that due to urbanization in Indian landscape, online food delivery applications are growing with flying colors. Future of online food ordering website is bright. Facilities, Comfort, User friendliness are the key features of online websites success.

Keywords: *online food ordering websites, Zomato, Swiggy, innovation, Restaurants, service industry.*

I. INTRODUCTION Online food ordering apps are the media by which local hotels and restaurants, chefs, canteens are delivering take away and food parcel directly to consumers footsteps. Due to increase in working young generation in metro cities and hectic work life culture this type of idea is easily spreading. This system has generated a new dimension to working people's kitchen. Now days consumers are getting more attracted towards online ordering apps rather than home delivery of a specific restaurants. In a process of online food ordering apps there is no human intervention involved which gives it more privacy. Apps are having number of restaurant, chefs kitchens listed with their menu specifically. So the consumers need not to carry pamphlets and menu list for further orders. It gives convenience to order food on click of a button. These apps can be directly downloaded to smart phone which give them more accessibility. By giving your address and profile, payment information account can be created. However the app needs to be downloaded by the customers on their cell phones and register them on the app. Creating profile on apps includes their address and payment information. Apps are having different kind of mode of payments like credit cards, debit cards, cash less accounts and free home delivery. Different apps offer different services, offers, features or restaurants too. Downloaded app used to give some coupons discounts, previous order history, some palette suggestions, recent customers review on restaurants as well as dishes. The market business of Indian food industry is expected to reach \$420 billion by 2020, reports BCG. Presently, the Indian food business is around \$350 billion in 2019. This sector is coming up with innovative ideas to provide their consumer convenience, satisfaction and retention. There is a huge competition between free home delivery given by particular restaurants and online food ordering apps. Due to introduction

of new technology and innovation consumers are having so many options and varieties to choose from. Initially due to adherences there is skeptically, dicey about idea investor were hesitant but after success of concept there are growing number of players in market. Zomato, Swiggy, food panda, UberEats, Just Eat are some main players in this segment. Few big restaurants brand owns their own chain of delivery like Dominos, Pizza hut, fassos, KFC.

2. OBJECTIVES OF THE RESEARCH

1. To discuss the concept of online food delivery applications.
2. To identify the pros and cons of the online food delivery apps from the point of view of restaurants.
3. To analyze the pros and cons of the online food delivery apps from the view point of the customers.

3. RESEARCH METHODOLOGY

Primary Research: For research work two questionnaire were drafted one for the consumers who eat out or order online through online apps and second for restaurants who are listed with any online food delivery apps. Maximum numbers of question were based on Pros and Cons related to online food ordering websites. From both ends they have shown their perspective.

Secondary Research: Although there is not much work done on this newly introduced concept which is untouched in India. But on global perspective literature review has been done which includes research papers, blogs, magazines, news paper.

4. LITERATURE REVIEW

Serhat Murat Alagoz & Haluk Hekimoglu (2012), opined that e-commerce is dynamically growing worldwide, the food industry is also indicating an increased growth. They have suggested the Technology Acceptance Model (TAM) as a base to study the acceptance of online food ordering apps. Their analysis of data stated that the attitude towards online food ordering is due to the ease and usefulness of online food ordering process and also vary according to their innovativeness against information technology, their trust in e commerce websites and few external influences.

1 Ashoutosh bhargve (2013) said that Foodpanda an online food ordering apps has been launched in the Indian market since May 2012. Foodpanda first major move was acquisition of TastyKhana, which was started in Pune in year 2007. With acquisition of TastyKhana and JUST EAT, it is now available in over 200 cities and delivery partner with over 12,000 restaurants.

JUST EAT which was launched in Denmark in 2001 and was listed publicly on the London Stock Exchange is also mentioned. Their Indian venture was come as Hungry Bangalore in 2006. It was reintroduced in 2011 when JUST EAT acquired a majority share in the business. Today, the company partners with over 2,000 restaurants.

2 H.S. Sethu & Bhavya Saini (2016), their idea was to analyze the student's perception, behavior and satisfaction of online food ordering and delivery applications. Their study shows that online food ordering apps secure their time due to easily availability. It is also found that visibility of their favourite food at any point of time and always access to internet ,free data are the main reasons for using the apps.

3According to Sheryl E. Kimes (2011), his study found that perceived control and convenience associated with the online food ordering services were important for both users and non-users. Non-users need more personal attention and also had high uncertainty towards use of early technologies.

4According to **Leong Wai Hong (2016)**, the technological advancement in many industries has changed the business model to grow. Efficient systems can help improve the productivity and profitability of a restaurant. The use of online food delivery system is believed that it can lead the restaurants business grow from time to time and will help the restaurants to facilitate major business online.

5According to **Varsha Chavan, et al, (2015)**, the use of smart phone mobile interface for consumers to view order and follow has helped the restaurants in delivering orders from consumers immediately. The increase in uses of smart phones and computers are giving platform for service industry. Their Analysis concluded that this process is convenient, effective and easy to use, which is expected to better day by day in coming times.

5. DATA ANALYSIS AND DISCUSSIONS

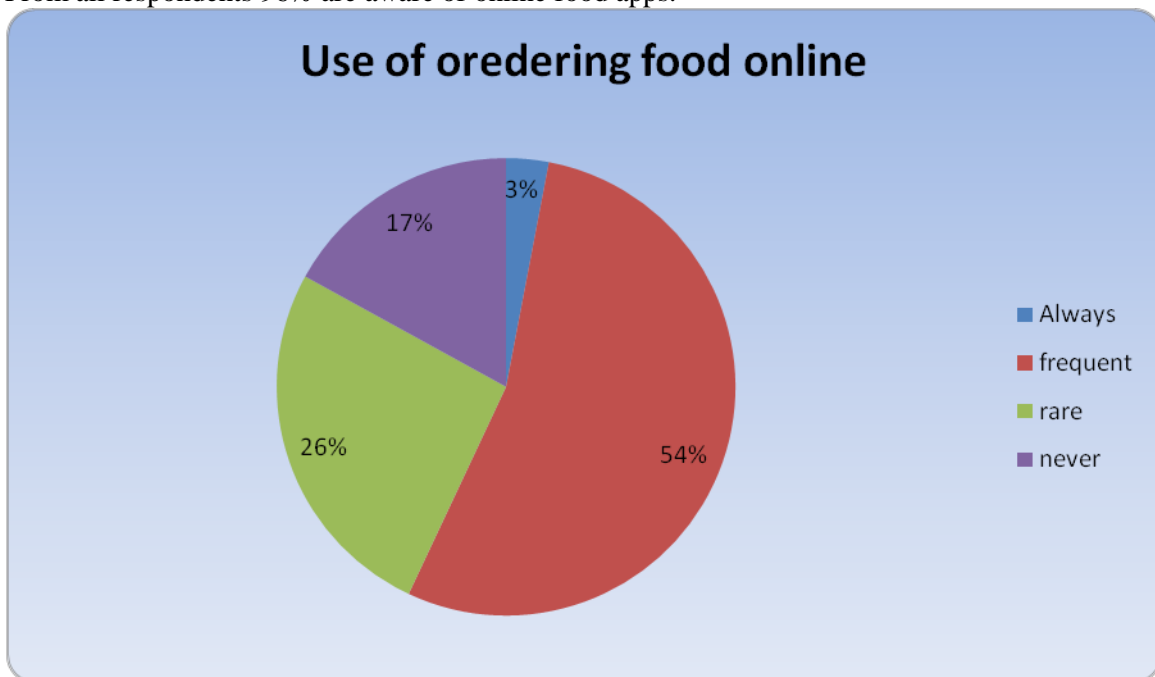
The study indicated that the online food delivery business model is highly demandable, potential and money efficient. This space is increasing in leaps and bounds because of the size of market. Every human needs to eat multiple times and variety in a day .So it ensures repeat in order and growing business. Due to repeat customers, Profit margins are high. Ordering online is nowadays is fashion or a way of life. Ordering online is much comfortable and less expensive than dine out. The Pros to the customers are:

1. Ordering online is quick and human error and intervention free
2. Due to technology driven portal there are minimalistic chances of error.
3. The customer has the variety of menus and restaurants to choose from.
4. The consumers have the advantage of promotional deals, loyalty benefits and discounts offered.
5. It gives restaurant like pleasure at their own places.

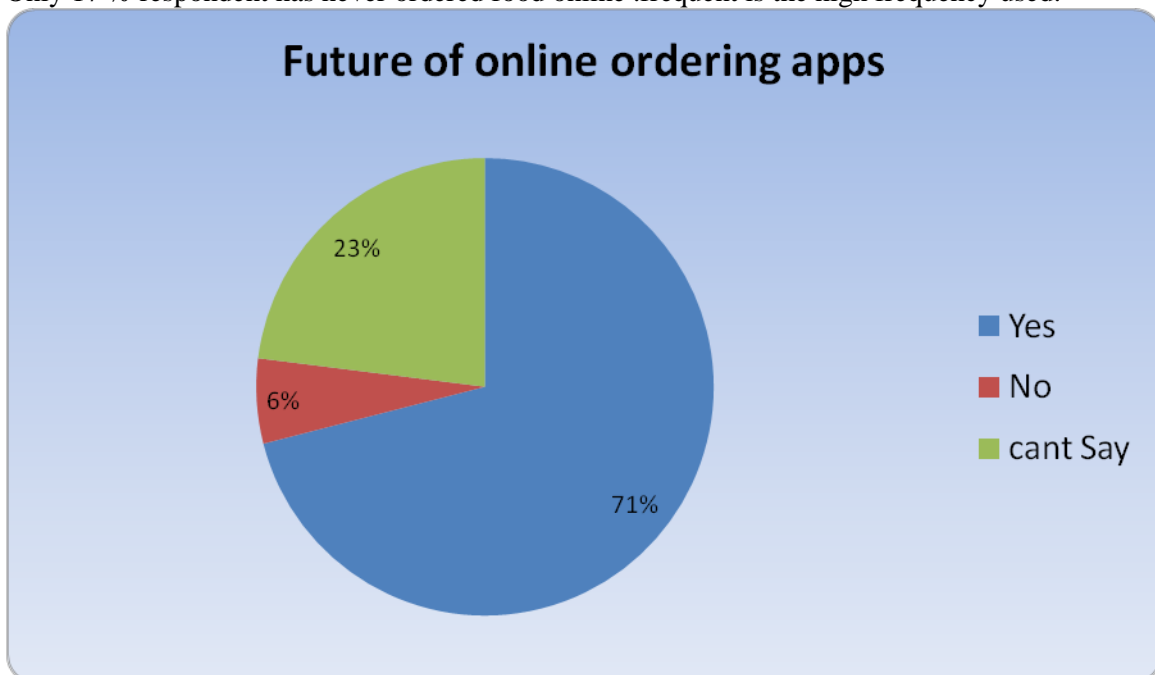
Different questionnaire was given to the consumers and the restaurant owners / chefs to find out the pros and cons that are experienced by them while using the online food ordering application process. The given responses were tabulated and analyzed below



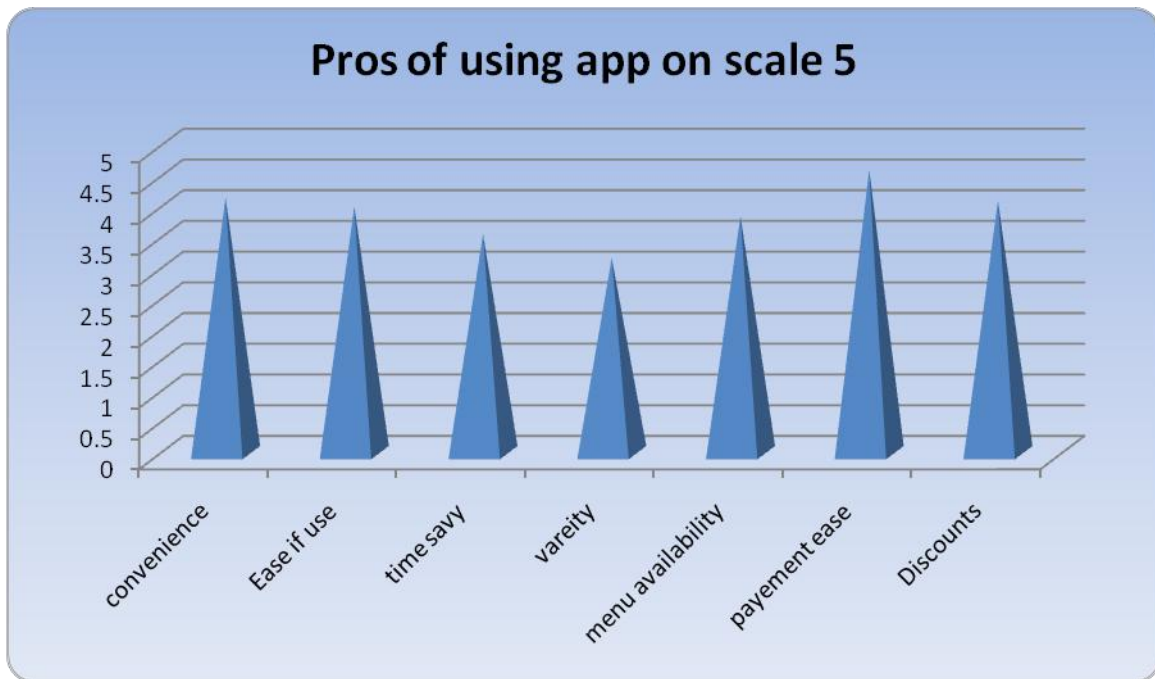
From all respondents 96% are aware of online food apps.



Only 17 % respondent has never ordered food online .frequent is the high frequency used.



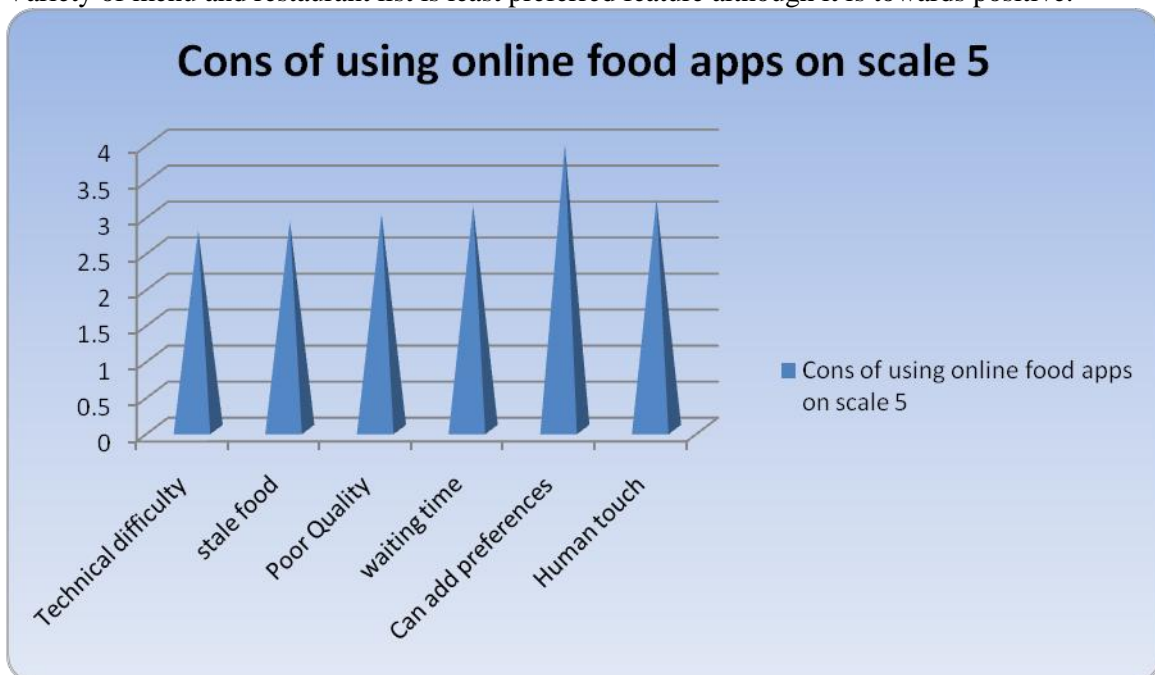
71% people believes that future of online food is bright.



Observation: all factors got more than average response which is 2.5 so it is having positive response.

Payment ease, process convenience is mostly preferred feature above all.

Variety of menu and restaurant list is least preferred feature although it is towards positive.



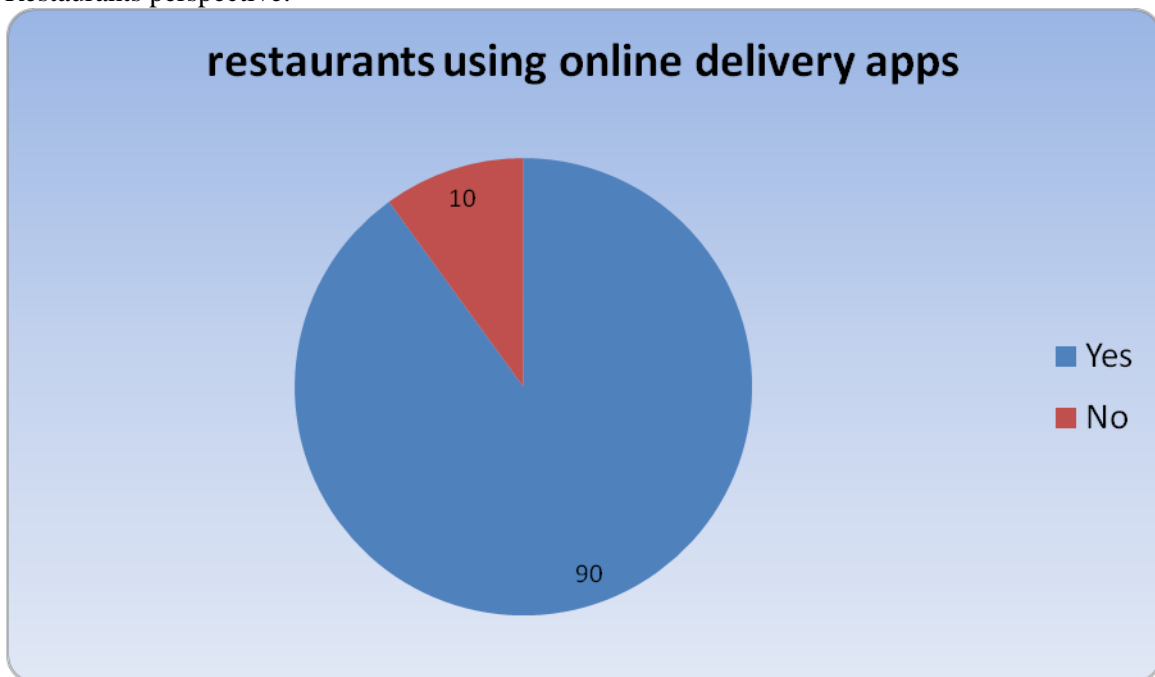
Observation

The biggest disadvantage is to not option for adding preferences and order return.

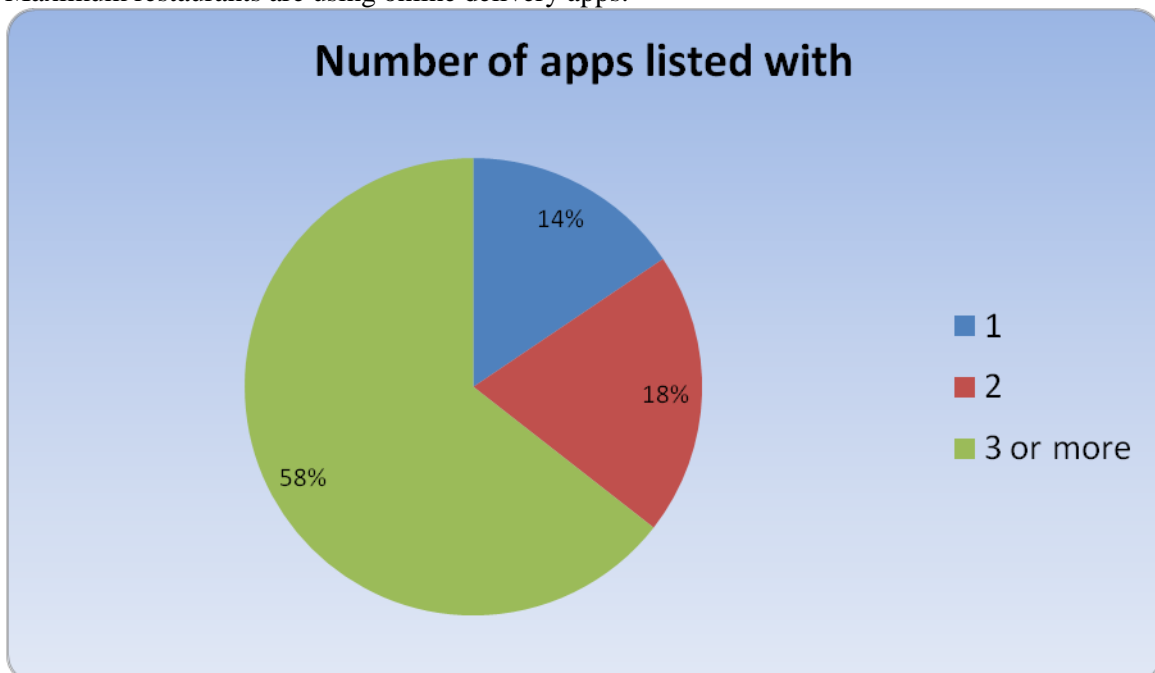
Technical difficulty is not a constraint.

Other points also lie near to average.

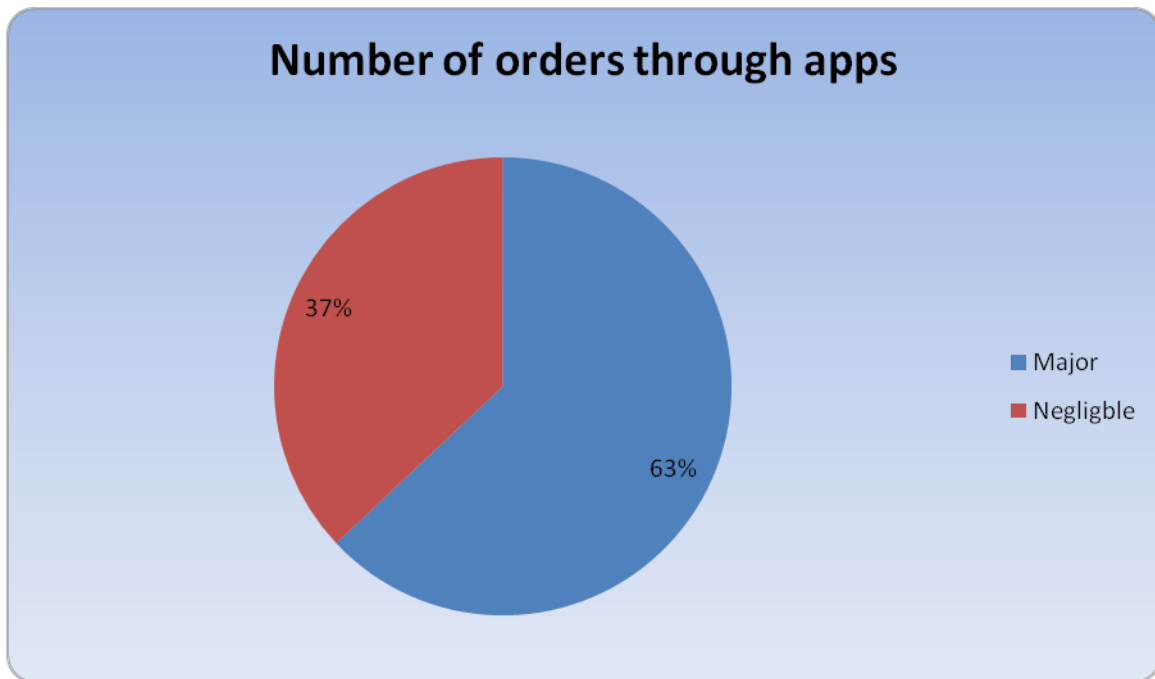
Restaurants perspective:



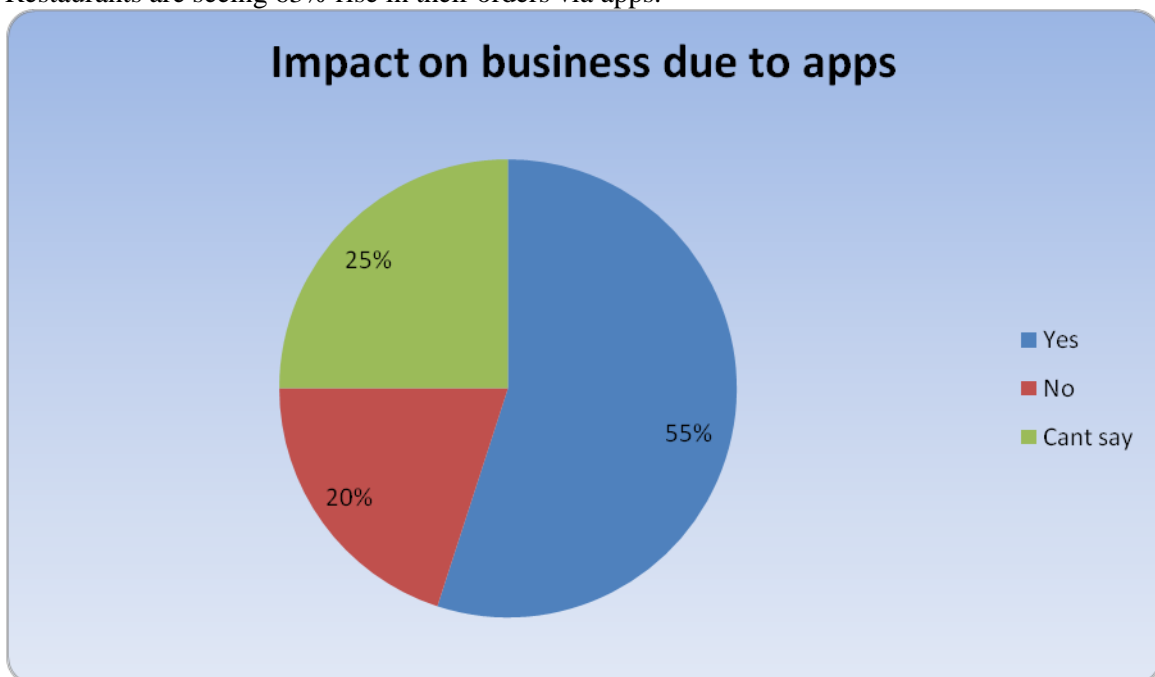
Maximum restaurants are using online delivery apps.



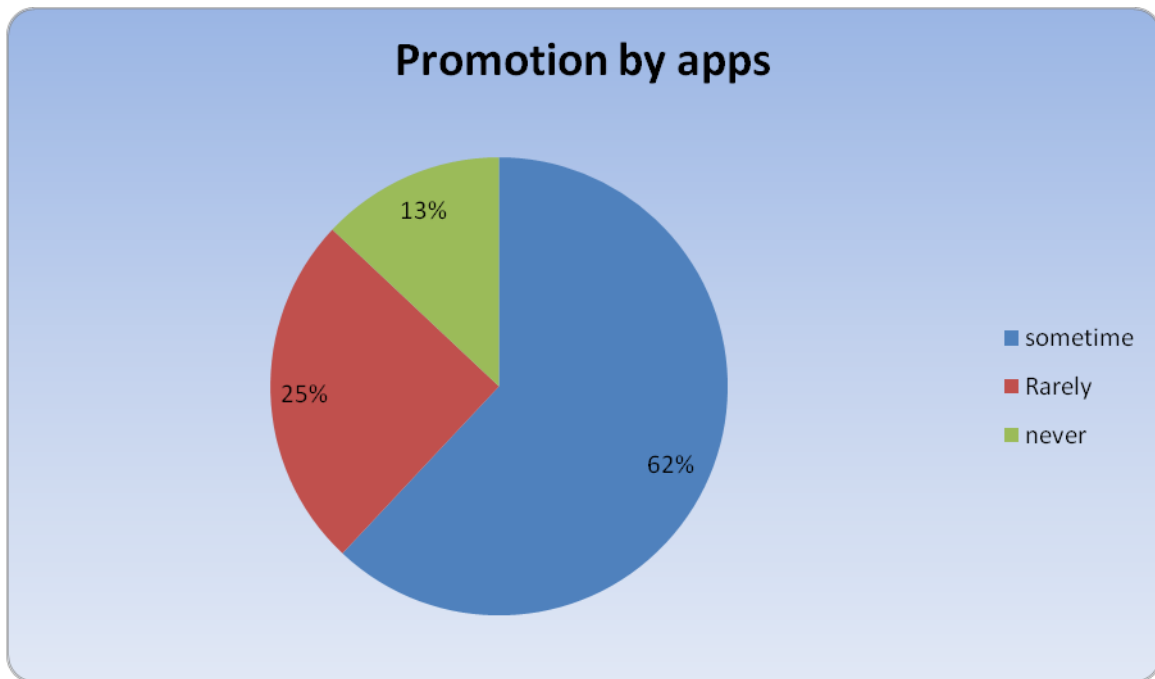
58 % restaurants are listed with more than 3 apps for online delivery.



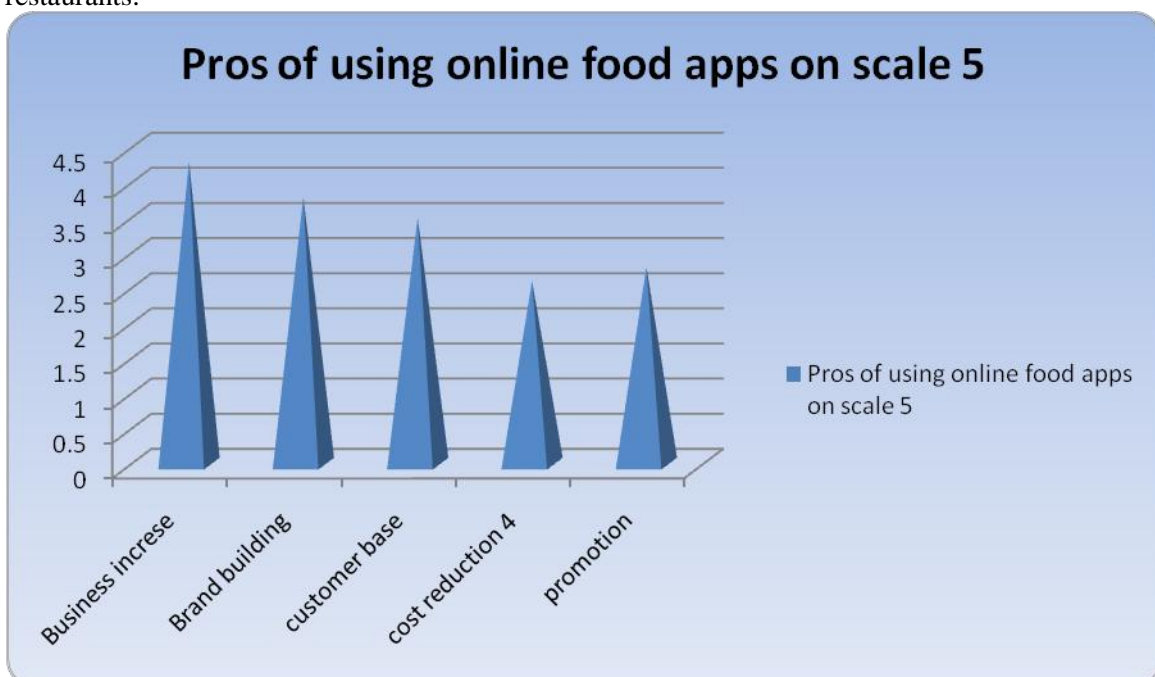
Restaurants are seeing 63% rise in their orders via apps.



55% of restaurants says they feel positive impact of apps on business.25% feels they are not effective in delivery.



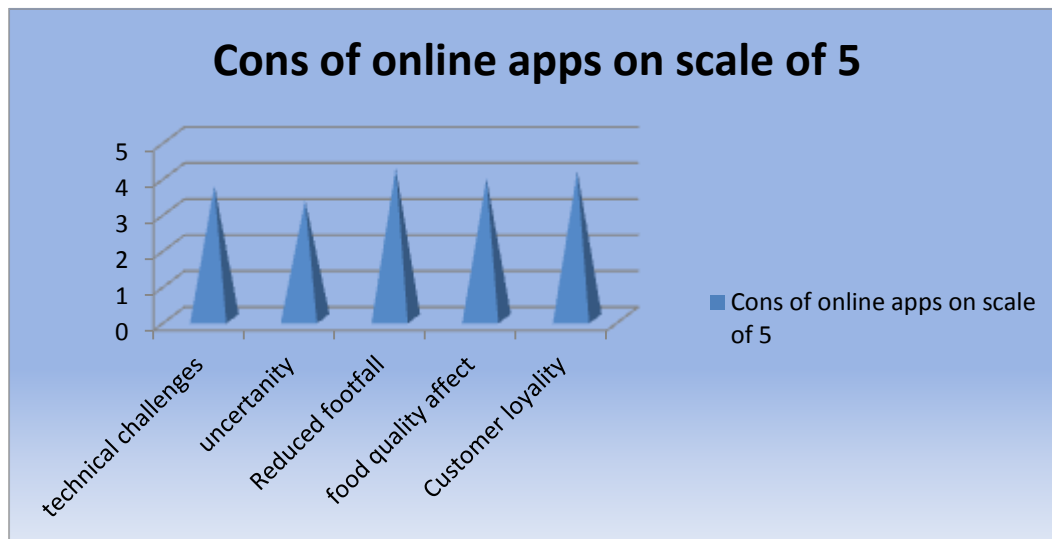
62% respondents believes that online apps does promotion of their restaurant on there behalf.13% does not believes on apps promoting their restaurants.



Observation

Business, profit increase is the major reason of online food ordering apps, Which is more than an average of 2.5 .

Cost effectiveness is the least taken reason to choose online delivery apps for restaurants.



Observation

The biggest challenges are decrease in customer loyalty which is major concern.

Uncertainty of order is less impact reason.

All aspects are coming above average so challenges are there.

6. Conclusion

The feature that attracts consumers the most is Doorstep Delivery at any place at anytime .Consumers are mostly motivated when they receive any Rewards & Cashbacks followed by loyalty points or benefits.

The factors that block customers to try the online food delivery apps are Bad Past Experience, reviews , and word of mouth.

By giving consistent and effective services this concept with innovation can be successfully grow.In future companies can target Tier 2 cities for expansion of business as these cities are also having numbers of working youngsters.

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