

# VENDOR'S PERCEPTION ABOUT ONLINE FOOD DELIVERY PLATFORMS

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## Abstract

*The purpose of this study was to determine vendor's perception about using an online food delivery platform (third-party aggregators' operations). The objectives of the research are to find the factors that influence vendors' decisions to use online food delivery platforms, as well as the rewards and challenges they face, and the perception of their utility. The study follows a descriptive survey. Target population of this research is Madurai market. Convenience sampling was used and the sample size was 75 vendors using online food delivery platform. Primary data was collected using semi-structured questionnaires. To characterize and summarize data, descriptive statistics were employed. The research used SPSS software for analyzing the data. The study found that the online food delivery platforms help the vendors to reach more customers and establish their brand in the society and it also helps for the promotion of sales. It also becomes so convenient for both the vendors as well for the customers. Even though it is convenient, they are also facing some issues like transaction issues, lack of human touch and high charges for promotional activities.*

## Keywords:

*Vendors, Perception, Online Food Delivery Platform*

## 1. INTRODUCTION

Local hotels and restaurants, chefs, and canteens using online food ordering platform (apps) to deliver takeout and meal parcels to customers' doorsteps. This type of business is rapidly spreading due to the rise in working youthful generation in metropolitan areas and the hectic working life culture. There is really no human intervention in the operation of using online meal ordering apps, giving it more privacy.

The applications list several restaurants and chef's kitchens, along with their menus. It allows the customers to place an order for food with only one click. These apps can be downloaded to a smartphone instantaneously, making them more accessible. Other advantages of using an online food delivery service include Customers can buy Indian, Chinese, or Thai Takeaway Delivery from anywhere. Customers are also encouraged to order inside their budget by lowering travel costs and other unwanted fees. When a restaurant builds a website or an app, they may showcase their items in the most appealing way possible. When a restaurant becomes larger and busier, things can quickly spiral out of control. They may avoid such instances, though, by investing in the development of meal delivery apps [7]. Food delivery dispatch software keeps everything organized and up to date. Because it provides a central point for all processes, there will be no instances of orders being lost or clients having to wait too long.

The restaurant owners know how many orders are in the queue, which ones have been dispatched, how many have been delivered, who has been assigned to service, and everything else they need to know about operations. At the end of the day, it's all about increasing the bottom line. All of their efforts and attention will be in vain if their firm does not generate revenue. When they join aggregator food applications, they must contribute a share of

the profit. Some aggregator apps even encourage restaurant operators to lower their prices or provide special deals.

Since the restaurant delivery system gives the restaurant business control over its operations, resolving customer concerns will be considerably easier. It provides them with all of the information they require to determine what went wrong and correct the issues. In this industry, customer service is vital. In an instant, happy customers can launch a company into the spotlight. A few angry customers, on the other hand, could have a huge impact on the company. Here are the top two popular food delivery mobile applications in India that are helping to serve tastier personal lives. Swiggy and Zomato have more users with good ratings, and they operate largely in India.

### 1.1 SWIGGY

Swiggy is a Bangalore-based food ordering and delivery service. Nandan Reddy, Sriharsha Majesty, and Rahul Jaimini created it in August 2014. It's a full-service meal ordering and delivery platform that connects local eateries with city dwellers. It uses social media not only for campaigning, but also to interact with customers, such as resolving complaints and reacting to client feedback.

### 1.2 ZOMATO

In 2008, Zomato launched a restaurant review and discovery service. Deepinder Goyal and Pankaj Chaddah established Zomato. In 2008, the company was founded as Foodie Bay, then in 2010 it was renamed Zomato. It began as a restaurant review platform, but eventually expanded to include food delivery. More people use Zomato than any other delivery app.

This research is mainly focusing on to find out the factors which are influencing the restaurants to have their presence in online media and their opinion about the online food delivery platforms as well as the benefits which they are getting and barriers which they are facing through these kinds of online platforms.

## 2. LITERATURE REVIEW

Gupta, M. [3] investigated the impact of Zomato and Swiggy on the restaurant sector because technology has a significant impact in the commercial world. Technology has changed and will continue to change the way food is delivered and restaurants are run. Organizations who understand the immense development potential may rush in, but only the most powerful will survive. Organizations that understand the immense development potential may rush in, but only the most resilient will survive. Organizations who maintain their offer and image dynamically in the minds of customers will reap the most benefits from the Indian online food advantage pies.

E. Kimes [4] has conducted a study on consumer perception of online food delivery and observed that both users and non-users

appreciated the perceived control and convenience associated with online food ordering services. Non-users require more individual attention and are suspicious of early technology adoption.

Suhartanto *et al.* [9] investigated the role of e-service quality and food quality on online food delivery service loyalty. This research depended on the results of a survey of 405 online food delivery service users in Bandung, Indonesia. Using variance-based partial least squares to evaluate the suggested model, this study indicates the direct effect of food quality on online loyalty, but not on e-service quality. In addition, customer satisfaction and perceived value have a partial mediating function in the relationship between food quality and e-service quality, as well as online loyalty to online food delivery services.

Alagoz and Hekimoglu [1] conducted a study on customer perception in food delivery apps and discovered that e-commerce market is progressing at a faster pace around the world, and the food business is also growing. The Technology Acceptance Methodology (TAM) approach was used to look into the online meal ordering system. The ease of use and utility of online ordering and delivery services have been emphasized as key reasons in their adoption and growth.

Mitsukuma [5] conducted research to determine the possibility for phasing effects and market expansions as a result of the advent of online meal delivery services and subsequent restaurant hybridization. "Crowding-out" refers to online sales that used to take place in physical stores. New sales created as a result of the introduction of an online purchasing channel are referred to as market expansions. Introduction of new internet channels has the potential to increase restaurant income and market expansion; it also allows physical sales to be crowded out. Businesses face a similar trade-off when launching new products or opening a new store. Customers who would ordinarily order food in person are now using online restaurant delivery services to order takeaway.

Ghosh [2] studied the e-payment system in the online food ordering industry. The goal of the research is to identify the most essential element influencing their transaction preferences, as well as the primary drivers for e-payment adoption in the food industry. In this study, the researchers examined the association between consumer demographic features and online food business using the statistical approach ANOVA. 100 samples were acquired via survey for this study from Kolkata, India, and the customer response was favorable. The conclusion will assist the industry as well as new entrepreneurs in building marketing strategies and will provide useful data to the Decision Support System.

Ogunsemi [6] investigated Consumer behaviour towards online food delivery services in Ireland. The purpose of this research is to look into Irish customer behavior toward virtual food delivery, as well as their demographic and post-purchase behaviors', in order to get insight into the reasons for the market's growth from the consumer's perspective. 114 questionnaire responses were analyzed in this study. According to the research, online meal delivery services are associated with age, marital status, and employment status. The survey also reveals respondents' diverse perspectives on online meal delivery services, which could be useful for restaurant marketing.

Sethu and Bhavya Saini [8] investigated customer opinions and fulfillment actions when ordering meals over the internet. The

online meal ordering and delivery services helps student to manage their time and receive their favorite food at any time of day was insisted in the poll. Access to the internet is also one of the elements that encourage students to utilize these services, according to researchers.

### 3. RESEARCH METHODOLOGY

The study was conducted in Madurai, where several restaurants have launched online food delivery platforms in Tamil Nadu's southern region. Samples are acquired from the Madurai market using a standardized questionnaire. The purpose of the survey is to discover the factors that influence restaurants' decisions to use online food delivery platforms, as well as the benefits and drawbacks of doing so, as well as their perceptions of them. The study has been conducted to find out the

- Awareness level
- Most preferred online food delivery platforms
- Opinion of restaurants about the food delivery platforms

The questionnaire is set out in a five-point scale response format, with 1 indicating strong disagreement and 5 indicating strong agreement. The purpose of this awareness-based question is to investigate the existence of online meal ordering services in Madurai. The most popular online meal ordering app based inquiries assisted in determining which app was receiving the most orders. After the questionnaire is completed, an in-person survey is conducted by refining the questionnaire and collecting feedback from 75 eateries in Madurai. The sample is selected using the convenience sampling approach.

### 4. DATA ANALYSIS AND INTERPRETATION

#### 4.1 DEMOGRAPHIC PROFILE OF THE RESPONDENTS

Table.1 Demographic Profile

Variables	Categories	Percentage
Type of the shop	Restaurants	84%
	Bakery shop	7%
	Specialized shop	6%
	Ice cream shop	3%
Period of using online food delivery platform	More than 4 years	5%
	3-4 years	31%
	1-2 years	41%
	Less than 1 year	23%
Income generation through online mode (Montly)	More than 40,000	17%
	31,000 - 40,000	58%
	21,000 – 30,000	17%
	Less than 20,000	8%

*Source: primary data*

As shown in the above table, the response is collected from 75 respondents in Madurai, where type of the shops is classified into restaurants (84%) because mostly no of restaurants are more in Madurai. Mostly, the shops are using online food delivery

platforms for 1-2 years, because covid-19 has given boom for the online business-like e-shopping, e-booking, online food delivery. Most of the vendors are generating revenue through online mode up to Rs.31,000- Rs. 40,000.

#### 4.2 FACTORS INFLUENCING TO CHOOSE ONLINE FOOD DELIVERY PLATFORM

Table.2. Factors influencing to choose online food delivery platform

Sl. No	Aspects	Average
1	For greater reach	1.82
2	To reach more customers	2.12
3	To increase my earnings	3.44
4	To increase my brand image	3.69
5	To save time	3.90
6	Design of the platform	4.29
7	Perceived ease of use	4.32
8	Trust	4.54
9	Compactable	4.8
10	Accessibility	6.33

Source: primary data

As shown in Table.2, the factors which are influencing to choose online food delivery platform are greater reach among the society as well as to reach more customers, earnings and brand image.

#### 4.3 PROS AND CONS OF USING ONLINE FOOD DELIVERY PLATFORM

Table.3. Pros and cons of using online food delivery platform

Sl.No	Aspects	Average
1	Convenience	4.78
2	Customer Loyalty	4.58

3	Promotion	4.50
4	Lack of human touch	3.70
5	Lack of concentration of real time customers	3.17
6	Return of food	2.56
7	Wrong delivery	2.52
8	Reduces human error	2.44
9	Reduces labour cost	2.38
10	Technical difficulty	1.14

Source: primary data

As shown in Table.3, the benefits which the vendors are getting through online food delivery platforms are convenience and customer loyalty as well as sales promotion. Lack of human touch, lack of concentration on real time customers and return of food are the some of the barriers which they are facing through the online food delivery platforms.

#### 4.4 RELATIONSHIP BETWEEN CONVENIENCE, LACK OF HUMAN ERROR, REDUCTION OF LABOUR COST, CUSTOMER LOYALTY, HIGH CHANCE OF WRONG DELIVERY WITH VENDORS OVERALL SATISFACTION

In this analysis the Relationship result is:

$$Y = -.158X + .158X + .224X + .157X + .039X + 3.820 \quad (1)$$

where, X= Convenience, lack of human error, reduction of labour cost, customer loyalty and high chance of wrong delivery; Y= Vendors overall satisfaction.

Observing Table.4, it is evident that the value of the hypothesis which is lesser than 0.05. So, the null hypothesis is rejected and the alternate hypothesis is accepted. (F = 8.426). It is found that there is significant relationship between the independent variable (Convenience, lack of human error, reduction of labour, customer loyalty, high chance of wrong delivery) and the dependent variable (Vendors overall satisfaction).

Table.4 Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.820	.820		4.660	.000
I feel convenient in using online delivery platform	-.158	.145	-.129	-1.085	.002
Online platform reduces human error	-.158	.073	-.297	-2.150	.035
Online platform reduces labour cost	.224	.073	.433	3.093	.003
I feel my shop is promoted through online platform	.079	.077	.128	1.030	.307
I feel it gives more customer loyalty	.157	.106	.205	1.479	.044
There is high chance of wrong delivery in online platform.	.039	.049	.097	.784	.036
I am not comfortable with return of food.	-.040	.052	-.093	-.765	.047
Lack of concentrate on real time customers.	-.100	.057	-.228	-1.767	.082
Lack of human touch.	.088	.051	.224	1.726	.089
I feel some technical difficulty in using the app	-.106	.125	-.114	-.847	.400

Source: primary data

#### 4.5 CUSTOMER SATISFACTION AND PREFERENCE OF SERVICE

- **Null Hypothesis:** There is no significant relationship between the preference of service by the vendors and the customer satisfaction.
- **Alternative Hypothesis:** There is a significant relationship between the preference of service by the vendors and the customer satisfaction.

Table.5 Customer satisfaction and Preference of service

Factors	Asymptotic Significance	Null Hypothesis
Relationship between customer satisfaction and service provided by vendors	0.000	Rejected

*Source: primary data*

As shown in table 5.4, with the help of chi-square test, we have found that there is relationship between the customer satisfaction level and the service provided by the vendors because, based on the importance of service customer satisfaction will vary.

#### 4.6 CUSTOMER SATISFACTION AND PERSONAL RELATIONSHIP

- **Null Hypothesis:** There is no significant relationship between the customer satisfaction level and human touch.
- **Alternative Hypothesis:** There is a significant relationship between the customer satisfaction level and human touch.

Table.6. Customer satisfaction and personal relationship

Factors	Asymptotic Significance	Null Hypothesis
Relationship between the customer satisfaction level and personal relationship.	0.000	Rejected

*Source: primary data*

As shown in Table.6, with the help of chi-square test, we have found that there is a relationship between the customer satisfaction level and human touch, because of online platform the relationship between the customer and the vendors become less.

### 5. CONCLUSION

The challenges that vendors are having as well as the solutions that has been proposed. Most vendors are unhappy with these third-party aggregators' operations. Vendors must keep track of client feedback to sustain customer relationships and retention

remotely because they are breaking their customer relationships. If there is a problem, most of the time these delivery platforms do not consider the vendors' perspective, so the online platforms should thoroughly explore the problem. At this fast phase world, the presence of online food delivery platforms is inevitable which made the process of getting delicious food delivered to our doorstep easier than ever. In parallel, Start-ups are able to scale up their business in a short time. On the other hand, the well known restaurants are getting additional revenues and growing up with these platforms. The pandemic has had a silver lining for these food delivery firms. And the conclusion, if they sort out the issues with the B2B operations, both vendors and aggregator will grow along with customer satisfaction (B2C).

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