

# A study on the Customer Perception towards Packaging by Online Food Delivery Companies

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## **Abstract:**

The objective of the research study is to find out the significance that packaging has on the customer choosing an online food delivery company. The research first tries to find if the packaging has a role and then analyse which packaging related factors are importance to the customers. The data is collected using a structure questionnaire and analysed using SPSS.

**Keyword:** Packaging, Online Food Delivery Company.

## **Introduction:**

The online food delivery business has been growing steadily in India in recent years. The technological developments and the changing lifestyles have been the main factors supporting the online food delivery business. The major online food companies in India are swiggy, zomato, ubereats and food panda. (Smarter, 2018). The market leader in this segment is swiggy and then comes zomato. The food delivery volumes have been growing at a tremendous pace in India and grew to more than 130 percent in 2017 when compared to 2016. The gross merchandise value grew by 140 percent in in 2017 compared to 2016 (Srinivasan, 2018). The companies are also competing with each other to gain more market share. There has been development of new strategies like concept of cloud kitchen to improve efficiency in the business. (Srinivasan, 2018). This study tries to find out the role that packaging has in this sector. The study tries to find out the packaging related factors that have an effect on the customers buying behaviour. Does the customer consider the packaging related factors when he makes an online prepare food purchase.

## **Objectives of the study:**

The study tries to analyse and find out the factors or elements of packaging that influence the customers when they make purchases from online food delivery companies.

## **Research Question:**

1. Does packaging have a role in the customer's online food buying process.
2. Which elements of packaging are important to customers when making a purchase through online food delivery companies.

## **The study will try to find answers for the following hypothesis:**

- H1: The customer gives importance to the packaging while making purchase from online food delivery companies.
- H2: The package should not be damaged when the food delivery is made.
- H3: The package should have different compartments for the different food items in a meal.
- H4: The package should be reusable.
- H5: The package should be made of paper based material.
- H6: The package should be recyclable.
- H7: The package should contain information about the food, like the nutrition data.
- H8: The package should be transparent so the food can be seen.

- H9: The customer prefers he package that can be heated in a microwave Owen.
- H10: The package should contain information indicating whether it can be heated in the microwave.
- H11: The package should contain information about how to dispose it perfectly.
- H12: The colour of the package has an effect on the customers purchase decisions.
- H13: The odour of the package has an influence on the customer purchase decisions.
- H14: The customer prefers to see the packaging data on the website while making the food purchase.

### **Literature Review:**

The companies try to understand the Indian customer's food tastes and also come out with options like multiple payment options, no minimum order, improved and faster logistics. This helps in attracting more customers (Nandita Vijay, 2018). The companies are also offering the possibility of pre ordering the food up to two days. The food delivery sector is expected to touch at least \$2.5 billion by 2021. This is currently estimated to be about \$700 million. Also with the success of the initial companies in this sector more and more new companies are entering the business. (Salman, 2018). To compete and get more revenue the companies come out with many promotional activities, offer cash back options and discounts. This has led to customers ordering more food in the course of a day. (Financial Express, 2018). The marketing campaign by the different companies give importance to very good discounts and large cash backs. Companies give a massive discount of up to 50% on the first few deliveries. This is a big attraction point for the new customers. (Chengappa, 2018)

The main areas in India with more business for online food delivery are the major cities. Mumbai, Bangalore, Delhi, Chennai, Pune. The data informs that India has about 3 lakh food deliveries in a day. Bangalore is the leading business centre with 25-30% of the total share. The food delivery companies are now trying to expand to other locations across India. (Ranjan, 2017)

This clearly indicates that the online food business is going to grow more in the coming years and there will be more start-ups joining the online food delivery bandwagon. The online food companies give importance to a number of factors that they think are important for success in this sector. This includes factors important for the business like supply chain and the factors important for the customers like quality.

The main factors the customers consider in online food delivery includes the delivery time, the discounts available, ease in app usage, choice of the restaurant, reliability of the company, the menu variety etc. (RedSeer, 2017). The customers give significant importance to the food quality, the information on the website, the payment process and the customer service provided. The factors like freshness of the food and the health benefits play a role in customers re purchasing form the company. (Kedah & Ismail, 2015). This study implies that the website quality and the security has a role in increasing customer preference for the company.

When it comes to food the customers also give a lot of importance to the packaging. This is because food is to be consumed safely and it has to be available in a neat condition. The customers want the packaging to mainly protect the food materials. This is also related to the customer's perception of the product quality. (Abdalkrim, 2013). The research study also indicates that the packaging has a significant role in promoting the products. The storage factor is also considered by the customer when the food product is purchased. (Abdalkrim, 2013). The customers also refer to buy the product which comes in packaging that are less environmentally harmful. The customers usually prefer packaging that is not causing any environmental issues. (Kadlecek, 1991). The customers also prefer to receive the information about the environment related effects of the package or how to deal with the packages after they use it. (Olsson & williams, 2015). The surveyed customer shows more preference to the paper based packaging.

When the customers buy the take away food the main factors given importance are the insulation of the food, to not spill the food during carrying, to keep the food separate in the containers. (Boyce, 2008). When it comes to food packaging the customers also prefer to see the inside contents. This means there is a preference for transparent type packaging. (C+R research). The research also shows that the customers prefers microwavable packaging.

The research conducted shows that when the customers consider the food packaging in restaurants the most important factor is the quality of the package, then the recyclability, and the sustainability related factors. (Lingle, 2017). The research shows that almost 40% of the customer's demand that they need to see the information about how to recycle the package.

The customer's perception to food packaging also varies with the type of the food being purchased. When they buy food that is related to health they want the packaging to be very good quality material and it should preferably indicate the details of the content. The customer wants this information to be clear and easily understandable. (Ježovičová, Turčínková, & Drexler, 2016)

When take away type food is being considered the customers have a liking towards paper based packaging, which is light in colour. They also prefer to have different compartments in the box. The customers also want to see the detailed information about the food on the packaging. (Widaningrum, 2014). The customers also tend to think about the quality of the food in case its take away type. This is because they want their food to remain healthy after they bring it home and start eating. They sometimes want to heat and refrigerate the food also. So the packaging has to meet these requirements of the customers. The customer also prefer to see the information related to heating, refrigeration, safe food preservation on the packaging. (Broz, Boyce, & Kim, 2008)

The research data from the literature indicates the major facts the customers consider in the packaging related area of online food. The strength of the package, the ability to keep the food safe, the information on the package, the reusability of the package, the environmental effects of the package, the reusability of the package, the storage of the package and the recyclability are the major factors.

The research tries to find out the major factors the customer considers with regard to packaging when they buy prepared food online. This is an exciting and important research area as the online food deliver business is growing at a very fast rate. The packaging in the online food delivery companies has to consider two main points: the impact of logistics and then the customer preference. The packagi9ng can also be used as a branding and marketing tool for the online food delivery companies. (euromonitor, 2016) This research tries to understand the customer perception to online package and what factors of packaging attract them more.

When the analysis of some of the main online food delivery company websites was done they was indication of the package in any of them.

### **Methodology:**

The study collected data from the respondents using a questionnaire. The tools used for the analysis of data were SPSS and excel. Questionnaire: The questionnaire was developed with a set of 14 questions. It was a structured questionnaire, using the 5 point Likert scale to collect data for each question.

### **Data Analysis:**

The questionnaire was sent to 100 respondents and the data collected from all of them. The convenience sampling method was used.

### **Descriptive statistics:**

#### **Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
The customer gives importance to the packaging while making purchase from online food delivery companies.	100	2	5	4.10	.927
The package should not be damaged when the food delivery is made.	100	1	5	4.66	.966
The package should have different compartments for the different food items in a meal.	100	1	5	4.43	1.027
The package should be reusable.	100	1	5	3.53	1.283
The package should be made of paper based material.	100	2	5	3.53	1.020
The package should be recyclable	100	1	5	4.32	1.081

The package should contain information about the food, like the nutrition data.	100	1	5	4.02	1.015
The package should be transparent so the food can be seen.	100	1	5	3.33	1.240
The customer prefers the package that can be heated in a microwave Owen.	100	1	5	3.62	1.316
The package should contain information indicating whether it can be heated in the microwave.	100	2	5	4.54	.834

**Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
The package should contain information about how to dispose it perfectly.	100	2	5	4.26	.970
The color of the package has an effect on the customers purchase decisions.	100	1	5	3.69	1.285
The odor of the package has an influence on the customer purchase decisions.	100	1	5	3.99	1.159
The customer prefers to see the package related information on the food delivery website while making the purchase.	100	1	5	4.13	1.089

The descriptive statistics shows the mean value and also the standard deviation of the response of the respondents to each of the factors considered. From the data we can analyse that the mean value is highest for:

1. The package should not be damaged when the food delivery is made
2. The package should contain information indicating whether it can be heated in the microwave
3. The package should have different compartments for the different food items in a meal.
4. The package should contain information about how to dispose it perfectly.

The online food delivery companies can give more consideration to these factors as it can lead to higher customer preference for the company.

The one sample T test was done to test the hypothesis.

**One sample T test:****One-Sample Test**

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
The customer gives importance to the packaging while making purchase from online food delivery companies.	11.871	99	.000	1.100	.92	1.28
The package should not be damaged when the food delivery is made.	17.179	99	.000	1.660	1.47	1.85
The package should have different compartments for the different food items in a meal.	13.918	99	.000	1.430	1.23	1.63
The package should be reusable.	4.132	99	.000	.530	.28	.78
The package should be made of paper based material.	5.198	99	.000	.530	.33	.73
The package should be recyclable	12.207	99	.000	1.320	1.11	1.53
The package should contain information about the food, like the nutrition data.	10.051	99	.000	1.020	.82	1.22
The package should be transparent so the food can be seen.	2.662	99	.009	.330	.08	.58
The customer prefers the package that can be heated in a microwave Owen.	4.710	99	.000	.620	.36	.88
The package should contain information indicating whether it can be heated in the microwave.	18.468	99	.000	1.540	1.37	1.71
The package should contain information about how to dispose it perfectly.	12.983	99	.000	1.260	1.07	1.45
The color of the package has an effect on the customers purchase decisions.	5.371	99	.000	.690	.44	.94
The odor of the package has an influence on the customer purchase decisions.	8.542	99	.000	.990	.76	1.22
The customer prefers to see the package related information on the food delivery website while making the purchase.	10.381	99	.000	1.130	.91	1.35

In the One sample t test, the p values is found to be less than .05. As  $p < .05$  it implies that the means are statistically significant. This proves the alternate hypothesis. All the 14 alternate hypothesis considered are proved.

### **Findings:**

The major findings of the research is that the type of packaging has a very important role in the customer's online food buying decisions. The packaging is an influencer in the customer buying decisions.

The other finding is about the factors related to food packaging which are given more importance by the customers. The customer wants the package to be neat and devoid of any damage. There is a preference for packages that can be heated in the microwave. The customers want to heat the food prior to consumption. The customers want neatly made packages with compartments for different food. They also want to get information about how to dispose the container after consuming the food. The study also finds that the customer would like to see more information on the container which is lacking in most cases now.

The customers also want to see the type of packaging being used in the food delivery website. When they order for food they prefer to see the container in which it would come.

### **Conclusion:**

The research and the data analysis done gives a clear indication about the importance the customers give for the online food packaging. The test has proved all the 14 alternate hypothesis considered in the research. The customers have given more preference to factors like damage of the container, the disposability, the possibility of microwave heating and other information on the containers. The customers also prefer to see the package related information on the website when they make the purchase of online food. This data is normally not shown in the online food delivery website.

We can understand the fact that the customers consider the packaging to be an integral part of the food they buy online. They also want to receive more information about the packages. These inputs can be taken up by the online food companies and incorporate to their business process. As the online food business is bound to increase the companies can use the packaging as a possible area to bring in competitive advantage. The companies can also redesign their packaging process to suit the customer's requirements as shown in the research study.

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