AN OVERVIEW OF RAPID EVOLUTION OF ONLINE FOOD DELIVERY

[1] **Dr.G.SURESH**, [2] **Mrs.P.DHAMAYANTHI**,

[1]Principal, [2] Assistant Professor of Commerce
Kangeyam Institute of Commerce,
EBET Knowledge Park, Nathakadaiyur, Kangeyam, Tiruppur, Tamilnadu. India

Abstract

Online Food Delivery (OFD) refers to online channel that consumers use to order food from restaurants and fast-food retailers. The rapid growth of online food delivery services has disrupted the traditionally offline restaurant industry. Consumer are influenced by many factors and discounts offered by OFD. Change in food habit brings changes in food industry. OFD paves the way for getting any food, anywhere and at any time. Some restaurants are having their own platform to sell their food and quality is assured here, because they want create their brand name. OFD companies get commission for their service.

Index Terms - Market segmentation, Online food delivery, Factors influencing.

I. INTRODUCTION

Rapid change in food habit of people urges the need for Online Food Delivery (OFD). Food delivery services have transitioned from ordering via telephone to digital ordering to satisfy customer needs, particularly with the continuous advances in technology. In other words, online platforms generate new possibilities for the food industry to attract more consumers. A little under two decades ago, restaurant - quality meal delivery was ensured by their customers. According to the industry reports, the COVID-19 pandemic has ushered in a new threat to the business of food delivery, which could potentially affect the Online Food Delivery services .Hence, hotels, restaurants and food delivery services can now start their operations because at least 20% of the Indian population including students, paying guests and young professionals depends OFD.

Objectives:-

1. To know the impact of food delivery start-ups
2. To identify which factor influenced the consumer to prefer OFD
3. To know the seasonal buying behavior of consumers

LITERATURE REVIEW

[1]Food delivery apps enable restaurant companies to full fill the expectations and needs of rapidly growing customers and better serve them by offering a personalized experience. With that in mind restaurant companies should opt for the creation and deployment of a food delivery app.

[2]Food truck is the latest application of food which would challenge the existing food applications. Experts should investigate how online ordering experiences will change the purchasing habits in the near future.

[3]As these changes in the way the world eats take hold, the implication for new and established businesses, as well as for consumers, will continue to take shape. Unlocking the opportunities inherent in these shifts will require a sophisticated understanding of where the market is heading and the powerful forces shaping its trajectory. Succeeding in the fast growing food - delivery ecosystem will require understanding how overlapping economic forces affect a complex web of stakeholders.

[4]Online food delivery services have proliferated and rapidly changed the traditionally brick- and- mortar restaurant industry. When there is a shortage of time, or the weather is bad, a large fraction of each amount spent on online food delivery services is cannibalized from offline sales.

THEORITICAL ASPECT
BACKGROUND

The first online food delivery firm, Grubhub, was founded in 2004 with the goal of replacing all paper menus with a single website. Since then, Grubhub has transitioned to connecting delivery drivers from those restaurants in order to deliver to customers. Doordash and other firms operate slightly different from Grubhub, these newer firms- which were founded in 2011 and 2013, respectively- provide menus from restaurants as well as contracting scout delivery drivers, much like Uber or Lyft.

Companies like Mc Donald's, Dominos, Pizza Hut, Subway, Barbeque Nation etc.… have their own websites through which customers can order food and avail end number of other services offered by these companies. There are other intermediary online food

delivery companies which are having tie-ups with restaurants both start-ups and well established and are in well demand today by modern generation consumers. Companies like Swiggy, Zomato, Food panda, Uber Eats and OYO rooms are in great demand and their valuation is very high backed up by huge amount of funding by various investors which allow these companies to offer huge amount of discount to customers.

- **1889** -The first pizza is delivered in Italy (King Umberto and Queen Margherita) received the delivery.
- **1890** - Dabbawalas deliver lunch to workers in India.
- **1922** - Chines food delivery arrives in America.
- **1950** - Restaurant food delivery takes off and many restaurant even developed "television dinner" menus.
- **1954** - Meals on Wheels launched in Great Britain in response to the economic decline following World War II.
- **1960** - Delivery speed improved and forefront of this innovation were the founders of Domino's Pizza.
- **1994** - Pizza Hunt launched Pizzanet and it was the first public sites on the internet.
- **1995** - World Wide Waiter goes online and it was the first online restaurant delivery service launched.
- **2000** - Food delivery goes main stream.
- **2010** - Meal kit delivery revolutionizes eating - in.

Analysts from Sanford C.Bernsein (India) Pvt. Ltd, in a report on 2020 January said, "Zomato has recovered from Covid with Gross Merchandise Value(GMV) increasing from about 20% of pre Covid levels in March/April to about 125% of pre Covid levels in Dec-2020".

Table No.1

Name	Pre Covid sales	After Covid sales
Swiggy	53.6	44.6
Zomato	17.9	30.4
	Revenue in crores	**Revenue in crores**
Swiggy	442	2547
Zomato	466	4192

According to "Online Food Delivery Services Global Market Report 2020–30", the global OFD market is expected to grow from $107.44 billion in 2019 to $154.34 billion in 2023, at an annual growth rate of 11.51%.

MARKET SEGMENTATION

According to IMARC the market is categorized based on platform type, business model, and payment method.

Platform type:
- Mobile Application and Websites

Business Model:
- Order Focused, Logistics Based and Full - Service

Payment Method:
- Online payment and Cash On Delivery(COD)

Regional Insights:
- North India, West and Central India, South India and East India

Analysis and interpretation

Convenience sampling is used to recruit adults who are ordering foods online frequently. This level of use would make participants well positioned to provide their experience of using this purchasing format within established takeaway food purchasing practices.

Gender

Table No.2

Category	No. Of Respondents	Percentage (%)
Male	65	72
Female	25	28
Total	**90**	**100**

Total 90 respondents are taken for this analysis. Out of which 65 respondents belong to male and 25 respondents belongs to female category.

Influential factor

Table No.3

Influential factor	No. of Respondents	Percentage (%)
Payment method	29	32
Delivery on time	18	20
Attractive advertisement	23	26
Availability of dishes	20	22
Total	**90**	**100**

Out of 90 respondents, 29 respondents are influenced by payment method, 18 respondents are influenced by delivery on time, 23 respondents are influenced by attractive advertisement and at last 20 respondents are influenced by availability of dishes.

Frequency of ordering food

Out of 90 respondents 23 respondents order food for breakfast,27 respondents order for dinner,30 respondents order for lunch and 10 respondents order for others.

Table No.4

Type of order	Sunday %	Monday %	Tuesday %	Wednesday %	Thursday %	Friday %	Saturday %	Grand Total %
Breakfast	4.4	6.7	3.3	2.2	3.3	2.2	3.3	25.4
Dinner	2.2	5.6	4.4	3.3	5.6	2.2	6.7	30
Lunch	10	3.3	2.2	4.4	5.6	3.3	4.4	33.2
Others	1.1	2.2	1.1	3.3	1.1	1.1	1.1	11
Grand Total	**17.7**	**17.8**	**11**	**13.2**	**15.6**	**8.8**	**15.5**	**100**

Preferential ordering company

Preferential ordering company	No. of respondents	Percentage %
Swiggy	29	32
Zomato	32	36
Food panda	11	12
Local hostels	18	20
Total	**90**	**100**

Out of 90 respondents, 30 respondents prefer swiggy, 32 respondents prefer Zomato, 11 respondents prefer food panda and 18 respondents prefer ordering from local hostel or restaurants.

Conclusion

Zomato is the most known and used food applications followed by swiggy. Covid also cause dramatic changes in OFD. Cash on delivery is another cause that brings changes in food industry. Organisations who keep offers and their images dynamic in purchasers brain, will take the greatest offer of the Indian online benefit pie. We can get any type of food from online.

References:

1. Kabir Ahija, Vishnu Chandra, Victoria Lord &Curtis Peens, "Ordering In: The Rapid Evolution of Food Delivery"
2. Prof. Upendra More, Prof. Riap Patnaik, Prof. Reemabshah, Prof Thakur Global Business School, Thakur Institute of Management Studies &Research, "A Study on Online Food Delivery Services During The Covid 19 In Mumbai". - Palarch's Journal of Archaeology of Egypt / Egyptology.
3. Hobbs, Jill E. "Food Supply Chain during The Covid 19 Pandemic" – Canadian Journal Of Agricultural Economics.
4. R.Ramesh, Venkatesa Prabhu, S. Bashyam Sasikumar, B.S. Kiruthika Devi, P.Prasanth, S.Pravrrna Rachel Kamala, "An Empirical Study of Online Food Delivery Services From Applications Perspective".
5. Jack Collison, "The Impact of Online Food Delivery Services on Restaurant Sales" – Stanford University, Spring 2020.
6. Amit Shankar, Charles Jebaraj Kirthy, Preeti Wayal, Haroon Iqbal Maseeh, Aman Kumar, Achchuthan Sivapalan, "Online Food Delivery: A Systematic Synthesis of Literature & A Framework Development".