

# Customer perception towards online food ordering system in Kerala

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## 1.1 INTRODUCTION

With the coming of the 21<sup>st</sup> century, we have entered an “e” generation era. The Internet has generated a tremendous level of excitement through its involvement with all kinds of businesses from e-commerce, e-business, e-payment, e-Ticketing. The internet has been widely used in many sales and marketing activities, from the collection of valuable data to the dissemination of information to different stakeholders . The Internet has opened a window of opportunity to almost anyone because of its ability to make viable the conduct of business in cyberspace, or by connecting people worldwide without geographical limitations. Consumers can order goods and services virtually anywhere, 24 hours a day; 7 days a week without worrying about store hours, time zones, or traffic jams. The Internet has also provided new opportunities for marketers by offering them innovative way to promote, communicate, and distribute products and informations to their targeted consumers.

E-commerce has grown phenomenally in the past decade for a variety of reasons including changes in consumer life styles, technological advancement, increase in consumer income and education, and rapid financial development throughout the world. The use of the Internet as a shopping or purchasing vehicle has been growing at an impressive rate throughout the last decade. The tremendous growth of online sales and the unique functions of the Internet have drawn a great deal of attention from many companies rushing in to set up businesses over the internet without knowing what factors actually motivate consumers to buy products or services online.

Online food delivery is a service in which a store or restaurant delivers food to a customer through the restaurant’s website. Many restaurants are witnessing an increase in business, as ordering food online becomes more and more popular across the country. An online food menu is created in each mobile application. Mobile applications like Zomato, Swiggy, Uber Eats provide the customers countless varieties of dishes from different nearby restaurants and customers can easily place the order.

These mobile applications provide a tracking system where the customers become more acquainted with each progression of delivering. They place the order in the respective restaurant and customers can track the

order. The payment options include either online or cash on delivery [COD] system. These apps also provide a feedback system where the users can provide feedbacks and recommendations, rate the food item and mode of delivering.

Orders with discounted rates are more desirable for the customers. Besides, it is more convenient, reliable, and hassle free. Another attractive feature of online food apps is that it is more cost-effective as it offers the users a large vary of expediency and preferences to pick from. Sources reveal that there has been a significant increase in restaurants and food businesses since users pot more for take-away and home delivery. Most users favour online apps as food- on-click feature makes it possible to get food delivered right at their door instantly. This, in a way, has boosted the restaurant business widely.

## **1.2 STATEMENT OF THE PROBLEM**

The research problem is to “ TO STUDY THE CUSTOMER PERCEPTION OF ONLINE FOOD ORDERING WITH SPECIAL REFERENCE TO KUNNAMKULAM AREA “. The present study was intended to identify the customer perception of electronic food ordering , on the basis of comparing 100 samples for the Kunnankulam area.

## **1.3 OBJECTIVES OF STUDY**

### **PRIMARY OBJECTIVE**

- To study the customer perception of online food ordering system.

### **SECONDARY OBJECTIVES**

- To provide convenient and easy access in placing their orders and payment.
- To find out the customers perceptions and knowledge of Electronic food ordering that influences their buying decisions.
- To analyse what channel is used more frequently in electronic food ordering.
- To study the advantages and disadvantages of Electronic food ordering.

## **1.5 SCOPE OF THE STUDY**

This study has a wide scope, because today all peoples are used to the Online Food Ordering System. This study reveals that the how people use the Online Food Ordering System. It provide the more details about the online food ordering system.

The food industry is a combination of many diverse businesses and it is responsible for feeding the population. This groups excludes hunter gatherers and those who do subsistence farming.

Parts of the industry include agriculture, online food service, and much more. Since the growth of the food industry is assured, anxious promoters can invest their money in the food industry will reap benefits.

Under food service, there are many places where these promoters can invest money in. Before, people used to buy food either directly from the restaurants or order over the phone. However, this has changed and people have started ordering online.

In today's world, almost all kinds of businesses have started opening shops online. You can see shoes and clothes being sold online. So, it is only a matter of time before food was sold online. The revenue got by selling food online is going to increase in every major country. Thus, promoters who can develop a super online food ordering software will be able to reap profits.

## **1.6 RESEARCH METHODOLOGY**

Research Methodology is a way to systematically solve the research problem. It is the description, explanation, and justification of various methods of conducting research. Research is the process through which attempt to achieve systematically and with the support of data the answer to a question the resolution of the problem or greater understanding of a phenomenon. This process which frequently called Research Methodology.

### **1.6.1 Research Design**

It is the simplest research which is a fact finding investigation. It is generally used in physical science, natural science, social science. A descriptive study is one in which information is collected without changing the environment. It is used to obtain information concerning the current status of the phenomena to describe "what exists" with respect to variables or conditions in a situation. The study is both Descriptive and Analytical in nature.

### **1.6.2 Sampling Technique**

Convenience sampling is used for the study.

### **1.6.3 Sample Size**

100 samples are conveniently chosen for conducting the study.

### **1.6.4 Collection of Data**

The data collected can be two broad categories.

- **Primary Data**

The primary data are those which are collected for the first time. In this study the data were collected from the respondents through questionnaire.

- **Secondary Data**

The secondary data are those which are collected from records, Journals, Magazines, Internets etc.

### 1.6.5 Tools for Data Collection

The tool used for the data collection

- Questionnaire

### 1.6.6 Tools for Analysis

- Percentage Analysis
- Tool for Testing : Chi Square Test

### 1.6.7 Tools for Presentation

- Tables
- Charts

### 1.6.8 Period of the Study

The data collection and analysis of the project has taken days duration of 21 days from 21/12/2019 to 10/01/2020.

## **1.7 LIMITATIONS OF STUDY**

1. It was not possible to collect information from all the people in the area.
2. Time was also short.
3. Some people don't really respond.
4. This study is restricted to 100 respondents only.

## 2.1 REVIEW OF LITERATURE

Many researchers have studied electronic food ordering from different views and in different environments. The following ones were very interesting and useful for our research.

1. **Samsudin et al. (2011)** points out that alongside client feedback for an eatery, a plan and execution of wireless food ordering framework was completed. It empowers cafes proprietors to setup the framework in wireless environment and update menu presentations effectively. Advanced mobile phone has been coordinated in the adaptable wireless food ordering system requesting framework with continuous client criticism execution to encourage ongoing correspondence between eatery proprietors and clients.

2. **According to Sheryl E. Kimes (2011)**, his study found that perceived control and perceived convenience associated with the online food ordering services were important for both users and non-users. Non-users need more personal interaction and also had higher technology anxiety to use the services.

3. **According to Serhat Murat Alagoz & Haluk Hekimoglu (2012)**,

e-commerce is rapidly growing worldwide, the food industry is also showing a steady growth. In this research paper they have used the Technology Acceptance Model (TAM) as a ground to study the acceptance of online food ordering system. Their data analysis revealed that the attitude towards online food ordering vary according to the ease and usefulness of online food ordering process and also vary according to their innovativeness against information technology, their trust in e-retailers and various external influence. In this research paper they have used the Technology Acceptance Model (TAM) as a ground to study the acceptance of online food ordering system. Their data analysis revealed that the attitude towards online food ordering vary according to the ease and usefulness of online food ordering process and also vary according to their innovativeness against information technology, their trust in e-retailers and various external influences.

4. **According to Varsha Chavan, et al, (2015)**, the use of smart device based interface for customers to view, order and navigate has helped the restaurants in managing orders from customers immediately. The capabilities of wireless communication and smart phone technology in fulfilling and improving business management and service delivery. Their analysis states that this system is convenient, effective and easy to use, which is expected to improve the overall restaurant business in coming times.

5. **According to H.S. Sethu & Bhavya Saini (2016)**, their aim was to investigate the student's perception, behaviour and satisfaction of online food ordering and delivery services. Their study reveals that online food purchasing services help the students in managing their time better. It is also found that ease of availability of their desired food at any time and at the same time easy access to internet are the prime reasons for using the services.

6. **According to Leong Wai Hong (2016)**, the technological advancement in many industries have 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 restaurant's business grow from time to time and will help the restaurants to facilitate major business online.

7. **According to Hong Lan, et al,(2016)**, online food delivery market is immature yet; there are some obvious problems that can be seen from consumer's negative comments. In order to solve these problems, we can neither rely merely on the self-discipline of online food delivery restaurants nor the supervision and management of online food delivery platforms. Only by taking laws as the criterion, with the joined efforts of the online food delivery platforms and restaurants, the government departments concerned, consumers and all parties in the society, can these problems be solved and a good online takeaway environment can be created.

8. **Priyadharshini (2017)** States that India has more individuals between the ages of 10 and 24, making it the world's biggest youth populace. With increasingly youngsters entering the workforce every day, development in the economy, a rising female work power, and expanded portability among shoppers, the customarily troublesome Indian market has changed and is needing for a progressively assorted menu.

9. **Pathen et al. (2017)** states that with online food ordering system, a restaurant and mess menu online can be set up and the customers can easily place order. Also with a food menu online, orders can be easily tracked, it uphold customers' database and develop the food delivery service. The restaurants and mess can even modify online restaurant menu and upload images easily. Having a restaurant menu on internet , potential customers can easily access it and place order at their convenience. Thus, an automated food ordering system is presented with features of feedback and wireless communication.

10. **Suryadev Singh Rathore, Mahik Chaudhary "Consumer's Perception on Online Food Ordering."(2018)**: The study found out that recent development of the Internet has augmented the e-commerce industries in a country like India.

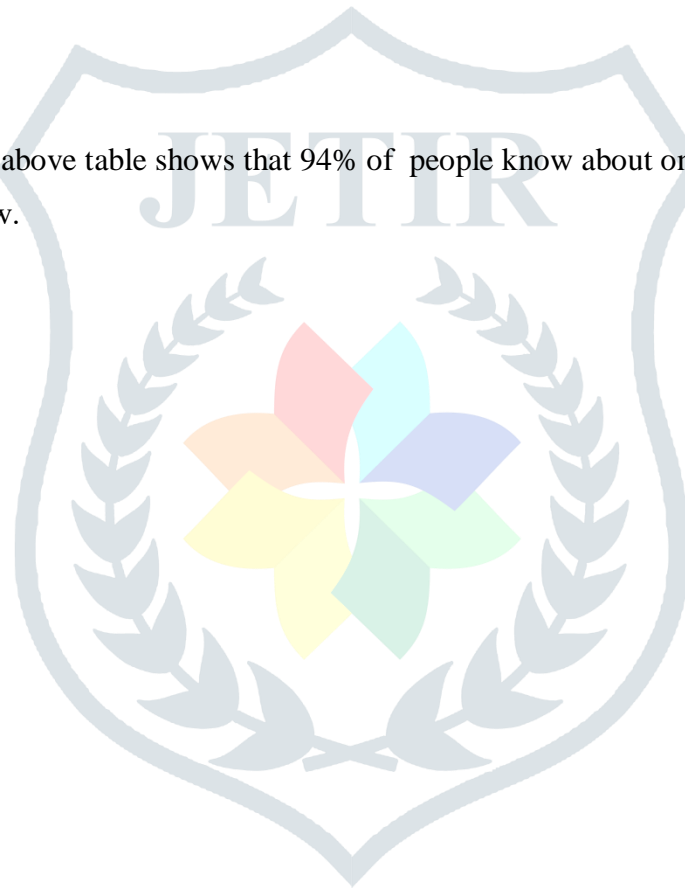
E-commerce development has made Online food ordering services seamless for people who want to get food delivered at their doorstep. Although consumers continue to go out for the meals, consumers feel very convenient to order food online since it frees the customer from personally visiting the restaurants. In this study, our main focus was to analyze the perception of consumer towards Online food ordering services. In order to understand what factors have played a dominant role to attract consumer in the developing country like India towards them, we decided to study on the consumer perception on online food ordering. In this research paper, two objectives were set for study. The first one was to identify the factors which influence the consumer to order food online and the other one was to know the consumer preferences on online food ordering services provider. To achieve these objects survey was held to gather the information. Survey successfully helped to understand the behaviour and perception of people for online food ordering. It shows how easily people search for a favourite restaurant, choose from available items and place their orders in just a few minutes.

11. **Rathore et al. (2018)** states that 50.8% of people order food delivery service since they don't like to cook, as it enables clients to have food delivered directly to their home or office in under 60 minutes.

**TABLE 4.1: Showing the awareness about the Online Food Ordering Channels**

Attributes	No of Respondents	Percentage
Yes	94	94
No	6	6
Total	100	100

**INTERPRETATION:** The above table shows that 94% of people know about online food ordering channels, and 6% of people don't know.



Attributes	No of Respondents	Percentage
Newspapers	1	1
Internet	49	49
Advertisement	25	25
Friends/Relatives	25	25
Total	100	100

**INTERPRETATION:** The above table shows that online food ordering is understood by 1% from Newspapers, 49% by Internet, 25% by Advertisement, and 25% by Friends/Relatives.

**TABLE 4.3: Showing the electronic channels aware of**

Attributes	No of Respondents	Percentage
Telephone/Mobile	54	54
Restaurant Site	17	17
Restaurant App	23	23
Multiple Restaurant Site	3	3
Others	3	3
Total	100	100

**CHART 4.3: Showing the electronic channels aware of**

**INTERPRETATION:** The above table shows that electronic channels aware of 54% Telephone/Mobile, 17% Restaurant Site, 23% Restaurant App, 3% Multiple Restaurant Site, and 3% Others.

**TABLE 4.4: Showing the convenient electronic channels to order food online**

Attributes	No of Respondents	Percentage
Telephone/Mobile	51	51
Restaurant Site	11	11
Restaurant App	23	23



Multiple Restaurant Site	3	3
Others	12	12
Total	100	100

**INTERPRETATION:** The above table shows that food is ordered online by 51% by Telephone/mobile, 11% by Restaurant Site, 23% by Restaurant App, 3% by Multiple Restaurant Site, 12% by Others.

**TABLE 4.5: Showing the how often order food electronically**

Attributes	No of Respondents	Percentage
Daily	4	4
Weekly	8	8
Monthly	50	50
Occasionally	29	29
Never	9	9
Total	100	100

**CHART 4.5: Showing the how often order food electronically**

**INTERPRETATION:** The above table shows that order food electronically 4% are Daily, 8% Weekly, 50% Monthly, 29% Occasionally, and 9% Never. So the table represents the monthly food ordering peoples are more.

**TABLE 4.6: Showing kind of Technology prefer to use while order food**

Attributes	No of Respondents	Percentage
Simple cell phone	7	7
Smart phone	74	74
Lap top	14	14
I pad	4	4
Others	1	1
Total	100	100

**CHART 4.6: Showing kind of Technology prefer to use while order food**

**INTERPRETATION:** The table above shows the percentage of technology used to order online with a 7% Simple cell phone, 74% Smart phone, 14% Lap top, 4% I pad, 1% others.

**TABLE 4.7: Showing what occasions have ordered food electronically**

Attributes	No of Respondents	Percentage
Business events	5	5
Special occasions	61	61
Social	12	12
Don't want to cook	22	22
Total	100	100

**INTERPRETATION:** The table shown that 5% order food through electronic mode for business events, 61% of respondents some in special occasions, 12% of respondents order in social events, 22% of respondents ordered food electronically because of the attitude of don't want to cook.

**TABLE 4.8: Showing the average cost per month for ordering food electronically**

Attributes	No of Respondents	Percentage
<1000	54	54
1000-2000	32	32
2000-3000	13	13
More than 3000	1	1
Total	100	100

**INTERPRETATION:** The table above indicates the average cost per month for electronic food ordering, 54% of respondents spend Rs <1000, 32% of respondents spend in between 1000-2000, 13% of respondents spend in between 2000-3000, and 1%for respondent spend more than 3000 per month for ordering food electronically.

**TABLE 4.9: Showing the electronic food ordering easy & convenient**

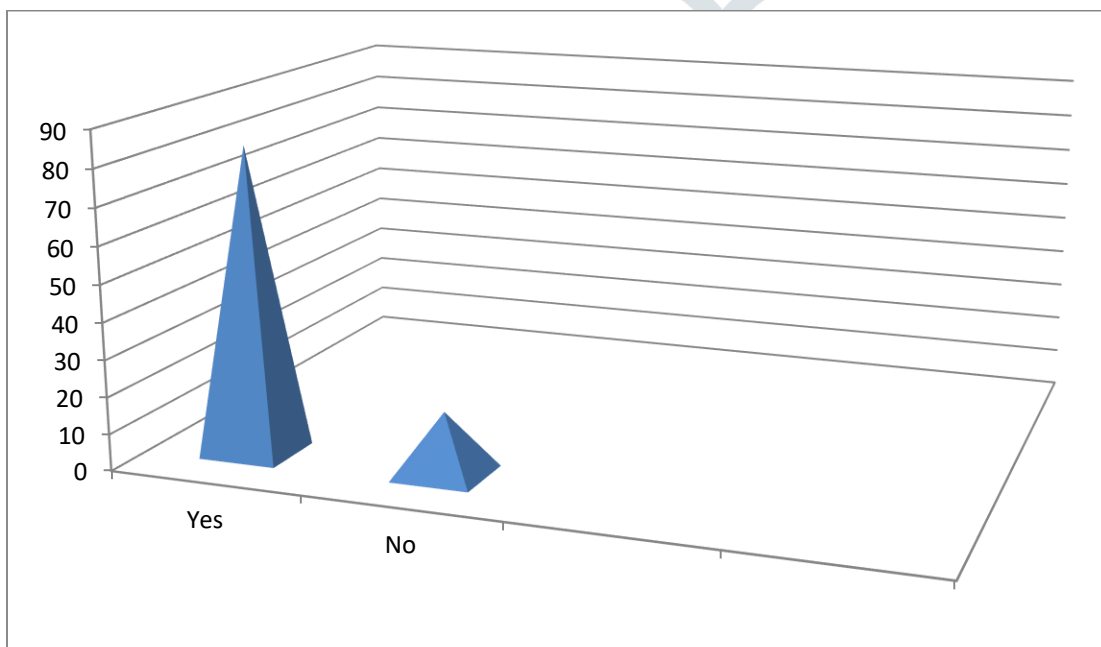
Attributes	No of Respondents	Percentage
Yes	57	57
No	8	8
To some extent	34	34
Quite an extent	1	1
Total	100	100

**CHART 4.9: Showing the electronic food ordering easy & convenient**

**INTERPRETATION:** The above table indicates that 57% respondents agree that the electronic food ordering is easy and convenient, and 8% respondents agree that the electronic food ordering is not easy and convenient, 34% of respondents to agree that the to some extent, and 1% of respondent agree the quite an extent.

**TABLE 4.10: Showing the electronic food ordering secured**

Attributes	No of Respondents	Percentage
Yes	83	83
No	17	17
Total	100	100

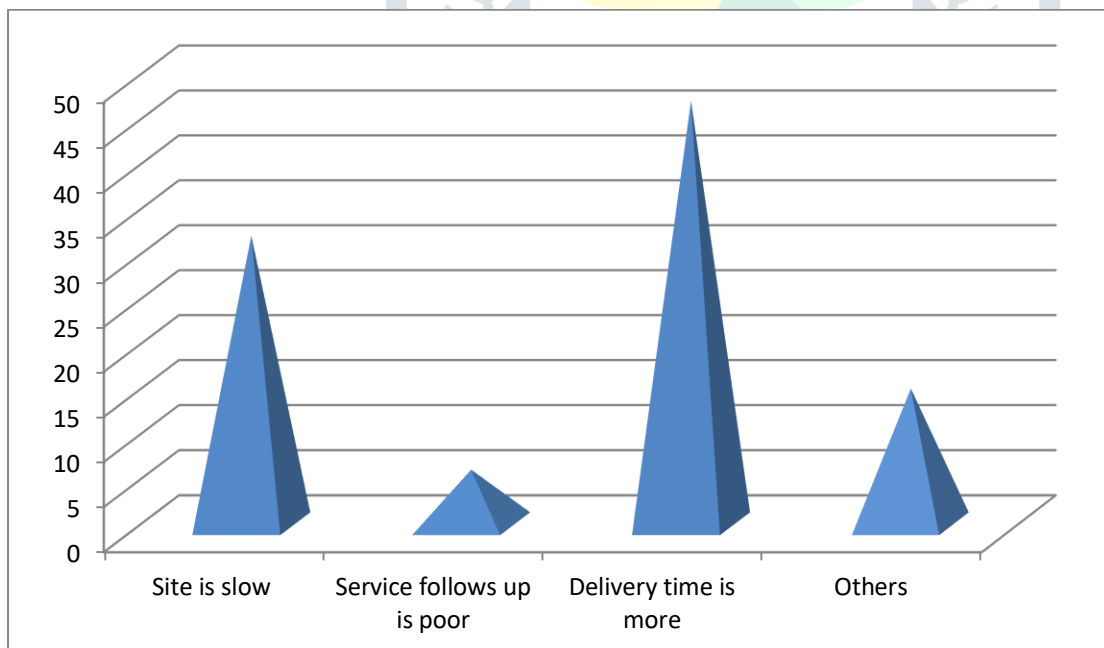
**CHART 4.10: Showing the electronic food ordering secured**

**INTERPRETATION:** The table shows that the 83% of electronic food ordering is secured and 17% of not secured.

**TABLE 4.11: Showing the what are challenges facing electronic food ordering**

Attributes	No of Respondents	Percentage
Site is slow	32	32
Service follows up is poor	6	6
Delivery time is more	47	47
Others	15	15
<b>Total</b>	<b>100</b>	<b>100</b>

**CHART 4.11: showing the what are challenges facing electronic food ordering**



**INTERPRETATION:** The above table shows that challenges facing electronic food ordering that 32% of site is slow, 6% of respondents service follows up is poor and 47% of respondents said that delivery time is more and 15% of respondents is other problems facing. The more peoples are facing challenge is delivery time is more.

**TABLE 4.12: Showing the which meal typically ordered through online**

Attributes	No of Respondents	Percentage
Breakfast	2	2
Lunch	27	27
Snacks	27	27
Dinner	44	44
Total	100	100

**INTERPRETATION:** The above table shows that 44% of respondents ordered meal through online is dinner and 27% of respondents ordered meal is lunch and snacks and another 2% of respondent ordered meal is breakfast through online.

**TABLE 4.13: Shows the which mobile application/online portal gives the****maximum no of orders**

Attributes	No of Respondents	Percentage
Foodpanda	13	13
Zomato	42	42
Swiggy	41	41
Ubereats	4	4
Total	100	100

**INTERPRETATION:** The above table shows that used online portal gives the maximum no of orders is 13% of foodpanda, 42% of respondents ordered food zomato and 41% of respondents ordered swiggy and 4% of respondents ordered ubereats for electronically used mobile application or online portal.

**TABLE 4.14: Showing the most preferable payment mode**

Attributes	No of Respondents	Percentage
Cash on delivery	57	57
Online payment	43	43
Total	100	100

**INTERPRETATION:** The above table shows that 57% of respondents prefer cash on delivery as mode of payment and 43% of respondents are used online payment.

**TABLE 4.15: Showing the Online payment is used**

Attributes	No f Respondents	Percentage
Net banking	18	18
Debit/Credit card	18	18
Paytm wallet	12	12
Paytm UPI	20	20
Others	32	32
Total	100	100

**CHART 4.15: Showing the online payment is used**

**INTERPRETATION:** The above table shows that most of the respondents used net banking for payment and 12% of respondents used paytm wallet, 20% of respondents choose the paytm UPI and 32% of respondent are prefer the other facilities for online payment.

**TABLE 4.16: Showing the satisfactory level with online food ordering**

Attributes	No of Respondents	Percentage
Highly satisfied	11	11
Satisfied	45	45
Neutral	40	40
Highly dissatisfied	1	1
Dissatisfied	3	3
Total	100	100

**CHART 4.16: Showing the satisfactory level with online food ordering**

**INTERPRETATION:** The above table shows that the satisfactory level of online food ordering. 11% of respondents are highly satisfied, 45% of respondent is satisfied, 40% of respondents are neutral, 1% of respondent highly dissatisfied, 3% of respondents are dissatisfied with the system of online food ordering.

## HYPOTHESIS OF STUDY

### STATISTICAL TOOL

#### CHI-SQUARE TEST :

The statistical test in which the test statistic follows a  $\chi^2$  distribution is called the  $\chi^2$  test.  $\chi^2$  test is a statistical test which tests the significance of difference between observed frequencies and the corresponding theoretical frequencies of a distribution, without any assumption about the distribution of the population.

#### CHI-SQUARE TEST :

Conditions for the application of  $\chi^2$  test :

1. The total frequencies (N) must be reasonable large say at least 50
2. Expected frequencies of less than 5 is pooled with the proceeding or succeeding frequency , so that no expected frequency is less than 5. Then the degree of freedom are based on the resulting number of frequencies.
3. The distribution should not be proportions or percentage etc. it should be or original units.

#### PROCEDURE :

1. Find the value of  $\chi^2$  using the formula

$$\chi^2 = \frac{\sum(O-E)^2}{E}$$

O= Observed frequency

E= Expected frequency

Degree of freedom is  $(r-1)(c-1)$  where 'r' is the number of rows and 'c' is the number of columns obtain the table value.

2. If the calculated value of  $\chi^2$  less than table value conclude that there is goodness of fit.
3. Set of null hypothesis that there is goodness of fit between observed and expected frequencies.

$$E = \frac{\text{Row total} \times \text{Column total}}{\text{Grand total}}$$

Grand total

Here ,

Null hypothesis (Ho) : There is no significant relation between convenient in electronic channels and its satisfaction level.

Alternative hypothesis (H1) : There is significant relation between convenient in electronic channels and its satisfaction level.

Option about the Online food ordering process and how to using the customers

	Highly satisfied	Satisfied	Neutral	Highly dissatisfied	Dissatisfied	Total
Telephone/Mobile	2	27	22	0	0	51
Restaurant site	2	3	5	0	1	11
Restaurant app	4	10	9	0	0	23
Multiple restaurant site	0	0	0	1	2	3
All the above	3	5	4	0	0	12
Total	11	45	40	1	3	100

O	E	(O-E) <sup>2</sup>	$\frac{(O-E)^2}{E}$
2	5.61	13.03	2.32
2	1.21	.62	.51
4	2.53	2.16	.85
0	.33	.11	.33
3	1.32	2.82	2.14
27	22.95	16.40	.71
3	4.95	2.82	.57
10	10.35	.12	.11
0	1.35	1.82	1.35
5	5.4	.16	.03
22	20.4	2.56	.12
5	4.4	.36	.08
9	9.2	.04	.00
0	1.2	1.44	1.2
4	48	.64	.13
0	.51	.26	.51
0	.11	.01	.09
0	.23	.05	.22
1	.03	.94	31.33
0	.12	.01	.08
0	1.53	2.34	1.53
1	.33	.45	1.36
0	.69	.47	.68
2	.09	3.65	40.55
0	.36	.13	.36
			87.16



Degree of freedom =  $(r-1)(c-1)$

$$= (5-1)(5-1)$$

$$= 4 \times 4$$

$$= \underline{16}$$

Table value @ 5% level of significance ,

$$\text{Table value} = \underline{26.296}$$

**INTERPRETATION :** Here the calculated value greater than the table value , So reject the  $H_0$ , there is significant relation between convenient in electronic channels and its satisfaction level. Calculated value is 87.16 and table value is 26.296.

### FINDINGS

- ❖ Majority of respondents are aware about online food ordering system.
- ❖ Majority of respondents aware about the online food ordering system through internet.
- ❖ Most popular electronic channel used by the respondents are Telephone/Mobile.
- ❖ Most of the respondents felt that Telephone/Mobile is the most convenient electronic channel.
- ❖ Majority of respondents ordered food electronically on monthly basis.
- ❖ Most people use smart phones to order food through online mode.
- ❖ Majority of respondents are ordering food online at the special occasion.
- ❖ 54% of respondents spend Rs 1000 for ordering food online.
- ❖ 57% of respondents said that ordering food online is easy and convenient.
- ❖ Majority of respondents said that ordering food online is safe.
- ❖ Most of the respondents said that delivery time is more of a challenge when ordering food online.
- ❖ Majority of respondents order dinner by online food ordering system.
- ❖ Most of respondents use zomato for online food ordering system.
- ❖ More respondents are preferring for payment with cash on delivery.
- ❖ Majority of people use net banking and debit/credit cards for online payment.
- ❖ Majority of people are satisfied with the online food ordering.

### SUGGESTIONS

- ❖ Offer the discounts on items purchased by the customer.
- ❖ One of the major challenges facing the online food ordering is to do your best to solve the delivery time of problem.
- ❖ Take care to keep the food quality and quantity good.
- ❖ Be careful to include more food.

## CONCLUSION

After the studied the customer's perception of online food ordering it is concluded that every system has its strengths and weakness. The purpose of this online food ordering system is basically to save the time of the customers especially when he/she has to invite people for any occasion.

The chief reason of online food ordering is convenience. The single most important attribute of online food ordering is accuracy. This study found that online food ordering is reasonably popular among the peoples of Kunnankulam area. Nearly 94 percent of the respondents were aware of the online food ordering. Customers between 20-30 years of age ordered more online food. This study has shown that perceived control and convenience are keys to customer use of online ordering which leads to higher satisfaction. Young customers are more likely to use online, mobile ordering.

To conclude customers will appreciate not having to wait and other waiting customers may be motivated to try online food ordering.

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