



UNDERSTANDING CUSTOMER SATISFACTION IN ONLINE FOOD DELIVERY SERVICES: A CASE STUDY OF FIRMS IN HYDERABAD

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Abstract:

The purpose of this research study is to examine the variables that affect customer satisfaction when it comes to Indian online food delivery services. Given how quickly the online food delivery sector's market is expanding, it is critical for businesses to comprehend and improve customer satisfaction in order to secure the long-term success of their organisation. This study uses a thorough methodology to examine consumer preferences, their expectations, and their experiences with well-known online food delivery services in the Indian food delivery market. It does this by combining the quantitative and qualitative research methods by using a structured questionnaire. The research's conclusions can help food delivery businesses improve their tactics and offerings for better customer satisfaction and increase overall satisfaction.

Keywords: Online Food delivery Sector, Technology, Customer Satisfaction, Swiggy, Zomato

INTRODUCTION

Driven by changing customer lifestyles, growing internet penetration, and technology improvements, the online meal delivery industry in India has experienced extraordinary expansion in recent years. For businesses in this industry, focusing on customer satisfaction is critical as competition heats up. By analysing the critical elements that affect consumer satisfaction in the context of Indian online meal delivery services, this research aims to add to the body of existing work.

The emergence of online food delivery (OFD) services has caused a radical change in the food sector environment in India with the affordability rates of the internet and increase of the income levels of people and wide range availability of the mobile devices to all. Over the past decade, there has been a notable increase in the prevalence of platforms that facilitate the connection between the customers and a wide range of restaurants or eateries, providing the food delivery services from the convenience of home or office for select food ordering through the online platform from the choice of the multiple outlets. This shift can be ascribed to the combination of the evolving consumer lifestyles, the existing expanding nationwide internet accessibility, and the technology breakthroughs. Today, people have the choice of opting of food along with the discount coupons and offers on the same platform, making the process of the online food delivery easier.

The Indian Online Food Delivery industry is characterised by fierce rivalry and a quickly changing landscape, mostly due to the emergence of the digital platforms and the evolving mobile applications. Because of this, it is crucial for businesses in this industry to provide a great and fulfilling user experience in order to draw in and keep clients. Customer loyalty, repeat business, and positive word-of-mouth are all influenced by customer satisfaction, which has emerged as a crucial success factor for online meal delivery businesses.

In the context of OFD services, a thorough grasp of the elements that lead to customer satisfaction is vital due to the distinct challenges and opportunities posed by the Indian market. The Indian market is unique and deserves careful consideration because of its varied gastronomic landscape, fluctuating consumer preferences, and changing socioeconomic environment. In order to understand the complexities of customer happiness, this research aims to delve into these subtleties and provide insights that might inform the business strategies of Indian OFD firms.

Constant Enhancement in OFD Firms Process

Get input on a regular basis and apply it to better processes, services, and goods. Employee training enables on how to engage with customers and deliver exceptional customer service. Customization of products or service also help to meet the requirements and tastes of each unique consumers by means of unambiguous communication by making sure one communicate with clients about goods, services, and any changes in an open and understandable manner. Lastly by reducing the active resolution of issues by proactively handling consumer complaints and

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offer prompt solutions. Customer satisfaction can be established by preserving the relationships duly developing and enduring connections with customers by means of tailored correspondence and interaction. As a dynamic statistic, customer happiness needs constant monitoring and care. It has a significant influence on many facets of organisational performance and is a major driver of company success. Zomato and Swiggy are the key prominent market players in the market.

LITERATURE REVIEW

1. Issues and Opportunities in the Indian Market

In a study published in 2018, the authors Kapoor and Dwivedi³ examined the prospects and difficulties faced by the online food delivery services in the Indian industry. It explores topics like accommodating a range of gastronomic tastes, streamlining delivery processes, and maintaining connections with nearby eateries. The study brought to light how difficult it is to adjust to the wide range of culinary tastes seen in India's culturally rich and varied areas. One of the most important challenges facing internet platforms looking to make a big splash in the market is figuring out how to understand and satisfy these diverse interests and inclinations. The study also examined the complexities of delivery logistics optimisation, acknowledging the significance of prompt and effective deliveries in raising customer satisfaction. The management of connections with neighbourhood restaurants was one of the research's main foci. According to the report, the prosperity of online meal delivery services in India depends on forging and preserving strong alliances with a wide range of regional restaurants. It was determined that working well with these businesses was crucial to increasing menu selections, guaranteeing food quality, and creating a cooperative ecology. Thus, the study offers insightful information about the operational challenges faced by online meal delivery companies in India, illuminating tactics required to successfully negotiate and prosper in this cutthroat and culturally heterogeneous industry.

2. Customer Preferences and Behaviour

The goal of Sharma and Gupta's (2019)⁴ research was to identify the variables affecting Indian consumers' tastes and behaviour when it comes to online meal delivery. The study looked at how decisions and satisfaction are affected by social, cultural, and economic factors. The authors made great progress in deciphering the nuances of consumer behaviour and preferences in the context of online meal delivery in India. The research employed a thorough methodology, exploring the intricate impacts of cultural, social, and economic variables on consumer preferences and contentment. Through the examination of these aspects, the study offered a comprehensive comprehension of the varied and ever-changing Indian consumer environment. Important determinants that shape preferences for particular cuisines, flavours, and dining experiences were shown to be cultural variables. The study recognised the diverse range of Indian culture, which is reflected in the disparities in cooking customs among various communities and geographical areas. In order to understand the social dynamics that influence the decision-making process in online meal ordering, social factors, which include things like peer influence and social norms were investigated. Furthermore, economic aspects, like income levels and affordability, were scrutinised to measure their impact on the choices made by consumers and their overall happiness with online meal delivery services. In summary, Sharma and Gupta's study clarified the various factors that influence consumer behaviour in the Indian setting and offered insightful guidance to online meal delivery services that aim to customise their offerings to accommodate the intricate interactions between cultural, social, and economic variables.

3. Effects of Technological Advancements

The impact of technology advancements, such as mobile applications and artificial intelligence, on the customer experience in the Indian online food delivery market was examined in a study conducted by Reddy et al. (2020)⁵. The authors examined the revolutionary impact of technology advancements on the consumer experience in the Indian online food delivery market, with a particular emphasis on mobile applications and AI. The study acknowledged the critical role that mobile applications play as the main point of contact between users and online platforms, influencing every step of the user experience, from ordering and tracking deliveries to navigating menus.

AI emerged as a key focal point, with the study scrutinizing its impact on enhancing the overall customer experience. The incorporation of AI in recommendation algorithms, personalized promotions, and predictive analysis was investigated to understand how these advancements contributed to a more seamless and tailored online food ordering process. The authors explored how technological innovations not only streamlined the user experience but also influenced customer satisfaction by addressing issues related to efficiency, accuracy, and personalization. The findings of the study provided valuable insights into the evolving landscape of the Indian online food delivery sector, highlighting the pivotal role that technological advancements play in shaping customer expectations and experiences. For online food delivery firms, understanding and leveraging these innovations become imperative for staying competitive and ensuring a positive and efficient customer journey.

4. Customer Satisfaction and Service Quality

In the context of Indian online meal delivery platforms, Gupta and Singh (2017)⁶ conducted a study to investigate the relationship between service quality and consumer happiness. In 2017, Gupta and Singh conducted a thorough investigation of the relationship between customer satisfaction and service quality, specifically as it relates to Indian online food delivery platforms. This study focused on a core component of the online food delivery experience, acknowledging that customer satisfaction and the subsequent success of these platforms are directly influenced by the perceived quality of services. Examining several aspects of service quality, such as order processing speed, shipping accuracy,

³ Dwivedi, Y. K. & Kapoor, A. (2018). Review of the prospects and challenges facing online meal delivery aggregators in the Indian market. Vol. 43, p;328–336. International Journal of Information Management.

⁴ Sharma, P., and Gupta, S. (2019) are cited. Understanding consumer behaviour towards online meal delivery services in India. Vol. 22(5), 585–600, Journal of Foodservice Business Research.

⁵ Reddy, P. S., Rao, R. G., and Chatterjee, D. An analysis of how technical advancements affect customer satisfaction in the Indian online meal delivery market. 55, 102049, Journal of Retailing and Consumer Services.

⁶ Gupta, S., and Singh, R. (2017) are cited. Customer happiness and service quality in the Indian online meal delivery system. International Journal of Services and Operations Management, 27(2), 232-249.

and customer assistance responsiveness, were part of the research approach. Gupta and Singh sought to identify the underlying mechanisms that lead to elevated or decreased levels of customer satisfaction by measuring and examining these variables. Thus, the study was essential in identifying the components that support a satisfying user experience in the online meal delivery industry.

The results emphasised how important service quality is in influencing consumer loyalty and views. Platforms with a strong track record of dependability, promptness, and efficient problem-solving were likely to attract a loyal user base. Therefore, by emphasising and improving overall service quality, Gupta and Singh's research offered online food delivery platforms practical insights that they could use to optimise their services and gain a competitive edge in the Indian market.

5. Online Reviews Role

The impact of consumer feedback and online reviews on the success and reputation of online meal delivery platforms in India was investigated by Khan et al. (2018)⁷ in their research. In 2018, Khan, Hoque, and D'Souza conducted a study that examined the significance of online reviews and consumer feedback in determining the standing and career paths of online meal delivery services in India. Acknowledging the current environment in which opinions expressed online have a substantial impact, the study set out to explore the mechanics of how user-generated material on these platforms affects their overall market position. They examined closely how users' perceptions of the platforms' dependability and credibility were affected by their online reviews. Good feedback was found to be a powerful tool for fostering consumer confidence and influencing prospective customers' choices. The study also examined the veracity of reviews, highlighting the significance of a balance between favourable and unfavourable comments to provide a more accurate depiction of user experiences. Additionally, the study clarified how platforms strategically use user feedback, not just for reputation management but also as an invaluable tool for ongoing development. Through an examination of the interdependent relationship between consumer feedback, online reviews, and the success of online meal delivery platforms, Their study offered vital insights for firms trying to make their way through a competitive market. Comprehending the subtle effects of user feedback empowers platforms to formulate tactics aimed at augmenting consumer contentment, cultivating a favourable image, and promoting long-term prosperity in the dynamic and cutthroat Indian marketplace.

METHODOLOGY

Using a mixed-methods approach, this study collects data from interviews and surveys in addition to quantitative data. While interviews with customers and industry experts provided deeper insights on their experiences, the survey collected data on customer preferences, satisfaction levels, and expectations.

SAMPLE SELECTION

For the study, 474 consumers who were dwelling in the city of Hyderabad city limits from a variety of backgrounds were chosen to ensure a diversity of usage habits and demographics. Furthermore, interviews were performed in order to gain a deeper comprehension.

OBJECTIVES OF THE STUDY

1. To identify the factors influencing customer satisfaction in the online food delivery sector.
2. To assess the impact of service quality, delivery time, pricing, and user interface on customer satisfaction.
3. To provide actionable recommendations for online food delivery firms to improve customer satisfaction.

DATA ANALYSIS AND FINDINGS

Whereas qualitative data will undergo theme analysis, quantitative data will be examined statistically to find trends and correlations. The amalgamation of both forms of data offers a thorough comprehension of client contentment inside the online meal delivery industry.

A successful and long-lasting business depends on knowing and controlling customer happiness. An effective way of a product or service catering to beyond expectations of the customer is measured by customer satisfaction. Since it has a direct impact on client loyalty, repeat business, and good word-of-mouth referrals, it is a crucial performance metric for companies and organisations.

Gender Vs Customer Satisfaction by t-Test

Group Statistics for t-test performed to examine association between "Customer Satisfaction" and "Gender." Online food delivery services, seeks to determine for any appreciable disparities in customer satisfaction ratings between male and female groups.

Table No: 1 Gender Vs Customer Satisfaction (Group Statistics)

Gender to Customer Satisfaction	No of respondents	Mean	Std. Deviation	Std. Error Mean
Male	309	3.361	0.8602	0.0489
Female	165	3.239	0.9625	0.0749

Variable of interest assesses how satisfied customers are with online meal delivery services, and it is called "Customer Satisfaction", t-test would ascertain if observed differences in means between two gender groups are statistically significant or if happened by chance. It is not shown in this table but was probably performed independently.

⁷ Khan, M. L., D'Souza, G., & Hoque, R. (2018). Factors impacting customers' pleasure and loyalty in the Indian online meal delivery market. International Journal of Services, Economics and Management, 9(4), 338-357.

t-Test: Gender Vs Customer Satisfaction Vs (Independent Samples Test)

Findings of t-test performed to evaluate association between "Customer Satisfaction" and "Gender" in context of online meal delivery services. To ascertain whether there are statistically significant variations in customer satisfaction ratings between male and female respondents, the t-test is used.

Table No: 2 Gender Vs Customer Satisfaction Vs (Independent Samples Test)

Independent Samples Test		Equal Variances	
		Assumed	Not Assumed
Levene's Test for Equality of Variances	F	3.159	
	Sig.	0.076	
t-test for Equality of Means	t	1.419	1.371
	df	472	304.242
	Sig. (2-tailed)	0.157	0.171
	Mean Difference	0.1227	0.1227
	Std. Error Difference	0.0865	0.0895
	95% Confidence Interval of Difference	Lower -0.0472 Upper 0.2926	-0.0534 0.2988

Levene's Test for Equality of Variances determines variances (spread) of customer satisfaction levels between two gender groups are equivalent. Test produced an F-statistic of 3.159 and an associated p-value of 0.076. As a result, it is presumed that equal variances can be taken into account for subsequent t-test as p-value is higher than normal significance level of 0.05.

- t-statistic, two-tailed p-value of 0.157, is 1.419 when equal variances are assumed.
- p-value (0.157) is higher than 0.05, difference is not statistically significant at 0.05.
- Results comparable when equal variances are not assumed, with a t-statistic of 1.371 and a slightly higher p-value of 0.171. Mean difference is not statistically significant.

Note:

- If "Equal Variance assumed" Significance value is greater than 0.05, then select "Equal Variance assumed" column t-value and Significance value.
- If the "Equal Variance assumed" Significance value is less than 0.05, then select "Equal Variance not assumed" column t-value and Significance value.

Conclusion: If the significance value is less than 0.05 then reject null hypothesis else accept null hypothesis. Significance value is 0.157, so accept null hypothesis implying no significant difference between Male and Female towards Customer Satisfaction of online food delivery firms. t-test findings show that there is no statistically significant difference in respondents' levels of customer satisfaction for online meal delivery services between men and women. Regardless of whether equal variances are assumed or not, the differences in means are not significant, suggesting that both gender experience roughly the same levels of satisfaction.

Marital Status Vs Customer Satisfaction by t-Test

Group statistics of t-test aims to explore relationship between Customer Satisfaction and Marital Status within the context of online food delivery services.

Table No: 3 t-Test: Marital Status Vs Customer Satisfaction (Group Statistics)

Marital Status to Customer Satisfaction	N	Mean	Std. Deviation	Std. Error Mean
Single	247	3.0892	0.9333	0.0593
Married	227	3.5691	0.7868	0.0522

Average customer satisfaction score of Single 247 respondents is 3.089, its standard deviation of 0.933, indicating single generally expressed a modest level of satisfaction on experiences of ordering online food and that of Married group with 227 respondents, is higher at 3.569. Married people expressed pleasure on online food delivery services with a standard deviation of 0.786, this satisfaction ratings are less variable than those of Single. Standard error mean is 0.052, indicating reasonably consistent responses. Results show potential relationship between marital status and customer satisfaction on the online food delivery apps/websites.

t-Test: Marital Status Vs Customer Satisfaction (Independent Samples Test)

Results of an independent samples t-test comparing "Customer Satisfaction" ratings of two groups based on "Marital Status" in context of online food delivery services for outcomes of two different hypotheses: one where equal variances are assumed and when not.

Levene's Test for Equality of Variances determines if variances between 'Single' and 'Married groups' customer satisfaction scores are equivalent. Findings demonstrate the premise of equal variances is broken (significant p-value of 0.000). "Equal variances not assumed" results are often thought to be more reliable in such circumstances.

Table No: 4 Marital Status Vs Customer Satisfaction (Independent Samples Test)

Independent Samples Test		Equal Variances	
		Assumed	Not Assumed
Levene's Test for Equality of Variances	F	17.052	
	Sig.	.000	
t-test for Equality of Means	t	-6.025	-6.069
	df	472	468.568
	Sig. (2-tailed)	0.000	0.000
	Mean Difference	-0.4799	-0.4799
	Std. Error Difference	0.0796	0.0790
	95% Confidence Interval of Difference	Lower	-0.6364
		Upper	-0.3234

Conclusion: t-test for Equality of Means determines if there exists a statistically significant difference between means of two groups' customer satisfaction levels. Exceptionally low p-value of 0.000 show a highly significant difference in customer satisfaction between "Single" and "Married" people. Statistically significant difference between Single and Married people's customer satisfaction levels generally reported much higher levels of satisfaction.

ANOVA TEST – Customer Satisfaction

Table No: 5 Age, Occupation and Income to Customer Satisfaction by ANOVA

Customer Satisfaction		Sum of Squares	df	Mean Square	F	Sig.
Age Group	Between Groups	25.436	4	6.359	8.376	0.00
	Within Groups	356.053	469	0.759		
	Total	381.488	473			
Occupation	Between Groups	53.037	3	17.679	25.298	0.00
	Within Groups	328.451	470	0.699		
	Total	381.488	473			
Income	Between Groups	33.785	3	11.262	15.223	0.00
	Within Groups	347.703	470	0.740		
	Total	381.488	473			

Null Hypothesis: There is no significant difference between different age-groups, occupations, and income groups towards Customer Satisfaction of online food delivery firms

- **ANOVA Test on Age to Customer Satisfaction:** It is observed that the value between the Groups of the Sum of Squares is 25.436, at 4 degree of freedom, the Mean Square is 6.359, the F value is 8.376, and the calculated Significance value is 0.000. ANOVA for Customer Satisfaction indicates a statistically significant differences in customer satisfaction scores between at least two age groups. The p-value (Sig.) is very low (Sig. = .000) than the level of significance value of 0.05, and thus suggests that the differences between the age groups are significant.
- **ANOVA Test on Occupation to Customer Satisfaction:** It indicates that there are significant differences in the customer satisfaction scores of different occupation groups. The observed F-statistic of 25.298 is highly significant, and the calculated significance value of 0.00, is less than level of significance 0.05, suggesting that there is a statistically significant difference in the customer satisfaction scores between the different occupations groups.
- **ANOVA Test on Income to Customer Satisfaction:** Test results of different income categories, determined for any statistical significant difference between the groups. The Observed p-value significant is 0.00, less than the level of significance 0.05, hence, statistically significant differences in customer satisfaction scores among the different income groups were observed.

CONCLUSION

A substantial factor in customer satisfaction is the provision of high-quality goods or services that either meet or surpass their expectations. Customer satisfaction is influenced by good encounters with customer service agents, prompt issue resolution, and efficient communication. Consumers frequently evaluate their level of satisfaction in light of the apparent value obtained for money. Convenience and simplicity of use are critical factors in determining consumer satisfaction. Customer satisfaction and trust are positively correlated with a brand's reputation and image. Adapting goods and services to the unique needs and preferences of each client raises satisfaction levels. Cost and Economic Value of the product or service, accessibility and its ease for usability, brand name or recognition and customisation. Feedback forms were collected using quantitative and qualitative methods, like customer satisfaction, their testimonials and real-time reviews obtained through their analysis. Social Media Monitoring sees the comments and user opinions for customer complaints and resolutions by means of examining efficacy of responses. Significance of customer satisfaction are customer loyalty as happy customers are more inclined to stick with brand, come back again, can spread good word of mouth, influence prospective clients and help in retention and churn customer prevention. Higher satisfaction keeps customers' longer and lowers churn risk, or lost business. It also helps in competitive edge, i.e., companies that excel in customer satisfaction frequently have a market edge and satisfied customers are more inclined to make more purchases in turn increases income.

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