IMPACT OF CRM ON CUSTOMER SATISFACTION IN ONLINE FOOD DELIVERY SERVICES

[*]**Aseena Mariyam M**

[**]**Dr. U.Thaslim Ariff**

[*]Ph.D Scholar, Department of Commerce , Kamalam College of Arts and Science , Anthiyur, Udumalpet.
[**]Assistant Professor , Department of Commerce , Kamalam College of Arts and Science Anthiyur, Udumalpet

Abstract

In today's highly competitive digital marketplace, effective customer relationship management (CRM) has become a key factor in ensuring customer satisfaction and loyalty. This study explores the impact of CRM practices on customer satisfaction in online food delivery services in Tamil Nadu. The research aims to identify the most influential CRM practices and examine how these practices affect satisfaction across different demographic groups. Primary data was collected from 100 respondents using a structured questionnaire in Pollachi. Data analysis was performed using the Simple Percentage, Garrett ranking technique, Likert scale analysis and Chi-square test. The findings indicate that CRM practices such as prompt complaint resolution, order tracking, app usability, and timely updates significantly enhance customer satisfaction, while demographic factors including gender, age, education, and income do not show a significant effect. The study suggests that online food delivery platforms can strengthen customer loyalty and retention by implementing efficient, technology-driven, and customer-focused CRM strategies.

Keywords: Customer relationship management, customer satisfaction, online food delivery services, growth, etc.,

Introduction

In recent years, the rapid growth of online food delivery services has significantly transformed the way consumers order and consume food. With increasing competition among platforms such as Swiggy, Zomato, and Uber Eats, customer satisfaction has become a critical factor for sustaining market share and ensuring long-term success. In this digital service environment, Customer Relationship Management (CRM) plays a vital role in building strong relationships between online food delivery platforms and their customers.

CRM in online food delivery services involves the use of technology, data analytics, and customer-focused strategies to understand customer preferences, manage interactions, address complaints, and deliver personalized services. Effective CRM practices such as timely communication, customized offers, loyalty programs, prompt grievance redressal, and efficient customer support help enhance customers' overall experience. These practices not only influence repeat purchases but also foster trust and loyalty among customers.

Customer satisfaction in online food delivery services is largely determined by factors such as ease of app usage, accuracy of orders, delivery speed, responsiveness to issues, and post-purchase support. CRM systems enable platforms to track customer feedback, monitor service quality, and respond proactively to customer needs. By leveraging customer data and feedback, online food delivery services can continuously improve their service delivery and align their offerings with customer expectations.

Therefore, studying the impact of CRM on customer satisfaction in online food delivery services is highly relevant in the current digital economy. Understanding this relationship helps service providers design effective CRM strategies to improve customer satisfaction, enhance retention, and gain a competitive advantage in the online food delivery market.

Statement of the Problem

Online food delivery services are growing rapidly, and many companies use CRM practices to attract and retain customers. However, customers still face problems such as late deliveries, wrong orders, and poor response to complaints, which affect their satisfaction. Even though CRM systems are used, it is not clear how much they actually improve customer satisfaction. Therefore, this study aims to understand the impact of CRM on customer satisfaction in online food delivery services in Pollachi.

Need for the Study

- Online food delivery services face intense competition, making customer satisfaction essential for survival and growth.
- Effective CRM helps in understanding customer needs, preferences, and expectations.

- Many customers experience service issues despite the use of CRM, highlighting the need to evaluate its effectiveness.
- The study helps identify gaps in existing CRM practices of online food delivery services.
- Findings of the study can assist service providers in improving customer satisfaction and retention.
- The study provides useful insights for designing better CRM strategies in the online food delivery sector.

Review of Literature

Sukasini and Subramaniam (2024) conducted a study in Erode District, Tamil Nadu, to analyze consumers' attitudes and preferences towards online food delivery services. The study was based on a sample of 100 respondents selected through a structured questionnaire. The findings revealed that ease of ordering, timely delivery, customer support, and promotional offers significantly influenced customer satisfaction. The study highlighted that effective interaction with customers and quick response to issues, which are key components of CRM, play an important role in retaining customers.

Katta and Singh (2023) carried out a study on customer satisfaction towards the Swiggy online food delivery app with special reference to South Chennai. The research collected data from 150 respondents. The study found that service quality, delivery personnel behavior, responsiveness to complaints, and refund mechanisms had a strong influence on customer satisfaction. The authors emphasized that efficient CRM practices help platforms understand customer expectations and improve service performance.

Praveen Rajesh, Sai Harini, and Krithika (2022) studied customer experience on food delivery applications in Kanchipuram district of Tamil Nadu. The study was conducted with a sample size of 250 respondents using primary data. The results showed that app usability, order tracking, communication during delivery, and feedback systems positively affected customer experience and satisfaction. The study concluded that maintaining continuous interaction with customers through CRM tools enhances trust and repeat usage.

Ravichandran and Ranjitha (2021) conducted a study in Tiruchirapalli, Tamil Nadu, with a sample size of 30 respondents to assess customer satisfaction towards online food ordering services. Although the sample size was limited, the study identified key issues such as delayed delivery and poor complaint handling. The findings suggested that strengthening CRM mechanisms could improve customer satisfaction levels.

Maheswari, Swarnalatha, and Gayathri (2019) studied customer satisfaction towards Zomato online food ordering services in Coimbatore city with a sample size of 150 respondents. The study revealed that prompt customer service, personalized offers, and effective grievance redressal significantly influenced customer

satisfaction. The authors concluded that CRM plays a crucial role in building long-term relationships with customers in online food delivery platforms.

Objectives of the Study

- To examine the CRM practices adopted by online food delivery services.
- To analyze the impact of CRM on customer satisfaction in online food delivery services in Pollachi.

Research Methodology

The study on the impact of customer relationship management on customer satisfaction in online food delivery services follows a descriptive research design, aiming to describe the existing CRM practices and their effect on customer satisfaction. The research is based on primary data collected from respondents who use online food delivery platforms in Pollachi.

Sampling involved a total of 100 respondents selected using convenience sampling technique in Pollachi. The sample consists of both male and female users across different age groups, educational backgrounds, occupations, and income levels. Data was gathered using a structured questionnaire consisting of demographic details and questions related to CRM practices and customer satisfaction. Responses on CRM effectiveness and satisfaction were measured using a five-point Likert scale ranging from strongly disagree (1) to strongly agree (5).

Tools and techniques used in the study include the Garrett ranking technique to rank the importance of various CRM practices as perceived by respondents, Likert scale analysis to measure the level of customer satisfaction influenced by CRM practices, Chi-square test of independence to examine the relationship between demographic variables and customer satisfaction, and percentage analysis to present demographic profiles and interpret the responses.

Limitations of the study

- The study is limited to a sample size of 100 respondents, which may not represent all online food delivery users in Pollachi.
- Convenience sampling was used, which may result in biased responses.
- The study is confined to Pollachi, and the findings cannot be generalized to other areas.

Analysis and Interpretation

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Table 1

Demographic Profile of Respondents

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Particulars	Category	No. of Respondents	Percentage
Gender	Male	48	48
	Female	52	52
Age	Below 20 years	12	12
	21–30 years	38	38
	31–40 years	30	30
	Above 40 years	20	20
Educational Qualification	School Level	15	15
	Undergraduate	40	40
	Postgraduate	35	35
	Others	10	10
Occupation	Student	28	28
	Private Employee	34	34
	Government Employee	18	18
	Business / Self-employed	12	12
	Others	8	8
Monthly Income	Below ₹15,000	22	22
	₹15,001–₹30,000	36	36
	₹30,001–₹45,000	24	24
	Above ₹45,000	18	18
Frequency of Using Online Food Delivery Services	Occasionally	26	26
	Once a week	34	34
	2–3 times a week	28	28
	Frequently	12	12

The demographic profile of the respondents shows a balanced representation of gender, with 52 per cent being female and 48 per cent male, indicating that both genders actively use online food delivery services. In terms of age, the majority of the respondents (38 per cent) fall in the 21–30 years age group, followed by 30 per cent in the 31–40 years category, suggesting that young and middle-aged adults are the primary users of online food delivery platforms.

Regarding educational qualification, a large proportion of the respondents are well educated, with 40 per cent holding undergraduate degrees and 35 per cent possessing postgraduate qualifications. This indicates that educated consumers are more inclined to use technology-based services such as online food delivery apps. With respect to occupation, private employees constitute the largest group (34 per cent), followed by students (28 per cent), reflecting the preference for convenience among working professionals and young users..

The income-wise classification reveals that 36 per cent of the respondents earn between ₹15,001 and ₹30,000 per month, while 24 per cent earn between ₹30,001 and ₹45,000, indicating that middle-income groups are the major users of online food delivery services. Finally, the frequency of usage shows that a significant proportion of respondents use online food delivery services at least once a week or more, highlighting the growing dependence on these platforms for regular food consumption.

Table 2
CRM Practices in customer satisfaction
Garrett Ranking Technique

CRM Practices	Mean Garrett Score	Rank
Easy-to-use mobile application	63.20	I
Order tracking and delivery updates	59.10	II
Prompt response to customer complaints	55.45	III
Customer feedback and review system	51.30	IV
Personalized offers and discounts	47.85	V

The Garrett ranking analysis shows that an easy-to-use mobile application is ranked first, indicating that customers give the highest importance to convenience and simplicity while using online food delivery services. Order tracking and delivery updates ranked second, reflecting the need for continuous communication during the delivery process. Prompt response to customer complaints secured the third rank, suggesting that while grievance handling is important, customers place greater emphasis on ease of usage and delivery transparency. Customer feedback and review systems and personalized offers and discounts ranked fourth and fifth respectively, indicating that these CRM practices are considered supportive factors rather than primary drivers of customer satisfaction.

Table 3

Impact of CRM on Customer Satisfaction

To understand how CRM practices influence customer satisfaction in online food delivery services, respondents were asked to rate various CRM-related statements on a five-point Likert scale (1 – Strongly Disagree, 5 – Strongly Agree). The responses were analyzed using percentages and mean scores.

CRM Practice	Mean Score	Interpretation
Prompt response to complaints improves my satisfaction	4.32	High Impact
Receiving order updates and tracking increases satisfaction	4.15	High Impact
Easy-to-use app enhances my overall experience	4.28	High Impact

Personalized offers and discounts make me satisfied with the service	3.85	Moderate Impact
Providing feedback and reviews improves my satisfaction	3.72	Moderate Impact

The analysis shows that CRM practices such as prompt complaint handling, order tracking, and app usability have a high impact on customer satisfaction. These practices ensure customers feel valued, informed, and comfortable while using the service. Personalized offers and the feedback system have a moderate impact, indicating that while customers appreciate rewards and giving opinions, the core drivers of satisfaction are service responsiveness and ease of use**.**

Table 4

Association Between Demographic Variables and Customer Satisfaction in Online Food Delivery Services

Demographic Variable	Chi-square Value	P-value	Interpretation
Gender	0.643	0.725	Not significant
Age	5.201	0.518	Not significant
Education	3.968	0.681	Not significant
Income	8.819	0.184	Not significant

The Chi-square analysis was conducted to examine whether demographic variables such as gender, age, education, and income have a significant association with customer satisfaction in online food delivery services. The results show that the p-values for gender (0.725), age (0.518), education (0.681), and income (0.184) are all greater than the 0.05 significance level, indicating that none of these demographic factors have a statistically significant impact on customer satisfaction. This suggests that male and female respondents, people of different age groups, educational backgrounds, and income levels, perceive CRM practices such as prompt complaint resolution, order tracking, app usability, personalized offers, and feedback systems in a similar way. Overall, the findings imply that CRM strategies in online food delivery services are effective across all demographic groups, and service quality, responsiveness, and convenience are the key drivers of customer satisfaction rather than demographic characteristics.

Suggestion for the study

   ➢   Online food delivery platforms should focus on prompt and effective complaint resolution, as it has a strong influence on customer satisfaction.

   ➢   Order tracking and timely delivery updates should be improved and communicated clearly to enhance customer trust and confidence.

➤　　The mobile application interface should be user-friendly and intuitive, as ease of use significantly affects overall satisfaction.

➤　　Personalized offers, discounts, and loyalty programscan be introduced or optimized to maintain customer interest, especially for frequent users.

➤　　Platforms should encourage and act on customer feedbackto identify service gaps and continuously improve CRM practices.

Conclusion

The study concludes that effective customer relationship management plays a vital role in enhancing customer satisfaction in online food delivery services. Customers value timely service, easy-to-use applications, prompt responses to complaints, and clear communication regarding orders. While demographic factors such as age, gender, education, and income do not significantly influence satisfaction, CRM practices remain important for all customer groups. Overall, focusing on service quality, responsiveness, and customer convenience helps online food delivery platforms build trust, retain customers, and achieve long-term success.

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