

A Study on Impact of Online Food delivery app on Restaurant Business

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Abstract

Introduction

In the 21st Century everyone is running for the better lifestyle, but we all forget that the basic need of every human, So for this two times satisfactory meal, everyone is capable to earn easily; but many people miss their meals. It has been said earlier that, though technology is extremely advanced, one cannot download food from the internet.

Objectives

- To know the impact of food delivery start-ups like Zomato and Swiggy on restaurant business
- To know the strategies of food delivery app Zomato, Swiggy, food panda and uber eats.
- To analyze the influencing factors which help the consumers to choose online food delivery services

Methodology

15 structured questions have been asked through questionnaire which is prepared through Google Form and has forwarded to public.

Findings

The online ordering software will receive the orders from the customers and directly relay it to the kitchen staff. The business needs to maintain a competent presence at various search engines and social media platforms.

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I. Introduction

A Study on Impact of Online Food delivery app on Restaurant Business

In the 21st Century everyone is running for the better lifestyle, but we all forget that the basic need of every human, So for this two times satisfactory meal, everyone is capable to earn easily; but many people miss their meals. It has been said earlier that, though technology is extremely advanced, one cannot download food from the internet. This argument is no doubt very true, but technology has made it possible by creating food ordering platform. Online food delivery system has created a revolution in the food industry as it's been very convenient for everyone and it's extremely time saving. Slowly online food delivery system has penetrated the food industry and became the major role player in the revenue generation of hotels and restaurant business.

Food business has experienced a critical revolution over the ongoing past. Now, customers can effectively order food items online and have it delivered to their doorsteps within a short period of time.

With all the progressions that have happened in the online food ordering and delivery areas, restaurants need to remain abreast of what's going on the market. It's a good time to recognize new chances in the market and invest into the correct area of the business. The numbers don't lie as the development in online food ordering and delivery has grown massively.

The format of home delivery or the take away have gained plenty additional customers in locations like malls, offices and big-party orders for residential complexes. Individuals missing breakfast on the thanks to work, order-in. People, United Nations agency want a higher selection of company lunch or party, order intoo.

The restaurant sector is one of the fastest growing industries in the Indian economy and the revenues generated from it are likely to increase more in the coming years with the concept of ready-cooked meals. The study is conducted in the Guwahati city of Assam, India. Guwahati has been an important commercial centre of Assam, India for many years which has led to the migration and inflow of people from neighboring towns and villages resulting in a vast population. With rapid urban development and a massive number of people coming to the cities in search of jobs or leading a better standard of life, the concept of ready-cooked food has gained much attention. The various food delivery apps operating in Guwahati are Swiggy, Zomato, Uber Eats, etc.

Restaurateurs wanting to excel in the restaurant sector should consider the option of tying up with third-party logistics for online food delivery. However, everything has its benefits and drawbacks,

so this study will help restaurateurs to understand the importance of online food delivery apps and how important it has become to manage the inventory in this technologically. Restaurateurs wanting to excel in the restaurant sector should consider the option of tying up with third-party logistics for online food delivery. However, everything has its benefits and drawbacks, so this study will help restaurateurs to understand the importance of online food delivery apps and how important it has become to manage the inventory in this technologically.

Impacts that online ordering will have on your restaurant.

It can be done by making the ordering process convenient for them. Eventually, this “convenience” will pay huge dividends for your restaurant. One thing is certain that people don’t like to order their food over the phone. Everyone wants to place their order without fuss and undoubtedly, asap.

People don’t want to spend 5-6 minutes as they place their order over the phone by looking at the ordering catalogue and pausing whatever work they were doing.

When your customers pick up their smartphones to use your online ordering system, they will do it at their own convenience.

Remember, this time they will look at your online menu more carefully and select items after reading descriptions from the menu. Your customers can order their favourite food by clicking on the screen a few times and they do it from the comfort of their homes.

By using online ordering, you not only deliver food to your customers promptly but also forge an invaluable connection which adds value to your establishment.

II. WEB PRESENCE

When you have an online ordering system for your restaurant, you amplify your web presence because you can receive orders from your website/Facebook page/mobile app directly to the kitchen. With the help of a website (that provides value to your customers) and a dedicated SEO strategy your restaurant can get some serious visibility boost in the ‘web locality’.

III. PRODUCTIVITY

Instead of wasting time taking orders over the phone, orders can be received online, and the orders received from the customers directly have matchless accuracy. The online ordering software will receive the orders from the customers and directly relay it to the kitchen staff.

This single feature will greatly boost your employee productivity and help to create a superior in-house experience for the customers in the restaurant. As your staff is not preoccupied with receiving orders over the phone. They can use this time in a much better way, by attending to the guests diligently.

IV. SALES

When customers order online, there are fewer distractions. They don’t have to decide quickly on the items as there is no one waiting to take the order. Usually, there is no pressure to order. Hence, your customers spend more time on the menu. And this is good for your business.

Online ordering platforms are inbuilt for cross-selling items. As they spend more time on the menu, they order appetizers that they wouldn’t order in the store. Add-On items in the menu see better sales, online.

Savings

Your online ordering system also takes care of your margins. Since your restaurant’s orders don’t go through a third-party platform, you will notice a change in your operating margins. Other available options don’t work in a similar way, to avail their services you have to use their portal which delays processing and also charges a commission on every processed order.

Think about the technology that you would be using; it will be similar to the technology that a larger restaurant chain uses for itself. And you would be accomplishing that without burning a hole in your pocket. There is limited empirical evidence on the impact of adding an online sales channel to a traditional industry from the firms’ perspective. In the newspaper industry, the introduction of online articles caused significant substitution effects that greatly reduced the readership of print media (Gentzkow 2007).

Grocery store sales are only moderately crowded-out with the introduction of an online channel and their overall

revenues increase (Pozzi 2012; Relihan 2017).

Serhat Murat Alagoz & Haluk Hekimoglu (2012), opined that e-commerce is dynamically growing worldwide, the food industry is also indicating an increased growth. They have suggested the Technology Acceptance Model (TAM) as a base to study the acceptance of online food ordering apps. Their analysis of data stated that the attitude towards online food ordering is due to the ease and usefulness of online food ordering process and also vary according to their innovativeness against information technology, their trust in e-commerce websites and few external influence

Ashu tosh bhargve (2013) said that Foodpanda an online food ordering app has been launched in the Indian market since May 2012. Foodpanda first major move was acquisition of Tasty Khana, which was started in Pune in year 2007. With acquisition of Tasty Khana and JUST EAT, it is now available in over 200 cities and delivery partner with over 12,000 restaurants. JUST EAT which was launched in Denmark in 2001 and was listed publicly on the London Stock Exchange is also mentioned. Their Indian venture was come as Hungry Bangalore in 2006. It was reintroduced in 2011 when JUST EAT acquired a majority share in the business. Today, the company partners with over 2,000 restaurants.

H.S. Sethu & Bhavya Saini (2016), their idea was to analyze the student's perception, behavior and satisfaction of online food ordering and delivery applications. Their study shows that online food ordering apps secure their time due to easy availability. It is also found that visibility of their favourite food at any point of time and always access to internet, free data are the main reasons for using the apps. According to Sheryl E. Kimes (2011), his study found that perceived control and convenience associated with the online food ordering services were important for both users and non-users. Nonusers need more personal attention and also had high uncertainty towards use of early technologies. In fact, it is generally found that including an online sales channel provides significant increases in sales, inventory, and return on investments, while costs decrease in a sample of more than one hundred publicly traded companies (Xia and Zhang 2010)

Recent studies have described a "retail apocalypse" in which e-commerce has forced brick-and-mortar retail establishments without online channels to shut down across the nation. However, physical stores are not quite finished. The "bricks-and-clicks" hybrid model has become more and more popular—and this trend has not been limited to just retail stores (Horta, csu and Syverson 2015)

This study seeks to quantify potential crowding-out effects and market expansions that have occurred due to the entry of online food delivery services and subsequent hybridization of restaurants. "Crowding-out" refers to sales that usually occur in brick-and-mortar stores that are now happening via other channels. Market expansions refer to new sales that 5A thorough review of studies on e-commerce can be found in Lieber and Syverson (2012). 7 are generated by creating an online channel for purchases. Although opening new online channels could potentially increase restaurant revenues and cause overall market expansion, new channels also allow for cannibalization of offline sales, i.e. crowding-out.

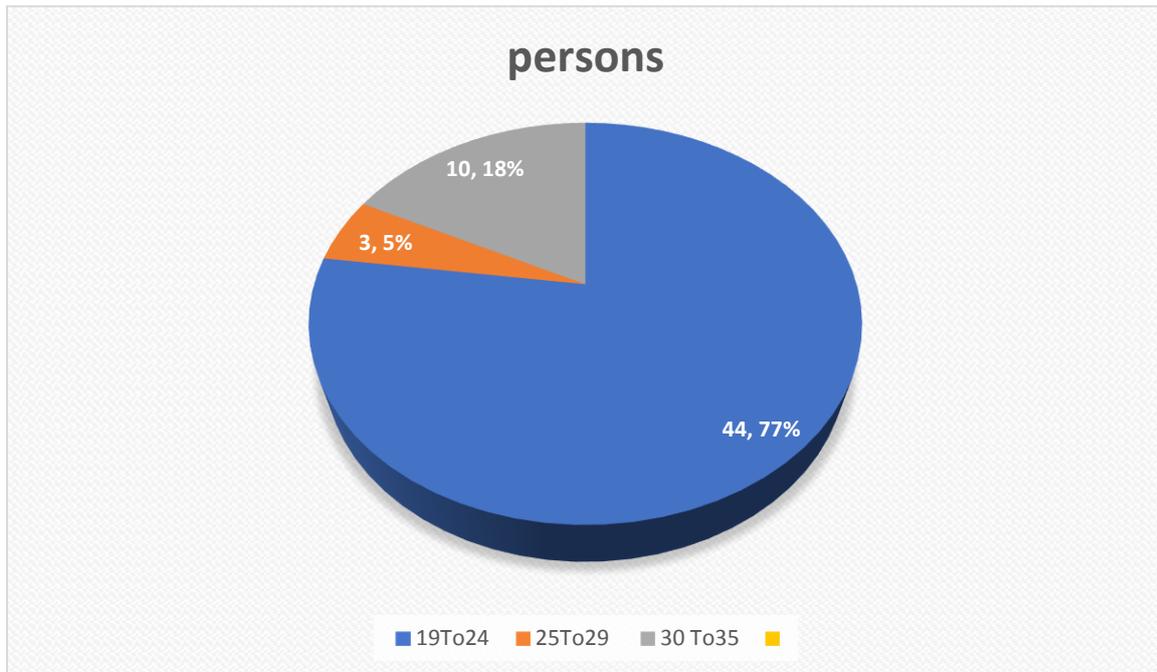
Bhavna Singh (2015) said that Foodpanda has been present in the Indian market since May 2012. Foodpanda first major move was acquisition of Tasty Hana, which was launched in the city of Pune in 2007. Together with Tasty Hana and JUST EAT, it is now present in over 200 cities and partners with over 12,000 restaurants. She also talked about JUST EAT was launched in Denmark in 2001 and was traded publicly on the London Stock Exchange. Their Indian business was launched as Hungry Bangalore in 2006. It was renamed in 2011 when JUST EAT acquired a majority share in the business. Today, the company partners with over 2,000 restaurants.

Analysis

AGE Groups

Table 4.1

Age	Persons
19 To 24	34
25 To 29	3
30 To 35	8

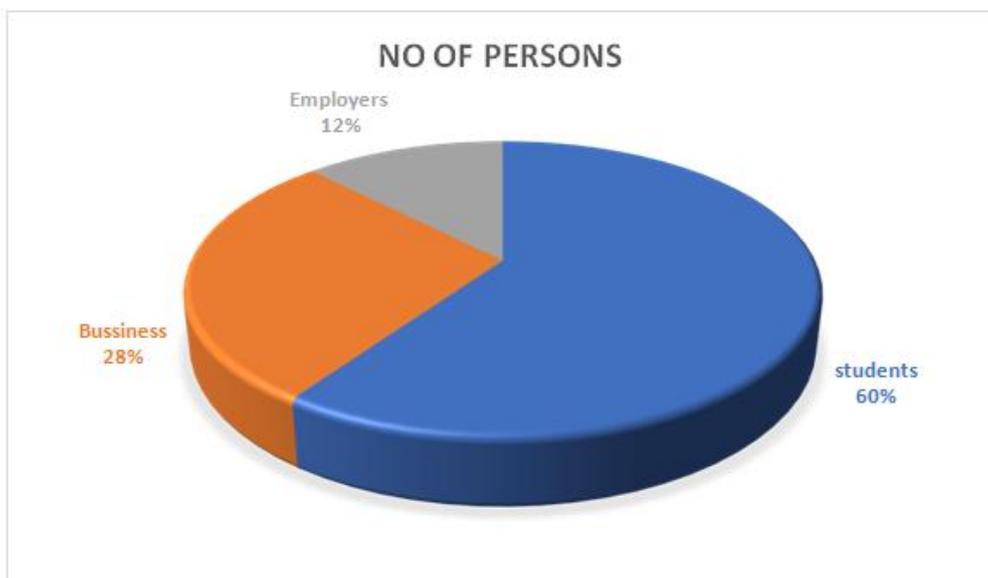


PIE CHART SHOWING PERCENTAGE OF DIIFERNT AGE GROUPS

Researcher found out through result analysis of Online Food delivery app on RestaurantBusiness between the age group 19 to 24 years. People in the age group 19 to 24 mostly prefer interested in these, and second place of age is 30 to 35 mostly go to direct restaurant to eat the food. Coming to 25 to 29 in these age groups their interest in both side offline restaurant and online delivery food.

Occupation

Occupation	No of persons
Students	27
Business	14
Employees	5

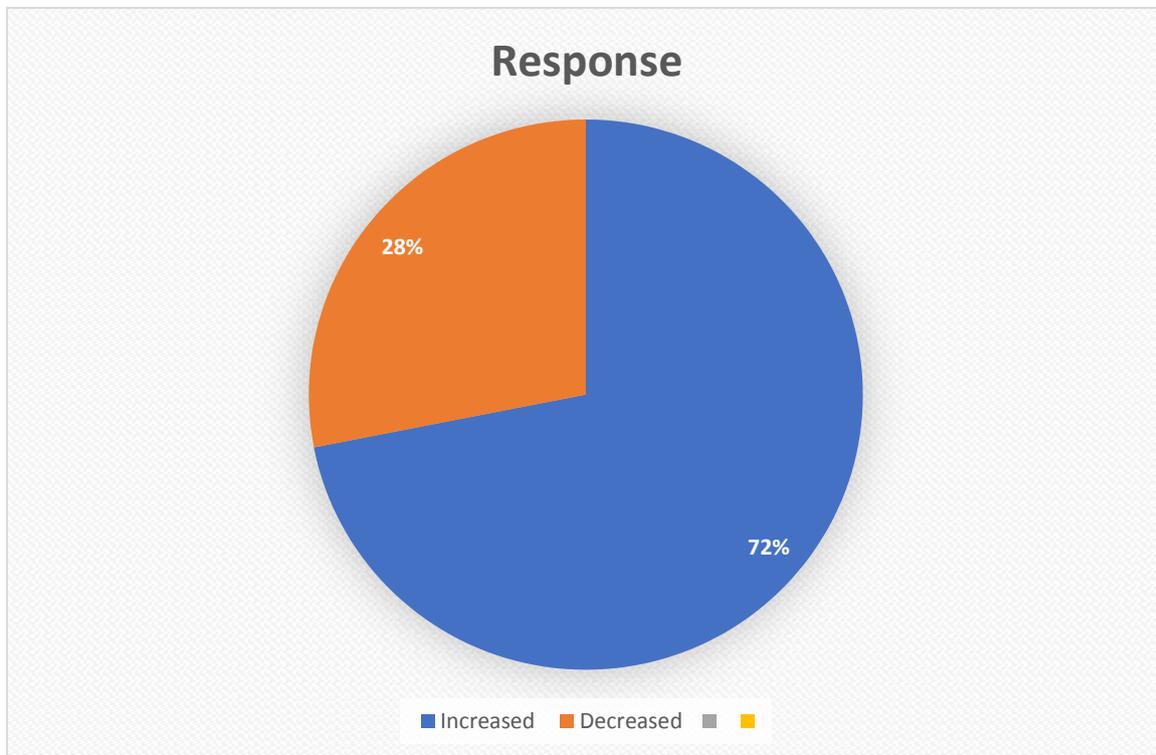


Pie chart showing of different occupation

In this collected date of responders, the responders are different occupations majorly involved students are 60% and doing businesspersons are 28% and employees are 12%.

After the introduce of the food delivery app what was its impact on the inhouse sales?

Options	Responses
Increases	33
Decreases	13



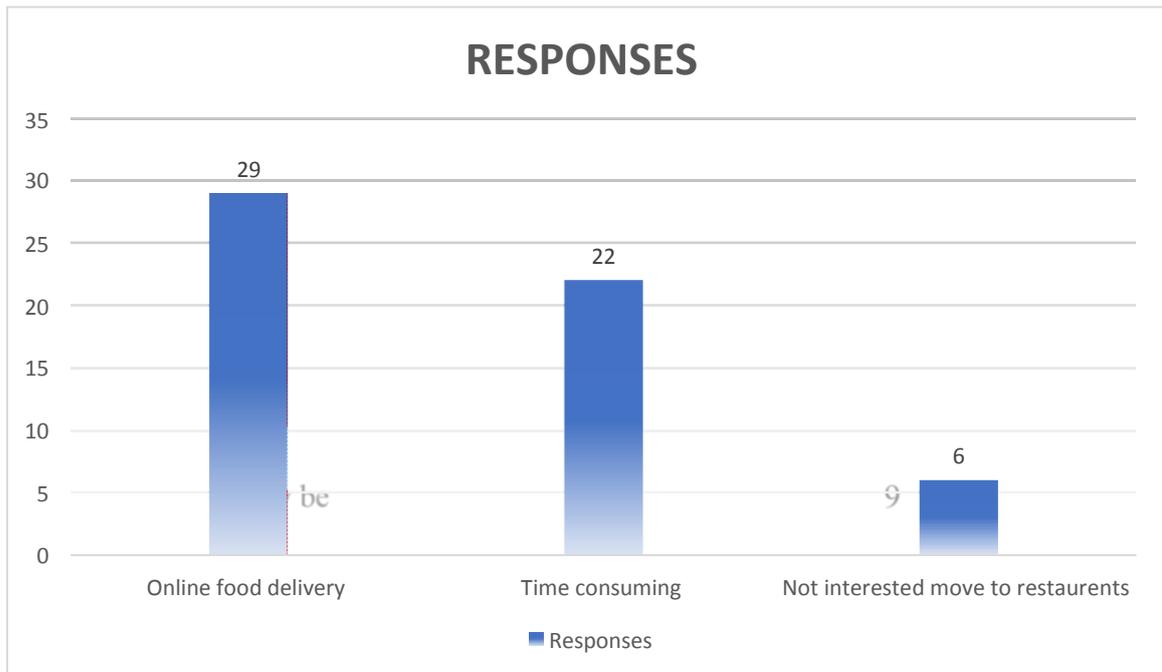
Percentage of people showing their choice of preference

According to the respondent's is a 72% maximum replied the restaurants of sales are increased via introduce of the delivery app.

Another 28% of responders Is said restaurants of sales are decreased though introduce of the delivery app.

Why are restaurants' profit margins so low?

Options	Responses
Online food delivery	29
Time consuming	22
Noy interest move to restaurant	6



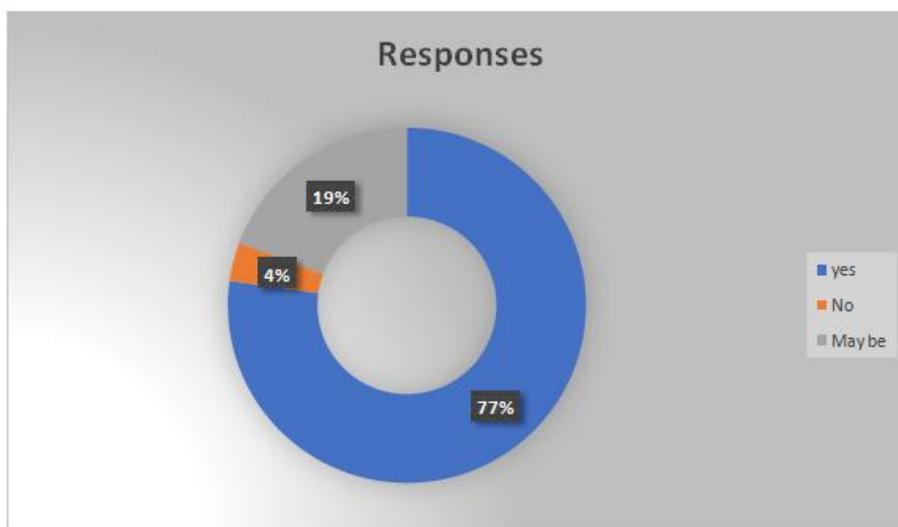
Percentage of people showing their choice of preference

According to the maximum (29) of the Responses their preferring Online food delivery so that is getting low margins or profit which does not link to with online delivery app.

And next second place of the responses (22) is when going customer in to direct restaurant, the will come late this is one of the reason getting low margins or profit of restaurants and some of not interested to go restaurants

Most of Restaurant are linked with Food delivery app?

Opinions	Responses
Yes	37
No	0
May be	9



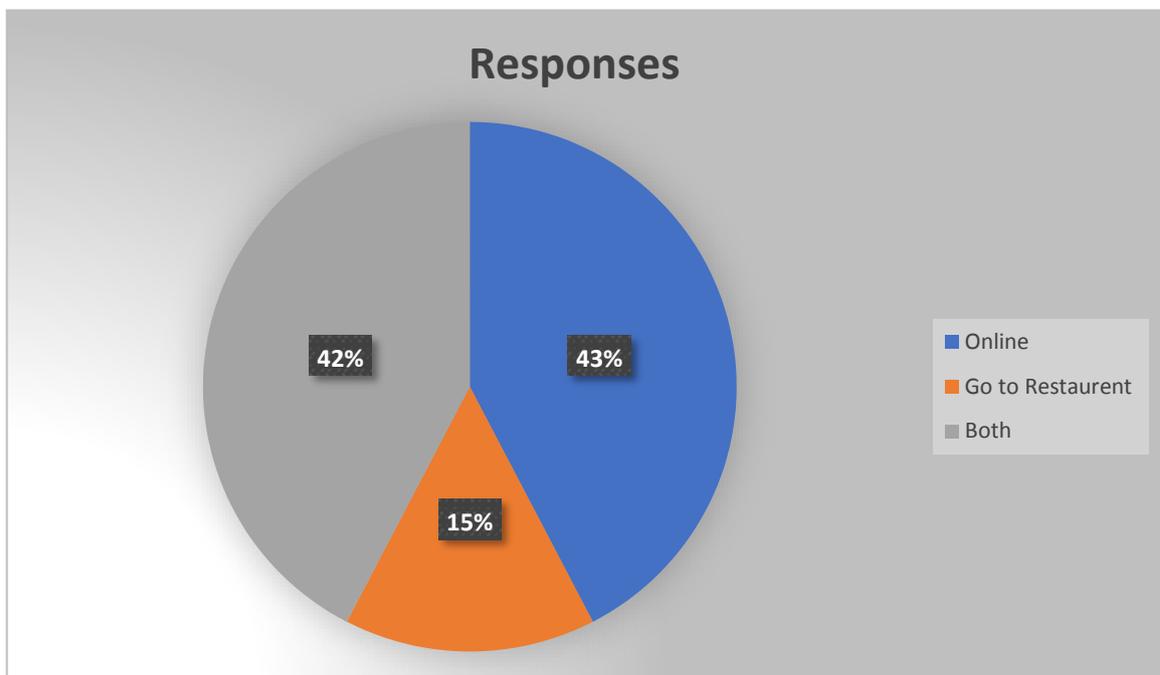
Percentage of people showing their choice of preference

Maximum 89% respondents replied that the Restaurants are linked with online delivery apps like swiggy, Zomato.

Some respondents (20%) replied on may be linked or some restaurants are not linked and may be is (4%).

which method do you prefer to order the food?

	Responses
Online orders	18
Go to Restaurant	6
Both	22

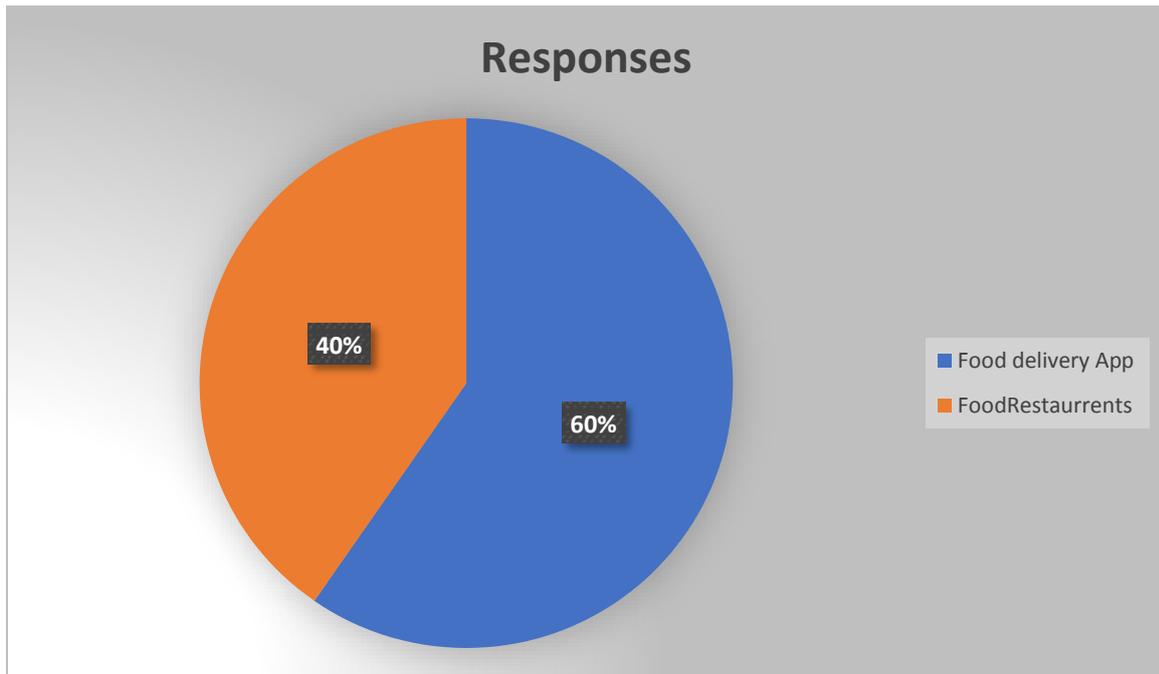


Percentage of people showing their choice of preference

According to the maximum respondents of 42% preferring both online food and offline direct restaurants foods. And 43% of respondents chosen to go online food ordering and only 15% of respondents chosen direct go to restaurants.

In your opinion which will take less for food?

Options	Responses
Food delivery App	29
Food Restaurants direct delivery	19

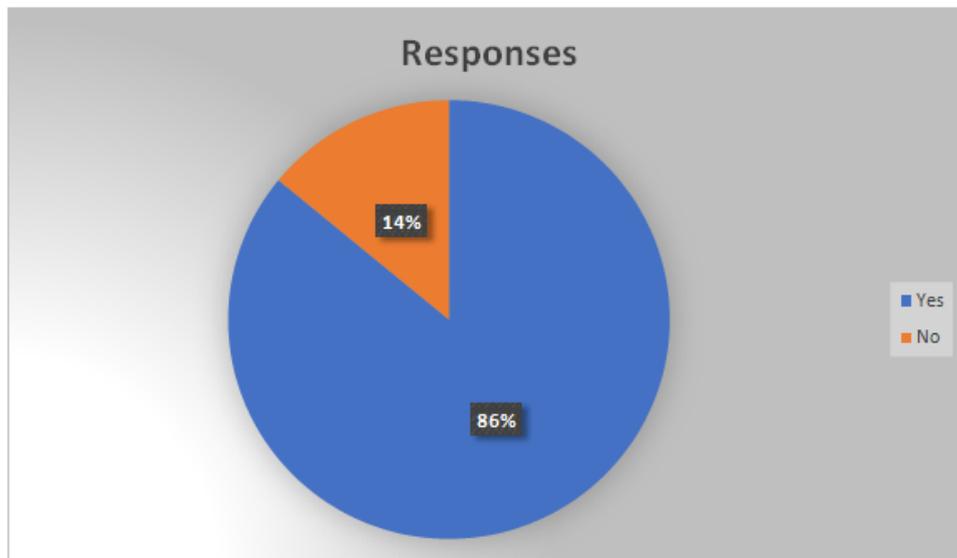


Percentage of people showing their choice of preference

Most of respondent (60%) replied that food order via food delivery app coming to our responses. Because of food delivery app the food tack come in different restaurants in the show which restaurants. And another some responses (40%) replied to go through direct food restaurant provide delivery.

Have you ever used any online food delivery app/services?

Options	Responses
Yes	43
No	5

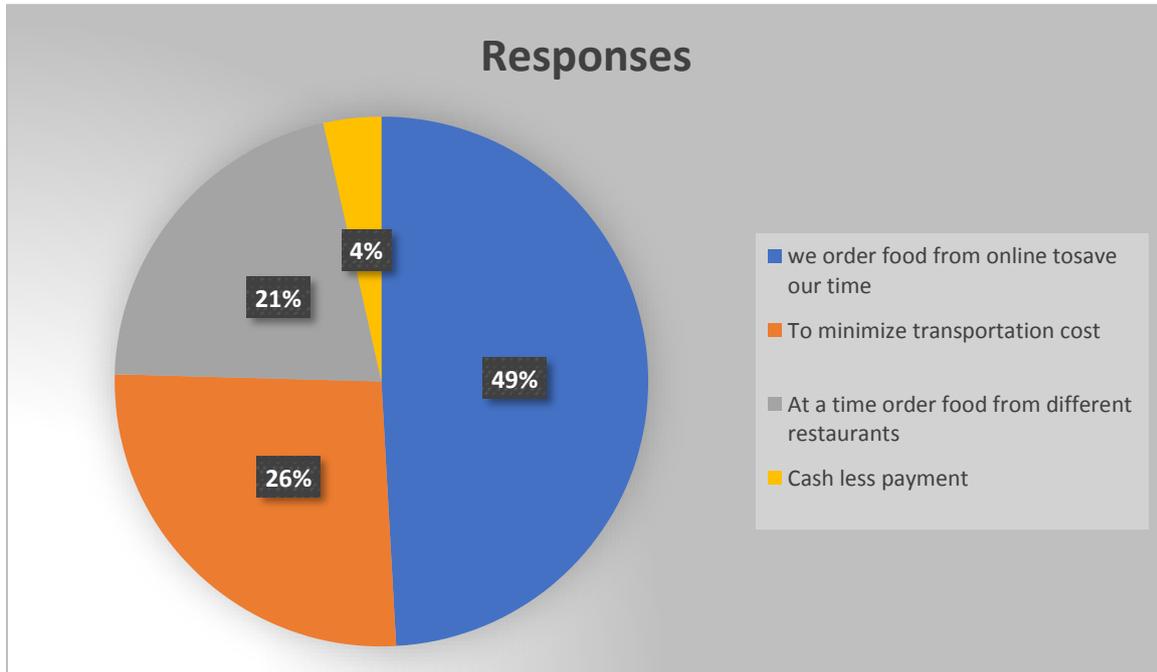


Percentage of people showing their choice of preference

According maximum responded (86%) replied that there are using food delivery app to order food. However there were only few (14%) who don't use online food order. I think in their city's don't have online food delivery option, however there were only replied No very less numbers when compare to yes.

The important factor you consider most in choosing online delivery /service?

Options	Responses
we order food from online to save our time	24
To minimize transportation cost	14
At a time, order food from different restaurants	9
Cash less payment	2

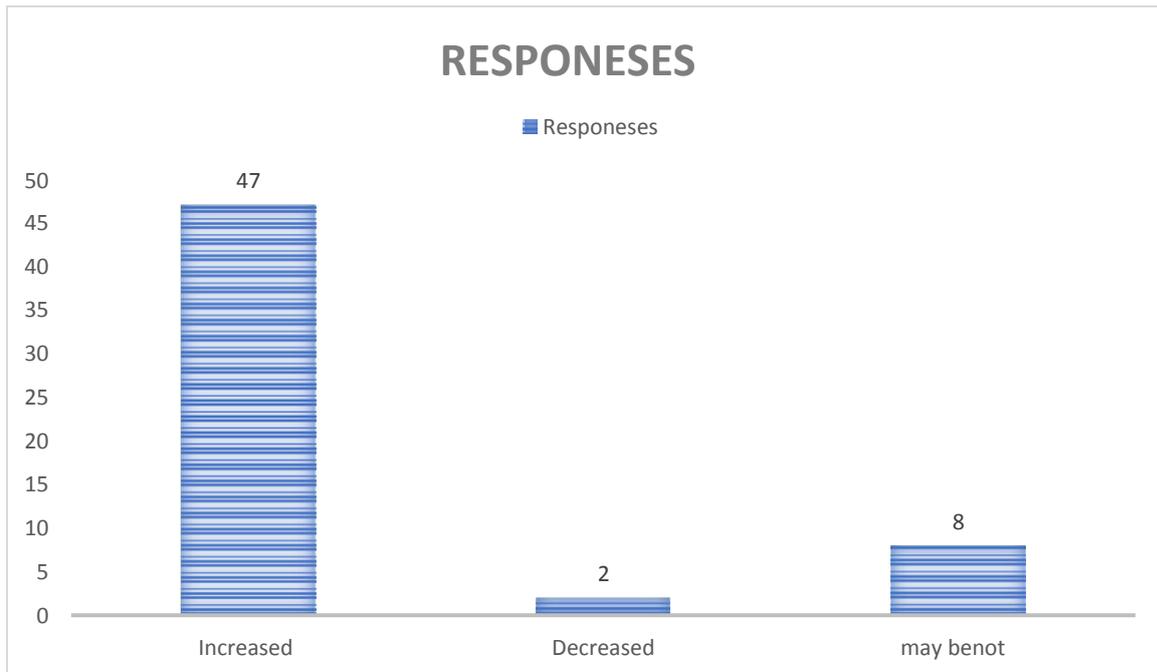


Percentage of people showing their choice of preference

According to most of respondents (49%) relied “we order from online to save our time “and next option most of respondents (26%) is To minimize transportation cost and At a time order food (21%)from different restaurant this two nearly get some responses.

Due to Food Delivery app the sales are?

Options	Responses
Increased	40
Decreased	2
May be not	7

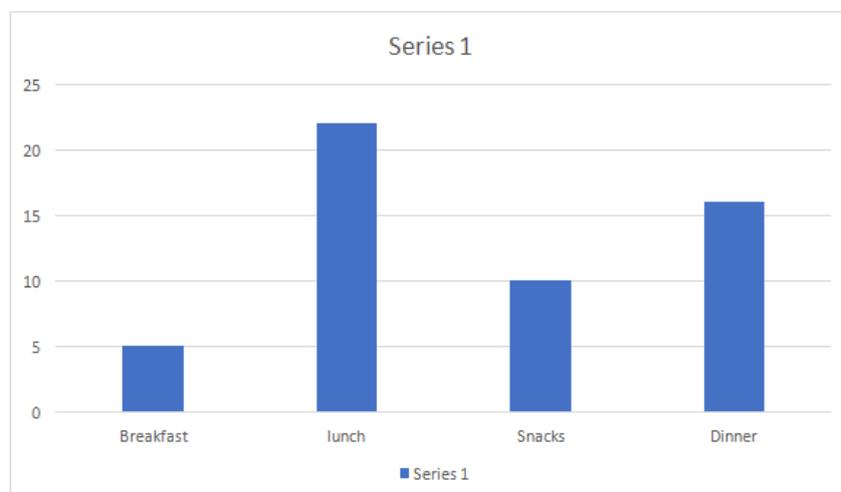


Percentage of people showing their choice of preference

Accounting Maximum respondents replied when restaurant linked with food delivery app the food sales are increased, However, there were only few relied decreased and some responses are may be increased or not increased food sales.

Which meal you typically order food online or direct Restaurant?

Options	Responses
Breakfast	4
Lunch	21
Snacks	8
Dinner	16

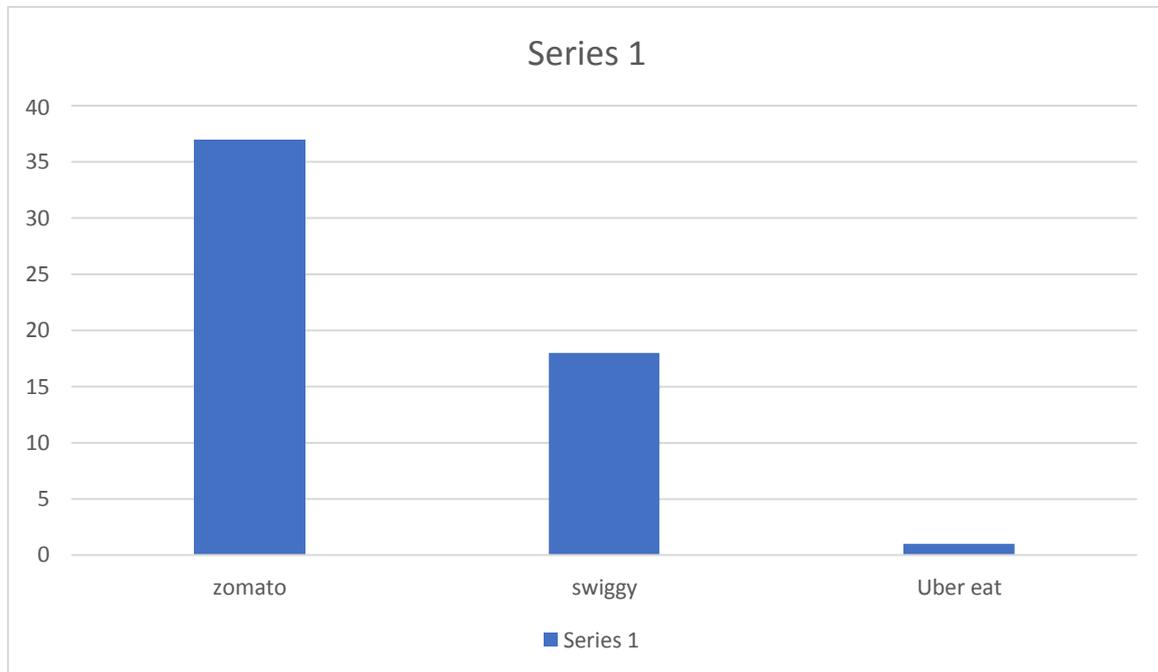


Percentage of people showing their choice of preference

Most of the respondents replied that is mostly eat in lunch time and its both offline direct restaurant and online ordering. And after that mainly is a dinner, I think these is like birthday party and some occasion mainly night times However, there were other two options is only few breakfast and snacks.

Which online Food delivery company do you prefer?

Options	Response
Zomato	32
Swiggy	15
Uber eats	1



Percentage of people showing their choice of preference

According to maximum respondents replied are food ordering in Zomato, it is number one place India, and next it is second place is swiggy compare to Zomato comes to swiggy it second according to my respondents and last is uber eats it very few only.

Findings

- The online ordering software will receive the orders from the customers and directly relay it to the kitchen staff.
- The business needs to maintain a competent presence at various search engines and social media platforms
- During rush-hour/lunchtime, customers don't have to go to a place a staff dedicated to receiving orders at the counter. By using online ordering, you can shorten the queues at the counter, easily.
- A good online ordering system will have an inbuilt analytics platform that will help customers to track this data and channel it better.
- When customers order online, there are fewer distractions. They don't have to decide quickly on the items as there is no-one waiting to take the order.
- Usually, there is no pressure to order. Hence, your customers spend more time on the menu. And, this is good for business.
- When the ordering process is easy, it increases the likelihood that the customer will complete their order. People want fast, immediate service which is why the user experience is critical when someone is ready to make a purchase.
- Customers appreciate not having to sit in their car or the restaurant to wait for their food. Online

ordering can streamline your systems in the kitchen. When customers send their orders online, it decreases the amount of time staff members need to spend on the phone. Instead, the team can complete the steps such as cooking the food, packaging it, and delivering it necessary to ensure that every meal is ready for your customers on time.

- Customers want to know specifics about their food options, which is why it's smart to list details and descriptions in the online ordering system. Not only does an online menu provide more information about food options, but it allows customers to take the time they need to browse the menu.

V. CONCLUSION

With online ordering on board, you will enrich your customer experience by making the process of 'placing orders' a lot easier. It will show that you value your customer's time. Online ordering will guarantee a 'level up' to your web presence. And a good web presence will make you stand out in the search engine rankings and bring more customers to you. Online ordering will boost your productivity by eliminating the inefficient process of taking orders. It will help you to plan and implement an adaptive marketing campaign. Utilizing the latest online ordering technology for your restaurant will also help you to tap into a massive customer base which is tech-savvy and believes in 'online way'.

The customer's comfort is simply the primary facet of a good thing about such, where as the second facet these system also are helpful for the expansion of eating place and food provide trade, as by the utilization of digital food ordering system a eating place owner are ready to attract the users attention by permitting them see the whole food menu in conjunction with dish name, image, specialty, and price. Integration a web food ordering system is not any doubt are the simplest, cheap and helpful call for a eating place business owner. With constant deluge of experts in urban areas and fast urbanization of Indian scene, the food delivery and eatery portion is currently flourishing at a rankling pace. Adding to this situation is an expanding number of cell phones and food delivery applications. Food delivery applications have now turned into a major hit with well-informed people crosswise over India. There are a few food delivery applications in India that one can download on advanced cell to arrange food in a hurry and from the solace of homes. The changing urban way of life of the normal Indian is sufficiently emotional to be ideal for the food-on-the-go and fast home delivery models to develop at higher rates. The regularly expanding populace swarmed metro urban communities and longer travel times are drivers for the helpful, prepared to eat and less expensive alternatives of having food and foodstuffs conveyed at your doorstep. Organizations that know about the colossal potential for development may wander straight in, yet just the fittest will endure. Organizations who keep their offer and their image dynamic in purchaser's brains, will take the greatest offer of the Indian online food benefit pie.

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