Impact of Consumer Demographics on Usage of Online Food services

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Food is all that we survive on and live for! Be it a tiring day, a busy schedule at a workplace or anything but what makes us happy at the end, is, of course, the platter of delicious food served. It not only leads to the satisfaction of the tummy but also gives immense happiness. In the era of urbanization, thousands of millennials moving to cities for work or education purposes for their well-being. This led to difficulties for them to cook food on their own or eat the same presented food daily basis. Also changing lifestyles to prepare food at home when they have a sudden uniformed guest or wanted to organize the party, all these reasons along with the advancements in technology have led to the development of the online food aggregator market.

The Market for online food aggregator's especially metropolitan cities is increasing day by day. The reasons for the wth as mention above are women workforce, hectic schedule, and disposable income and so on. But there is a question of whether the behavior of consumers correlated to demographic factors? This paper aims to identify the relationship between demographic factors and understanding of the online market and behavior of consumers towards it. It also provided information on the relationship between restaurants with online. The finding of the research after analyzing the data by using correlation matrix shown that there is no correlation between the demographic factors and related behavioral parameter that is a willingness to order, awareness of terms & condition, knowledge of available restaurants, trust on payment mode. But there is a significant correlation between frequency and occupation.

Key Words : *Food aggregators, consumer behavior, restaurants, demographic factor.*

Introduction :

People are ordering food online because in metropolitan & surrounding areas because of their busy life. To keep up with the hectic schedule, they need quick, reliable, & anytime-anywhere assistance for various day-to-day tasks. They don't have time & energy to cook at home or go to restaurants. To satisfy the growing need of these consumers restaurants have two option either to provide services by hiring extra manpower or to tie up with the aggregators. On the part of restaurant, it is difficult to provide services of home delivery when there is pick hours. They want to concentrate on their core services.

Digitization help the food aggregators to create a platform and bring restaurants closer to the customer. They are also providing various benefits like offers and discount. Online food aggregator business model is primarily base on which the business owner earns revenue through service commission. It provides an online platform where all the restaurants & other food outlets of the target market are listed for customers.
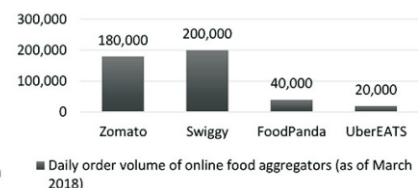
The reasons why the third-party aggregators are preferred over the restaurant owners are:

a) It is easier for customers to visit a single marketplace website (or install the app) instead of visiting websites (or installing apps) of every restaurant chain in the area.

b) With a marketplace, customers have more options & it becomes easier to explore all the restaurants & cuisines available in the area.

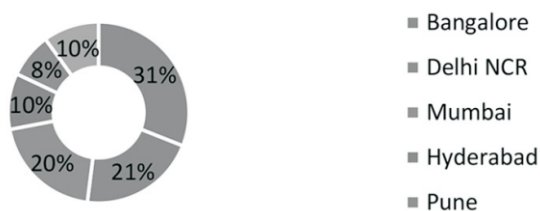Business Model-wise market segmentation

- Aggregator ■ Internet Kitchen

Daily order volume of online food aggregators (as of March 2018)

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Top five Indian states as per online food ordering volume

Legend:
- Bangalore — 31%
- Delhi NCR — 21%
- Mumbai — 20%
- Hyderabad — 10%
- Pune — 10%
(8% segment shown)

Demand Drivers

- Encouraging Demographics
- Promising Income and Consumption Levels
- Favorable Lifestyle Changes
- Rising Number of Working Women

Rationale of the study

The customer requirement in the restaurant business is changing. Eating in the restaurant is the need of the customer because of the fast life and scattered jobs. Going out to get the quality and variety of food after the tiring day is difficult for the customer. These changing needs is been satisfied by using online services. But to handle different customer requirement is the challenging job for the restaurants. These problems have been solved by food aggregators. India's online food-delivery market is currently pegged at $7 billion (Rs50, 375 crore). On the other hand, online food-delivery platforms are expanding choice and convenience, allowing customers to order from a wide array of restaurants with a single tap of their mobile phone. Competition in the food aggregators is also increasing which certainly affects the business processes. Research has done on determinants of demand for online food services, choice among the aggregator services, impact of price, quality of services etc. But the impact demographic factors on the selection of online food services has not been considered. This paper identified the impact of demographic factors of consumer on willingness to order, frequency, awareness of terms & condition, knowledge about available restaurants, trust on payment mode.It has also identified the opinion of restaurants towards the certain factors like reach, profit etc.

Objective of the Study

- To identify the relationship between demographic factor and understanding of online market and behavior of consumer towards it.
- To provide information on the relationship of restaurants with online aggregators.

Literature Review

Ankur Kumar Rastogi (2010) explains that 44 percent students use Internet in India and overall 72% of young people access internet on regular basis. Factors affecting ease of use, usefulness, and enjoyment along with other factors like consumer individuality, situational factors, product distinctiveness, previous online shopping understanding and faith in online shopping are influencing the online shopping behavior. Online buying respondents feels that online shopping has easy buying procedures, wide range of products, low price and different payment modes. Dr. Neha Parashar (January-June 2017), reveals that the market size of food in India is expected to reach Rs. 42 lakh crore by 2020, investment in food startups, which mainly include food ordering apps, has increased by 93 percent to $130.3 million. Foodpanda followed by Swiggy and Zomato are the most preferred food apps and respondents prefer cash on delivery. Mr. Mathews Joao Chorneukar (2012- 2014), found that married respondents were more satisfied with online food ordering. Customer comes to know about online food apps through friend. Most of the respondents even today use telephone as the main source of communication to use electronic food ordering. H.S. Sethu, Bhavya Saini (july2016), the study reveals that penetration of online food ordering services is high. The millinions of these services are well versed with the information available on these websites and also use help services available online. The service providers therefore forced to maintain quality of service levels. The extrinsic factor like culture, socio economic, reference group, and household and intrinsic factors like experience, personality and self-image, and perception and attitudes need are influencing on the decision. Mustafa Abbas (September 2016) has explain the models with few bottlenecks for food aggregator services. These challenges are scalability, innovation, cash required. Mrs I. Karthika, (2017), studies clearly reveals the order of preference of online ordering food, the first preference was given for the purchase of ordering food through Swiggy. Dr. Sonali Jadhav (April 2018) has explained the reasons of online market growth is urbanization, increasing disposable income, working women and rapid increase in the use of smart phones & the adoption of technology by the restaurants to caters changing need of the customer. Suryadev Singh Rathore (December 2018) has explained the changing trend of youth food habit, increases the demand of online food. Dr.Vijaya Lakshmi Kanteti(2018) explains that there are many popular business models in the food tech and the top most valued, unexplored and toughest model is the home cooked food model. Technology provides significant cost and efficiency improvements for restaurant partners. The Indian Food tech start-up Industries is

taking the right opportunities to grow and achieve profitability. Soham Trivedi (2018) explains that male consumers are more preferred to buy online and the Zomato is preferred over other aggregators. Suresh Bhatt (2018) interpreted that social media is more use to search information. He also mentioned 80% of brands advertise on web, social and mobile, indicating that more brands are spreading on digital advertising.

Methodology: Descriptive research was undertaken on the basis of primary data collected from the two respondents residing in Navi Mumbai region chosen through non – probability convenience sampling using a structured questionnaire.

The two set of respondents are:

1. Consumer using online food services
2. Restaurants owners who have collaborated with

online food aggregator or looking to collaborate

Factor analysis is used with the sample of 521 used for consumer survey and 100 restaurants for the study. The collected data were analyzed using SPSS.

Analysis & Findings

Consumer behavior for online food aggregator

Behavior of consumer for online food aggregator has been analyzed by using the demographic (Age , Marital status, gender and occupation) and related behavioral parameter that is willingness to order, frequency, awareness of terms & condition, knowledge about available restaurants, trust on payment mode.

H1: There is significant relationship between age and willingness to order, frequency, awareness of terms & condition, knowledge about available restaurants, trust on payment mode.
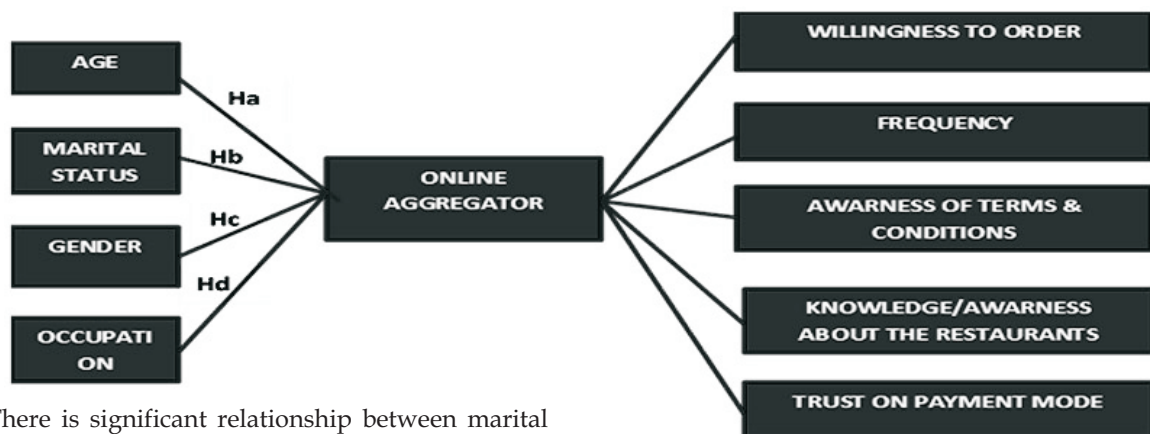
H2: There is significant relationship between marital status and willingness to order, frequency, awareness of terms & condition, knowledge about available restaurants, trust on payment mode.

H3: There is significant relationship between Gender and willingness to order, frequency, awareness of terms & condition, knowledge about available restaurants, trust on payment mode.

H4: There is significant relationship between occupation and willingness to order, frequency, awareness of terms & condition, knowledge about available restaurants, trust on payment mode.

Demographic of Consumer

Factors for increasing Demand:

Consumers are ordering food from online aggregators majorly because of the offers and discount available. They have mentioned the mode of convenience and availability of wide variety of product with in less time are the reasons for using the services. The preferred mode of payment by the online food users are cash on delivery.
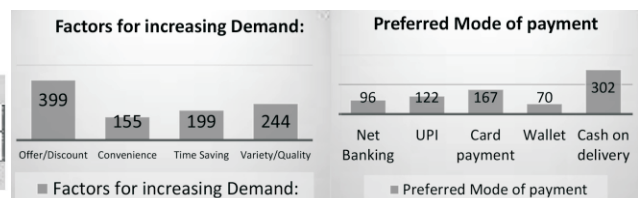

Fig. 4 Factors for increasing demand   Fig. 5 Preferred Mode of payment

Gender	Gender
Male	262
Female	259
Total	**521**

Marriage	Numbers
Married	65
Unmarried	456
Total	**521**

Occupation	Numbers
Bussiness	18
Service	160
House Wife	6
Student	265
Professional	62
Others	10
Total	**521**

Age	Numbers
15-24	362
25-40	149
41-above	10
Total	**521**

Co-relation between demographic factors & Parameters

Age: In fig.6 shows that all the chi-square value is more than 0.05 hence we accept null hypothesis There is no significant relationship between age the and parameters that is willingness to order, frequency, awareness of terms & condition, knowledge about available restaurants, trust on payment mode.
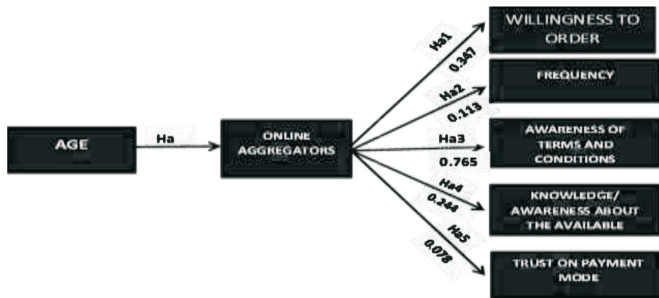

Fig.6 Correlation between age and online food services

Marital Status:

In fig.7 shows that all the chi-square value is more than 0.05 hence hypothesis is rejected. There is no significant relationship between marital status and parameters that is willingness to order, frequency, awareness of terms & condition, knowledge about available restaurants, trust on payment mode due to use of services.
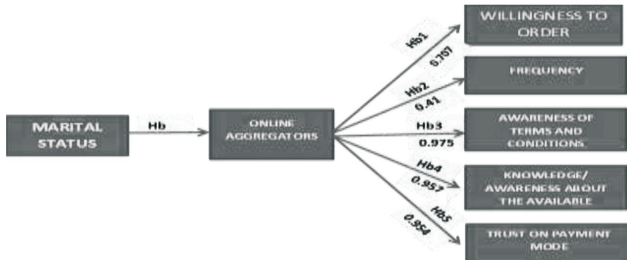

Fig.7 Correlation between marital status and demand of online food services

Gender:

In fig.8 shows that all the chi-square value is more than 0.05 hence we accept Null hypothesis. There is no significant relationship between marital and parameters that is willingness to order, frequency, awareness of terms & condition, knowledge about available restaurants, trust on payment mode.
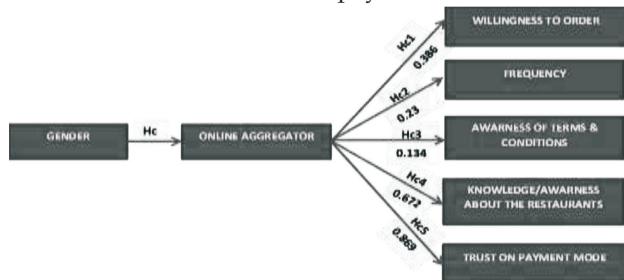

Fig. 8 Correlation between Gender and Demand of online food services.

Occupation:

Occupation like service class people are high in term of ordering food online than the business class.

In fig.9 shows that the chi-square value is greater than 0.05 that is there is no significant relationship between the occupations like business, service, housewives, students, professionals and willingness to order food online, awareness of terms & condition, knowledge about available restaurants, trust on payment mode.

We have also observed that there is significant relationship between frequency of purchase and occupation.
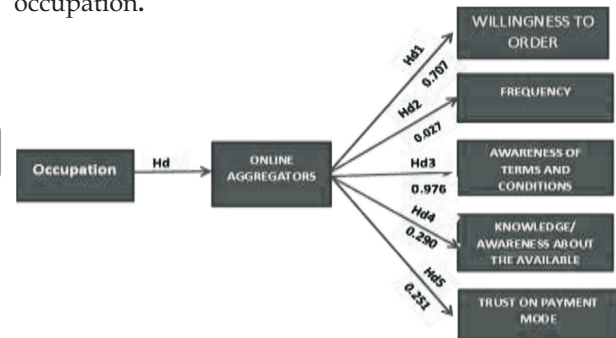

Fig.9. Correlation between Occupation and Demand of online food services.

Analysis of Restaurants

The data of 50 restaurants has been collected and analyzed on 3 factors are(i) Customer feedback and visibility (ii) Profit and customer reach (iii) Satisfaction.

Rotated Component Matrix^a

	Component		
	1	2	3
Benefit_of_online_customer_feedback	.816	.104	.049
Benefit_of_brand_or_visibility	.798	.056	.116
Benefit_of_profit	-.066	.896	.004
Benefit_of_customer_reach	.483	.616	-.002
Benefit_of_satisfaction	.237	-.037	.860
Are_your_loyal_customers_getting_faded_day_by_day	.537	-.083	-.557

From the above table, it is revealed that Benefit of customet reach is increase which is result of profit. It was found that the restaurants are facing lot of problem with the online aggregator. They are satisfied only for the feedback received and increase in reach of customer

Increase in reach increase in profit and customer is satisfied for getting their services on time.

Conclusion:

Factors contributing to the popularity of online food ordering among the millennials would be lack of time to prepare food, availability of variety, affordable price etc. There is a scope for improving the users' satisfaction levels by understanding their expectations more precisely and offering more attractive options while ordering food online. Zomato is the major choice of the respondents.

Generally, the online food order by the young consumer, students who are living alone. Increasing disposable income of family due to dual income and less time to spend in family increases the relationship between ordering online food. It has noticed that generally people use online services either because they have tired after the long office hours and avoid to go out with family and demand of small kid to eat something outside. Before marriage people prefer to go out with friends.

It has also noticed that the food is generally ordered by male in the family. Male is more because they are living in group as a student or before marriage due to affordability. They are working away from family.

During survey consumer also explain about the problems on online food order regarding quality, tampered food & Unhygienic food were delivered. Most of the millennials wants the real image of the food to be displayed on application. Customer care services were not helpful most of the times.

In case of restaurants some restaurant wants to get listed on Zomato and Swiggy but the request was denied because of the size of the restaurant. The commission charged from restaurants is relatively high according to restaurants owner's and also complaint about delivery boy's unprofessional behaviour.

Research Limitations/Implications : The study was limited to a specified geographical area of Navi Mumbai by considering the selected factors. The restaurants data have issues of casual approach for providing data and limited statistic available for food aggregator .

Managerial Implications: As online food aggregator business is growing and there is strong correlation between demographics and the demand of online food aggregators, the new business model must think on the utilizing this information for making business models. Behaviour of restaurant owners with online aggregators are also limited to increase in reach of customer and profit due to increase customer base also need to change in strong collaboration.

Originality/Value : The paper offered fresh insights into customers' expectations and the relative importance of the factors considered by them while ordering food online. The findings of this research can be used by online food portals for bridging the gaps between customer restaurant owners and to bring the strategies which ensure sustainability of business.

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