

## **“A Comparative Study On Customer Preference Towards Online Food Ordering System And Restaurant With Special Reference To Coimbatore District”**

Mrs.A.Mohanapriya,  
*Assistant Professor, School of Management, Sri Krishna College of Technology*

Mrs.P.Geetha,  
*Assistant Professor, School of Management, Sri Krishna College of Technology*

Mr.A.Prasathkumar,  
*Assistant Professor, School of Management, Sri Krishna College of Technology*

### **Abstract**

*In the restaurant business, customer satisfaction can be linked directly to restaurant sales; thus, it is important to identify which perceived quality factors more strongly affect customer satisfaction or dissatisfaction. This research paper is to know about the consumer's preference on Dining in a restaurant and ordering food using online food delivery apps. This study helps to identify the factors that affect the customer's decision on dining in the restaurant and order food online. Factors like variety of foods, quantity of food, Ambience of the restaurant and hygiene were the factors that affect consumer's decision on dining the restaurant. And quality of food, fast delivery, offers and discounts, trust issues were the main factors that affect the consumer's decision on ordering food online.*

**Keywords:** *Online food delivery apps, restaurant, quantity of food, discounts*

### **INTRODUCTION:**

Eating good food, especially with family and friends, is one of the pleasures of life. We all know that people who eat healthy, balanced diets are likely to have plenty of energy to work and enjoy themselves fewer infections and other illnesses. Children who eat well usually grow well. Women who eat well are likely to produce healthy babies. Today people are increasingly eating food away from home, including eating at full-service and fast-food restaurants.

### **Restaurant:**

Restaurant is place of business where people can choose a meal to be prepared and served to them at a table, and for which they pay, usually after eating. Restaurants are one of the many businesses that affect economic growth in the country. To find the ideal marketing strategy, many restaurateurs have spent considerable time and effort trying in order to sustain their status in a competitive restaurant market.

### **Customer preference:**

Generally, the restaurants consider that customer satisfaction is a crucial factor in their competitive fields. As customer satisfaction could greatly affect predicting customer post-purchase behaviour. Thus, if restaurant marketers know which perceived quality factors have the greatest impact on restaurant customer satisfaction or dissatisfaction, they could have a good way to find the chief element of success or failure in a restaurant's management.

The aim of this study was to find differences between satisfied and dissatisfied customers based on perceived quality. This research revealed which perceived quality factors more strongly affect satisfied and dissatisfied customers in the restaurant business. Study results can help the restaurateurs to develop marketing strategies that can be successfully used by full-service restaurant operators.

Customer satisfaction has long been a matter for concern and attention by restaurant managers. Keeping customers satisfied is vitally important for restaurant to generate revenues. To achieve a high level of customer satisfaction, it is important to meet customer expectations. However, it is sometimes difficult to realize what customers expect unless they wish to feedback their opinions

to the restaurants. Customer feedback is available in many forms, and complaints are the most useful and meaningful source of information to improve customer satisfaction.

Upwards of 50,000 restaurants in India provide home delivery, and are often only able to see marginal profits from their take-away sectors. This indicates a high potential in a relatively untapped market. Figure 1 shows the relationship between key sectors involved in food-delivery sectors. Fast Food the simple takeaway/delivery sector has seen huge drops in margins. With the growth of IT infrastructure and spread of internet in the Indian subcontinent, recent years have seen the introduction of new sector online food delivery aggregators, provide a platform for customers to discover restaurants, with the ability to navigate through menus of different cuisines. They manage the delivery segment as well, and charge per order commission (10-15%). They are highly scalable and have all experienced remarkable growth in the Indian sector (TinyOwl, Zomato, FoodPanda and Swiggy).

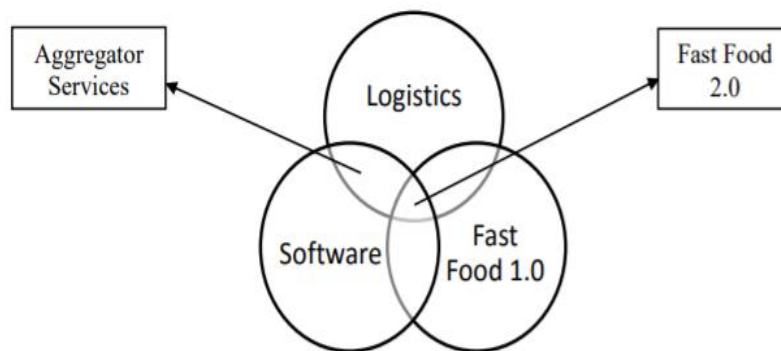


Figure 1: Structure of Food Service

### Online Food Delivery Apps

The rise of digital technology is reshaping the industries. With the increased use of technology, the number of people engaging into the digital sector are rapidly increasing. Consumers are started ordering online through apps or websites, with maximum convenience and transparency, expecting the same experience that they would get from the outlet itself. To match up with the consumer's expectations apps are providing increased facilities and services to the customers. This scenario exists all across the globe. Being up to date with the customer's expectations helps firm retain customers to a greater extent.

#### Various Online Food Delivery Apps in the Indian market are:

- Food Panda
- Zomato
- Swiggy
- Box8

These food delivery apps have not only increased the profit share of food chains but also increased the demand. These apps offer irresistible offers, discounts which makes it tempting for the consumers to order food, even if they weren't thinking about ordering in. With these delivery apps, people can have food at their doorstep without compromising the quality of food and their work schedule. So, customers prefer ordering in, instead of the hassle of cooking and waiting at the restaurant for their food to arrive.

### REVIEW OF LITERATURE:

Humans consume food to live. In India, food restaurant culture emerged after independence. Eating at home used to be a significant aspect of Indian culture. However, over a period of time, with a growth in the number of nuclear families, economic growth and increasing per capita income as well as globalization, fast food culture gained prominence. Similarly, children also resorted to restaurant food due to their exposure to global urban culture **Prabhavathi et al., (2014)**.

For the past few years restaurants were replaced by the online food delivery system. Its growth for past few years were for tremendous. In today's modern world industry of service sector

engaged with 70% in Gross Domestic Product. . The number of customers is accustomed to ordering the food for breakfast; lunch and dinner are rapidly increasing in the metropolitan cities in the country for their maximum convenience and transparency.

**Benedict *et al.*, (2001)** Study explains that perceptions toward online shopping and intention to shop online are not only affected by its nature of ease in usefulness and enjoyment, but also by exogenous elements like consumer traits, situational factors, product characteristics, previous online shopping experiences, and trust in online shopping.

**Mathews Joao Chorneukar (2014)**, in his study on Customer Perceptions of Electronic Food Ordering, tells us about how people prefer to buy food through electronic ordering. The satisfaction of the customer is seen through electric food ordering. People working in IT sector mostly prefer these electronic ordering. And telephone is the mainly used for electronic food ordering. And it was also found out that lots of money was being demanded during delivery of food.

**Nitiwanakul W (2014)** this study was to examine the relationship between customers' perceived value and its drivers which influence fine dining restaurant selection. The results indicated that perceived value and monetary cost were the key factors that influence consumers' intention to select a fine dining restaurant. Food quality, service quality, monetary cost and non-monetary cost were found to be the essential factors which directly affect the overall customer perceived value of fine dining restaurants, in a positive way for quality and a negative way for cost.

**Jabir Tribhuvan (2015)** The study resulted in that the majority of the respondents reported eating out once in a month. They primarily dined out with friends or family members on holidays or special occasions. By using chi- square analysis the difference in consumers preferences for eating out has been analyzed for family and fast food style restaurants. The study also identified that the preference for eating out was significantly more prominent among those who were younger (<30 years), more educated (preferably graduate in any discipline), employed, and having more than one income earners in their family and belonging to higher income groups of households (>. 15,000 per month).

**Chavan *et al.*, 2015** study revealed that customer using a Smartphone was considered as a basic assumption for the system. When the customer approach to the restaurant, the saved order can be confirmed by touching the Smartphone. The list of selected preordered items shall be shown on the kitchen screen, and when confirmed, order slip shall be printed for further order processing. The solution provides easy and convenient way to select pre-order transaction form customers.

**Vincet *et al.*, (2016)** The purpose of this study was to examine the structural relationship between convenience motivation, post-usage usefulness, hedonic motivation, price saving orientation, time saving orientation, prior online purchase experience, consumer attitude and behavioral intention towards OFD services. 224 valid questionnaires were collected to empirically test the research model using the partial least square (PLS) path modeling approach. The results implied that the proposed hypotheses were supported, except for the relationship between prior online purchase experience and post-usage usefulness.

According to **M. Hyde *et al.*, (2017)**, consumers are served with assorted platter of goods along with increasing amount of decision relevant information which influence them in purchasing. It also shows the effect of demographic variables on the buying behavior of consumers.

**Adithya R. *et al.*, 2017** his study revealed that how online food delivery system reduce the time consumption rather than going restaurant and waiting in a restaurant. This study proposed the advantage of online system like the online food ordering system sets up a food menu online and customers can easily place the order as per their wish. Also with a food menu, customers can easily track the orders. This system also provided a feedback system in which user can rate the food items. Also, the proposed system can recommend hotels, food, based on the ratings given by the user, the hotel staff will be informed for the improvements along with the quality. The payment can be made online or pay-on-delivery system.

**Krishna Kumari (2019)** invested that on-line ordering system was a simple and convenient way for customers to purchase food online, without wasting the time in restaurant. This method was convenient, safe, reliable and it is revolutionizing the present restaurant industry. Structured questionnaire was employed to identify the factors influencing the buying behavior and relationship

between the on-line food service and the facilities provided. The study concludes that the social media helps the on-line service provider of food, by advertising in their media and websites.

**S. Manju (2019)**, in her study on Customer Preference and Impact of Online Food Service Apps tells about the impact of various food ordering apps in our day to day life and what factors have contributed to this great deal of food service app usage.

**OBJECTIVES OF THE STUDY**

1. To compare the customer preference of online food ordering system and restaurant.
2. To identify the satisfaction level of customers in online food ordering and restaurant.
3. To identify the factors that influence the customers to choose the online food system or restaurant.
4. To find the impact of customer preference on food ordering system and restaurant

**HYPOTHESES:**

H1: Preference of customers does not vary between gender, age and selecting online food system and restaurant.

H2: Customer Preference does not vary between age and satisfaction level of customer.

H3: Level of customer preference does not vary between age and factors that influences the customer preference

H4: Level of customer preference does not vary between food ordering system and restaurant.

**RESEARCH METHODOLOGY**

Survey method was being used to collect data from the respondent. In this technique data is collected by asking questions to people about their opinion and satisfaction level on dining in a restaurant and about their opinion on online food delivery apps. For this purpose a formal list of questionnaire is being prepared and circulated.

**Tools used for data analysis:**

- *Chi Square*
- *ANOVA*
- *Correlation*

**Analysis and Inference:**

**Table 1.1 Chi-Square Tests:**

**Preference of customers does not vary between gender and selecting online food system and restaurant.**

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	4.280	2	.118
Likelihood Ratio	4.164	2	.125
Linear-by-Linear Association		1	.133
N of valid cases	2.258 110		

**Null Hypothesis:**

H1: Preference of customers does not vary between gender, age and selecting online food system and restaurant.

**Inference:**

Here the P value is 0.118 which is greater than 0.05, Hence there is no significance relation between gender and Customer preference towards selecting online food system and restaurant.

**Table 1.2**

**ANOVA Tests: Relation between age and preference towards online food system** (Level of significance is 5%)

AGE					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.525	2	.263	1.525	.222
Within Groups	18.429	107	.172		
Total	18.955	109			

**Null Hypothesis:**

H1: Preference of customers does not vary between age and selecting online food system and restaurant.

**Inference:**

H0: There is no significant relation between age and the customer preference towards online food system.

The P value is 0.222 which is greater than 5% level of significance, thus the null hypothesis is accepted. Hence we can say that there is no significant relation between age and the customer preference towards online food system.

**Table 1.3**

**ANOVA Tests: Relation between age and satisfaction level of the customers in online food delivery system** (Level of significance is 5%)

AGE					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.247	4	.062	.346	.846
Within Groups	18.708	105	.178		
Total	18.955	109			

**Null Hypothesis:**

H2: Customer Preference does not vary between age and satisfaction level of customer.

**Inference:**

H0: There is no significant relation between age and satisfaction level of the customers.

The P value is 0.846 which is greater than 5% level of significance, thus the null hypothesis is accepted. Hence we can say that there is no significant relation between age and satisfaction level of the customers.

**Table 1.4**

**ANOVA Tests: Relation between age and how often customers order food in online** (Level of significance is 5%)

AGE					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.378	2	.189	1.089	.340
Within Groups	18.576	107	.174		
Total	18.955	109			

**Null Hypothesis:**

H3: Level of customer preference does not vary between age and factors that influences the customer preference

**Inference:**

H0: There is no significant relation between age and how often customers order food in online.

The P value is 0.340 which is greater than 5% level of significance, thus the null hypothesis is accepted. Hence there is no significant relation between age and the frequency of customers ordering food in online.

**Table 1.5**

**ANOVA Tests: Relation between age and factors that customers look in the restaurant** (Level of significance is 5%)

AGE					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.424	4	.356	2.132	.082
Within Groups	17.531	105	.167		
Total	18.955	109			

**Null Hypothesis:**

H3: Level of customer preference does not vary between age and factors that influences the customer preference

**Inference:**

H0: There is no significant relation between age and factors that customers looking in the restaurant. The P value is 0.082 which is greater than 5% level of significance, thus the null hypothesis is accepted. Hence we can say that there is no significant relation between age and the factors that customers looking in the restaurant.

**CONCLUSION**

The consumer behaviour has become an emerging area of research within the business discipline here various factors has an influence on consumer behaviour. The research investigates the consumer's preference on dining in a restaurant and ordering food online. Even online food delivery service is an emerging market in India the consumer prefers the traditional way of dining in the restaurant. Restaurants is the place where people can sit and relax and spend their time with their family by having their favourite food. Most of the people prefers the restaurant with good ambience and provide hygiene food. Most of the consumers have online food delivery apps in their mobiles but they place orders only once in a while. From this research paper we had identified that the main problem for the consumers not preferring online food delivery service is lack of trust. Consumers afraid of the quality of the packed food, so the online food aggregators should gain the trust of the consumers to improve their business.

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