

Factors Influencing Food Ordering on Zomato in Hisar District, Haryana

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ABSTRACT

The present study was conducted to investigate the factors influencing food ordering on Zomato in Hisar region of Haryana. A survey was conducted on 100 respondents by using questionnaire as research instrument through online mode. Pie charts were plotted for studying behavior of demographic characters and bar diagrams were used for finding the influence of factors under study. The validity & reliability of a questionnaire measuring an attitude and attitude related aspects was tested with exploratory factor analysis and Cronbach's alpha. The factor analysis with thirteen observed variables (i.e., survey question responses) that was summarized in terms of two factors with Cronbach alpha values .930 & .902. Cronbach alpha for both the factors was greater than 0.9, hence questionnaire was reliable and strength of factor 1 was more with higher value of Cronbach alpha. It is concluded that offers, price, quality of food and delivery charges was effective variables with high factor loading.

1. Introduction

Online Food delivery service is a kind of service where customers order their food online either through restaurant's web portals or through different food delivery apps like Zomato, Swiggy etc. Under this system, a certain amount of delivery fee is charged which may be occasionally waived off. Food delivery, now-a-days, has become an important parts of our lifestyle. Online food delivery platforms have made it possible to get the favorite food just at a tap on their mobile phones. As a result, this industry is performing very well in the market. According to "Online Food Delivery Services Global Market Report 2020-30", the global online food delivery services market was expected to grow at a growth rate of 3.61% in 2020. However, 2020's growth was not as per the expectations mainly due to the economic slow-

down across countries owing to the pandemic outbreak and the measures to contain it. The market is still expected to grow and reach USD154.34 billion in 2023 at CAGR of 11.51%.

Zomato is an Indian multinational restaurant aggregator and food delivery company founded in 2008 by Pankaj Chadda and Deepinder Goyal. Its headquarters is located at Gurgaon, Haryana, India. Initially, it was named as Foodiebay. On 18 January 2010, it was renamed as Zomato. In 2011, the company launched its mobile app for Android and iOS and expanded its services to the metropolitan cities namely Chennai, Delhi, Mumbai and Kolkata. In 2012, company started operating internationally in the countries like United Arab Emirates, Sri Lanka, Qatar, UK, the Philippines, South Africa and many more. Currently, the company is active in 24 countries. It

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acquired companies like MenuMania, Obedovat, Lunchtime, Urbanspoon, Mekanist, Uber Eats–India etc. Its revenue was ₹2,486 crore in the year 2020. One of the best competitive advantages of Zomato is that it is the first mover in many of the nations where it is providing its services. Secondly, the company keeps on upgrading its aggressive and innovative marketing strategy. In 2020, Zomato launched ‘**contactless services**’ by keeping the covid-19 pandemic in mind.

The Business Model of Zomato comprises of elements like providing food delivery services, information, user reviews and partner restaurants. It has created a revolution in food industry by including different restaurants and facilitating people to have outside food more conveniently and at their doorstep. The business model of business always tends to create unique services for its customers. The business model of Zomato is focused on developing new and add-on services that customers cannot find anywhere else. It provides its customers with a lot of value like; one-stop-shop for foodies and facilitates restaurants to be different, keeps on reducing food delivery time, Offers dual services i.e., searching for restaurants and rating system, online services for food delivery, diners can review various restaurants in their area, the pricing model of Zomato carries useful information about the order to be delivered such as total cost, duration, etc. Its membership program “Zomato Gold” and loyalty program “Piggybank” give advantage to customers by providing add-on value for their money.

As Zomato is a service provider company, the major source of its revenue is consumers. Both consumers and restaurants are the main customers of Zomato. There are 3 types of customer segments of Zomato. People who order food for their own consumption are called as consumers. The delivery charges paid by them are the source of revenue for the company. This platform is also beneficial for local restaurants that are searching for a promotional medium to reach audience. Different restaurants align with Zomato to enhance their visibility among people. Zomato has huge customer data, which they collect from their customers like reviews about the restaurants and ratings given to them etc. So this database is beneficial for database companies and market-research companies. So, these are also customers of Zomato. Zomato has joined hands with different brands like London & Partners. They have benefited Zomato in many ways like helps in location finding for office set-up, providing assistance in the recruitment of staff, facilitate in market research etc. It has also strengthen its digital food ordering platform in India by announcing a tie-up with Paytm. Zomato acquired “Uber Eats India” in 2020 and become the undisputed market leader in the category of food delivery in India. By this deal, the users and delivery partners of Uber Eats India now become users and delivery partners of Zomato. The key resource of Zomato are- its large databases of different restaurants in different cities, A huge amount of database collected from the huge customer base residing in different countries, different delivery personnel. Zomato has launched an initiative “Hyperpure” in its Sustainability business segment in which emphasis is given on quality betterment of materials that are being used by restaurants by offering clean and fresh ingredients to its partner restaurants. From Apr-Sep’19, Zomato

has successfully served 2200 restaurants in Delhi and Bengaluru and disbursed 65000+ orders of these ingredients. Average 5-7 orders are placed on a monthly basis and it cost average USD 100 for an order. The revenue from Hyperpure is \$6.5 million for Apr-Sep’ 2020. Many works have been already conducted for studding consumer perception & preference towards online food ordering & delivering services such as Das (2018), Tran (2018) & Natrajan (2019). The objective of present study was to find out factor influencing food ordering through zomato at Hisar.

Methodology

The research was done to analyze the various factors that are taken into consideration by the customers while ordering food on Zomato in Hisar city. The data were collected from primary as well as secondary sources. The primary data was collected by approaching the respondents directly who lives in Hisar city. A semi-structured questionnaire comprising of open ended and close ended questions are used to gather primary information. Five points Likert scale was used with scales 0,1,2,3 and 4 for Strongly Agree, Agree, Neutral, Disagree and Strongly Disagree respectively. In it, questions are presented with exactly the same wording and in exactly the same order, to all respondents. Secondary sources like websites, company reports, newspapers and journals to study the various aspects of the industry were also used. Sampling area was Hissar city, Haryana, India with a sample size of 100 Respondents according to Convenient & Judgmental sampling technique.

The questionnaire was framed by studying thoroughly literature with theoretical models, and discussion was conducted to understand the respondents and their opinion about food ordering on Zomato. It covered the statements relating to factors affecting the food orders on Zomato like Name and brand image of a restaurant (Variable 1), Quality of food (Variable 2), Price of commodity (Variable 3), Packaging of food (Variable 4), Different Discounts offered by Zomato like festive offers (Variable 5), Delivery charges (Variable 6), Delivery time (Variable 7), Your past experience (Variable 8), Other customer reviews (Variable 9), Behavior of delivery boy (Variable 10), Behavior of manager (Variable 11), Disturbance due to connecting error (Variable 12), Special hygiene maintenance after COVID-19 (Variable 13). Data was collected between March to April 2021, then it was exported into CSV file for further analysis. Exploratory research design has been used for attaining the objectives. A survey was conducted via google forms. For statistical analysis, SPSS13 software was used by which reliability analysis and factor analysis were found.

Results and discussions

Qualitative Analysis

The graph 1 clearly depicts that 83% respondents are from the age group of 20-30 years, 14% respondents are Below 20, 2%

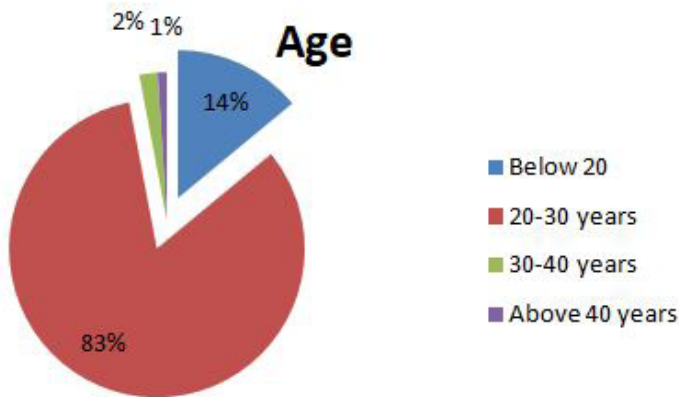


Fig. 1 Age wise distribution of respondents

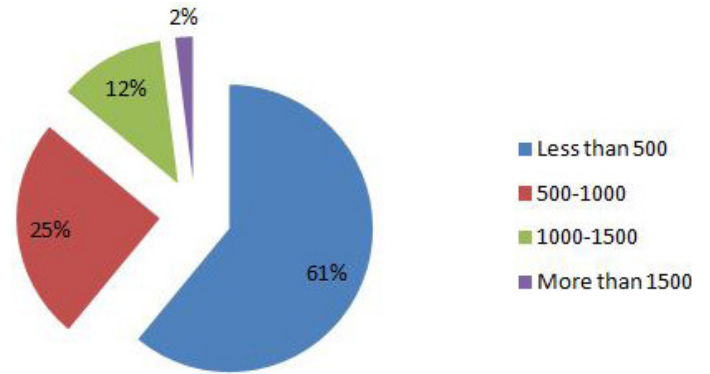


Fig. 2 Monthly spending on Zomato

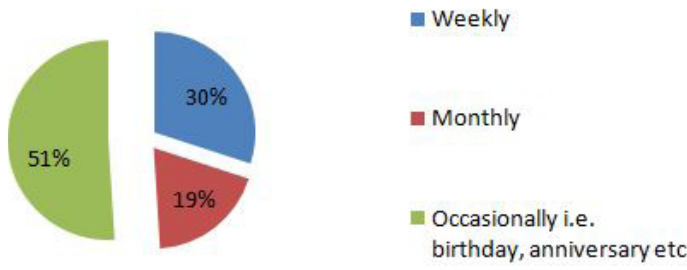


Fig. 3 Frequency of Online Food Ordering

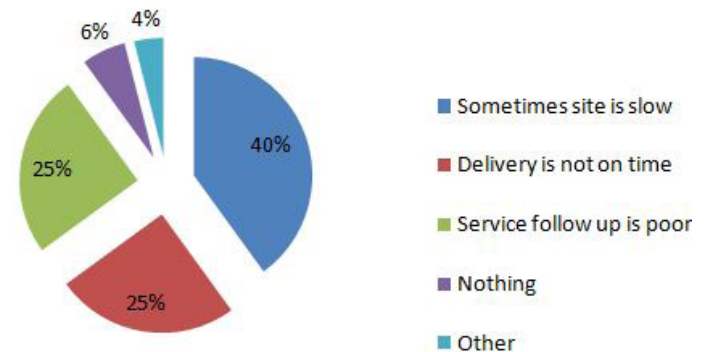


Fig. 4 Challenges faced while ordering food on Zomato

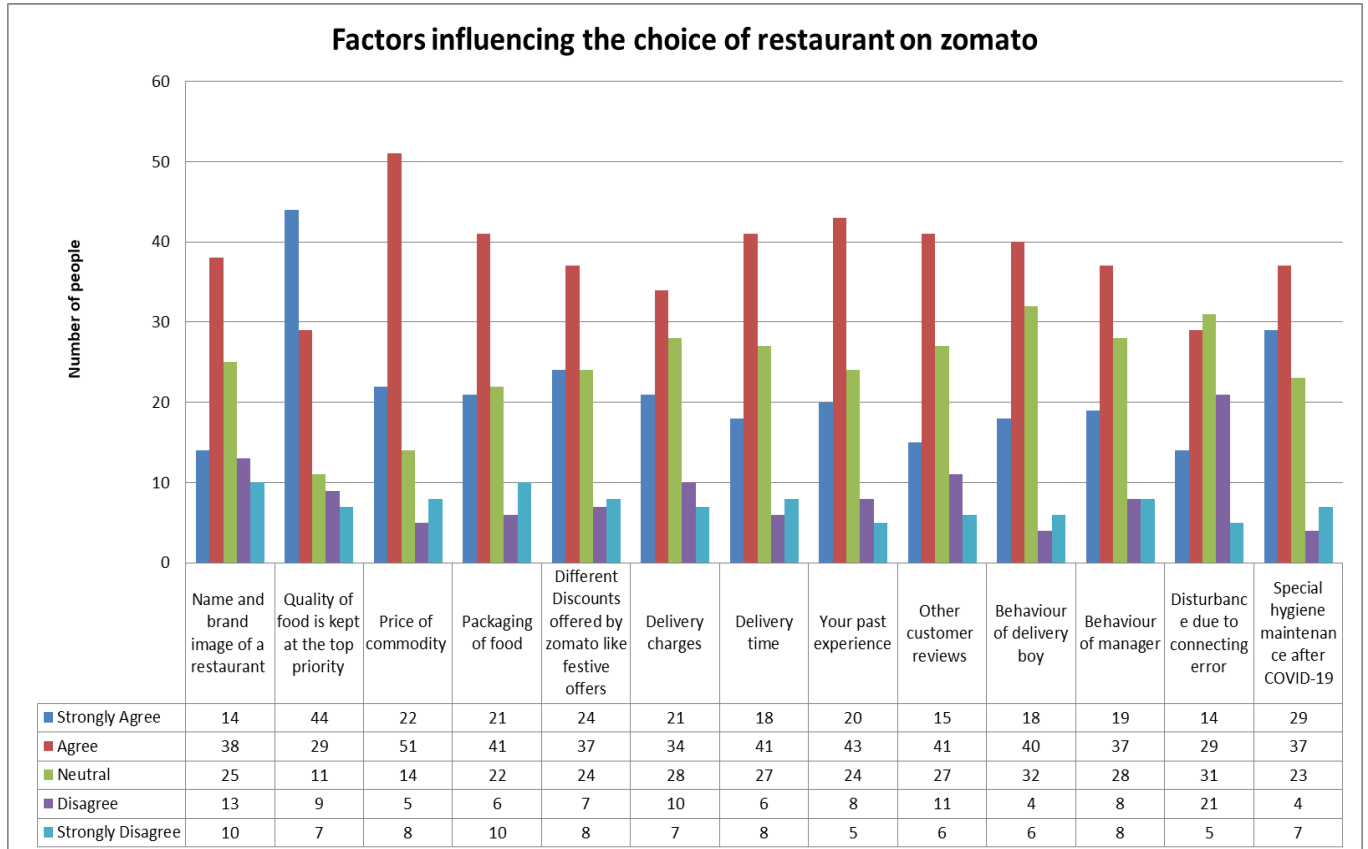


Fig. 5 Factors influencing choice of restaurant

Table 1 Factors influencing choice of restaurant

Factors	Descriptive Statistics			Mean
	N	Minimum	Maximum	
F1brand	100	.00	4.00	1.6700
F2qualityfood	100	.00	4.00	1.0600
F3Price	100	.00	4.00	1.2600
F4packging	100	.00	4.00	1.4300
F5Offers	100	.00	4.00	1.3800
F6Deliverychar	100	.00	4.00	1.4800
F7Deliverytime	100	.00	4.00	1.4500
F8pastexperience	100	.00	4.00	1.3500
F9OCUSTreview	100	.00	4.00	1.5200
F10BehaviourDB	100	.00	4.00	1.4000
F11BehaviourMan	100	.00	4.00	1.4900
F12connectingerror	100	.00	4.00	1.7400
F13Hygeine	100	.00	4.00	1.2300
Valid N (list wise)	100			

respondents belong to the age group of 30-40 years and only 1% respondents belong to the age group of Above 40 years. So, a large consumer base of Zomato lies in the age group of 20-30 years.

The graph 2 shows the spending pattern of respondents on Zomato. It shows that the maximum people (61% respondents) spend Less than 500 Rs, 25% spend 500-1000 Rs, 12% spend 1000-1500 Rupees, and just 2% spend More than 1500 Rupees.

The graph 3 depicts that most of the respondents i.e. 51% respondents order food occasionally like on birthday, anniversary etc. On the other hand, 19% respondent's orders on monthly basis while 30% respondent's orders more frequent i.e. weekly basis.

The graph 4 shows the various problems faced by customers while using Zomato. Majority of the respondents (40%) consider server down is a major challenge for them. Late Delivery is a big problem for 25% respondents. For 25% respondents, poor service follow up is a challenge. 4% respondents have some other reason like food quality etc. and 6% respondents are those who have no problem with the services of Zomato.

Quantitative Analysis (Factor Analysis for testing adequacy and reliability of the sample)

The researcher used the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy for evaluating the reliability of the sample. The Kaiser-Meyer-Olkin (KMO) and the Bartlett's Test of Sphericity values were 0.933 and 991.102, respectively, depicted from Table 2, found highly significant. Moreover, in Table 3, overall Cronbach alpha for both the factors is highly significant i.e. 0.930 & 0.902.

Table 2 'Kaiser-Meyer-Olkin Measure for Sampling Adequacy'

„Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy“.		.933
	Chi-Square (Approx.)	991.102
Bartlett's Test of Sphericity	df	78
	Sig.	.000

Table 3 'Cronbach Alpha for Reliability'

Cronbach's Alpha	No. of Items
0.930	8
0.902	5

Table 4 Total Variance Explained

	Factor1	Factor2
Eigen Value	5.278	3.937
% Variance	40.603	30.282
Cumulative %	40.603	70.885

Table 5 Rotated Component Matrix

	Rotated Component Matrix	
	Component	
	1	2
F1Brand name of restaurant	.636	.256
F2Quality of food	.777	.391
F3Price	.824	.319
F4Packging	.736	.376
F5Offers	.855	.111
F6Deliverycharge	.757	.253
F7Deliverytime	.694	.486
F8pastexperience	.684	.498
F9OCUSTreview	.430	.614
F10BehaviourDB	.493	.727
F11BehaviourMan	.226	.882
F12connectingerror	.152	.866
F13Hygeine	.543	.694

Factors opinion of consumers while ordering food on zomato

The data from the survey has been analysed while employing factor analysis to encapsulate the 13 statements linked to opinion of consumers while ordering food on zomato. Firstly, data is checked through rotated component matrix, where 13 statements are reduced to two factors through rotated component varimax shown in Table 5. Here, factors having eigen value greater than one was considered. Two factors were taken, which contributed for 70.9% variation. The variations by factors 1 and 2 were 40.603 and 30.282 percent, respectively.

Extraction Method: Principal Component Analysis, Rotation Method: Varimax with Kaiser Normalization.a. a. Rotation converged in 3 iterations.

Variable Names and their Loadings on factors

Table 6 shows the Cronbach alpha values for both the factors along with the loading of variables.

Majority of respondents i.e. 83% respondents belong to the age group of 20-30 years, 14% respondents belong to the age group of Below 20, 2% respondents belong to the age group of 30-40 years and only 1% respondents belong to the age group of Above 40 years. When comes to the occupation of respondents, 88% respondents are students, 8% are government employees and remaining 4% were Self-employed. Data clearly defines that 52% respondents like to have outside food by ordering through food delivery apps like Zomato, Swiggy while 46% generally prefer visiting the restaurants and rest 2% like to order food by making call in restaurants. When the frequency of orders is analyzed, it is found that 51% respondents order food occasionally like on birthday, anniversary etc, 19% respondent's orders on monthly basis while 30% respondent's orders more frequent i.e. weekly basis. As far as the monthly spending on Zomato is considered, it is found that 61% respondents spend Less than 500 Rupees, 25% spend 500-1000 Rupees, 12% spend 1000-1500 Rs, and just 2% spend More than 1500 Rupees. Moving towards the challenges faced by respondents while ordering food on Zomato, majority of the respondents (40%) consider server down is a

major challenge for them. Late Delivery is a big problem for 25% respondents. For 25% respondents, poor service follow up is a challenge. 4% respondents have some other reason like food quality etc. and 6% respondents are those who have no problem with the services of Zomato. Mostly respondent agreed with the fact that almost all the above mentioned factors influence their order on Zomato. But all the factors are not equally influential.

More influential factors include Quality of food, Price of food, Packaging of food, Discount offers, Delivery charges, Delivery time, Past experience of customer itself, Behavior of Delivery person, Behavior of Manager, Special Hygiene maintenance during COVID-19 pandemic for which mean lies between 1-1.5. Less influential factors include Brand i.e. Name of restaurant, Other Customer reviews, connecting error for which mean ≥ 1.5 . It means the factor is more towards the neutral scale.

Conclusion

This paper attempts to investigate the factors that influence the opinion of consumers while ordering food on zomato. It was found that all variable under study has significant effect on the decision. The KMO test shows that data is suitable to use factor analysis. The Bartlett's test shows that there is redundancy between variables that can be summarized with some factors. The factor analysis with thirteen observed variables (i.e., survey question responses) that can be summarized in terms of two factors with Cronbach alpha values .930 & .902. Cronbach alpha for both the factors is greater than 0.9, hence questionnaire is reliable and strength of factor 1 is more with higher value of Cronbach alpha. It is concluded that offers, price, quality of food and delivery charges is effective variables with high factor loading.

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Table 6 Factor Labels and their Eigen values

Factor Name	Statements		Cronbach Alpha Value	% Variance
Factor1	Brand image of a restaurant	.636	.930	40.603
	Quality of food	.777		
	Price of food	.824		
	Packaging	.736		
	Discount Offers	.855		
	Delivery charge	.757		
	Delivery time	.694		
	Past experience	.684		
Factor2	Other customers review	.614	.902	30.282
	Behavior of delivery boy	.727		
	Behavior of Manager	.882		
	Connecting error	.866		
	Hygeine maintenance after COVID-19	.694		