



A STUDY ON RISE OF ONLINE FOOD BUSINESS DURING PANDEMIC COVID-19 WITH REFERENCE TO EASTERN NAGPUR

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ABSTRACT

During the Pandemic COVID-19 outbreak globally, there was a sudden rise in the demand of online food services as it opened the doors with the prepared meals to the consumers and allowed the food providers to serve people by keeping its business operating. This study aims to analyse the consumer response towards online food ordering during the pandemic in Eastern Nagpur and the characteristics of Online Food Business (OFB) that led to an increase in its demand, to examine the several factors of consumers such as the demographic factors, demand for online food before the pandemic, advantages, the products that they mostly involved in their orders, the consumers who did and did not order through Online Food services and also the online food receiving and delivering pattern of the service providers. The research is focused on the study and analysis of data collected from all those consumers who are already using and the one's not using the online food delivery services. To achieve the objective, the data was also collected from restaurants to know their point of view about the impact of COVID-19 outbreak on the overall Online Food Business (OFB).

Keywords: Pandemic COVID-19, Online Food Business (OFB), food ordering, receiving and delivering pattern

INTRODUCTION

Since the Covid-19 pandemic hit in March, online food ordering have become essential in India. As Corona cases increased across the country, people began to shift over ordering food online so as to avoid contact with the outsiders thereby, boosting the sale of the companies such as Swiggy and Zomato. Because of this pandemic, we have seen a rise in demand for

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food deliveries because out of fear, many people are staying inside their house and following social distancing.

The food business and related services were massively impacted initially when the pandemic COVID-19 gave a hit to the world. About 30% and more of the overall population in India, which include students, working people, and paying visitors mostly rely on the online food and related services on daily basis where it was made essential for these services to be started again. The COVID-19 outbreak led the Indian government to make this food business to be categorized as critical services by allowing them to keep operating during this pandemic.

Online food delivery services, are avid to provide food to the customers by allowing and encouraging them to place an order online also by paying digitally to ensure contactless delivery. For many people the main reason behind not trusting the online food delivery platforms is the cleanliness and sanitary condition of the restaurants and the delivery personnel.

The aim of this study is to understand the online food ordering pattern of the customers and the influencing factors which indicates a rise in the online food business during this pandemic. It also aims to study the food receiving and delivering pattern of the restaurants and service providers. The online purchasing increased at a steady pace, as the food ordering platforms grew more user- friendly thereby allowing the consumers to place an order easily. By reviewing consumers response to ordering food online this study aims to point out the food ordering pattern of the public living in Eastern Nagpur and their acceptance of online food delivery systems during this pandemic.

1. Overview of Online Food Services:

With a population of over 1.2 billion, India is apparently one of the biggest consumer markets in the world today. Moreover, half of the India's population fall under the age of 25, and the rest before the age of 35 years; making India among the youngest population in the world too. Most of the fast-food demand comes from age group 18-40 years and so in the near future the Indian middle-class demographic is expected to touch million.

A rapid shift of consumers towards online, has fuelled rapid growth in the e-commerce industry over the last decade. This shift in consumer changing lifestyle has been fuelled by a various cause. Most of it can be like, the availability of increased number on food deliver business, a better awareness and understanding on the part of consumers about the developments of online e- commerce, a better easy and secure option for online payments of services, work from home decreasing time for people to invest in making food themselves. All this is even more prominent in developed countries.

1.1 Demand and Supply drivers for Online food services:

Demand Drivers:

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Encouraging Demographics

People order food online because of their busy life. Especially youngsters, they don't have time and energy to cook on their own or to visit a restaurant. Therefore, to deal with their hectic schedule they need quick, anytime-anywhere assistance for their day-to-day tasks. Young India's appetite is one of the key drivers for the demand of online delivery of food.

Promising Income and Consumption Levels

With an increasing number of young Indians being productively employed in lucrative industries with the handsome packages, have upped the living standards and made their wallets fatter too.

Favourable Lifestyle Changes

With the change in lifestyle, dual-income families now can be seen more in urban India thus changing the way people to live drastically with changes in routines and food habits. With this busy schedule, they have lack of time to prepare homely food, and so the demand for quick access to food and one with affordable rates is on the rise.

Rising Number of Working Women

With time, there has been a remarkable increase in working women. Working women have to spend most of their productive hour at work, therefore there is very less time left with them to cook meals at home, all by themselves. Therefore, they typically spend a large amount of their disposable income on buying takeout's or eating out. This is again another key demand-driver for the online food ordering in India.

Supply Drivers :

Increasing Variety of Cuisines

With an increasing number of restaurants offering global cuisines, there can be seen a notable impact on the overall food business. Chinese, North Indian and South Indian food are the most popular. Some of the most preferred orders of the customers are Burgers, Pizza, Biryani and noodles. These variety increases the willingness of the customers to experiment with the new cuisines even thereby, leading to the rise in demand for online food.

Changing Retail Formats

Various food brands and restaurants can be seen making themselves available at the popular malls. This upgradation leads to a win-win situation for all involved parties thereby providing the ideal space to get more customers who go to malls to shop.

Expansion of Delivery Services in Existing Restaurants

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Another way for the restaurants to maximize their business output is by offering food delivery services. With this, a large number of customers can be serviced, if we compare to the sit-and-dine format. This allows customers to save time and taste variety of food without physically visiting the restaurant.

Delivery-dedicated Websites

The quick service restaurants like McDonald's, Burger King, KFC's and Pizza Hut have their own websites from where you could order food, even other businesses who want in on the food delivery business opt for websites like Food Panda, Zomato and Swiggy. There are many others like Tasty Khana and Just Eat who have just entered the market in food delivery with their discount and coupon system. These exclusive websites earn commissions on every order and the benefit to customers is that they are able to access a number of food websites offering discounts and exclusive offers.

1.2 Online Food Delivery Business Model:

The system of food delivery through online mode is a global phenomenon, with every country having a least one prominent online food delivery system. And today's customer is highly motivated to use online services that offer convenience and ease of use. *Restaurant-to-consumer delivery*

Unlike other food delivery platforms, full-service on-demand food delivery businesses don't work with any third parties like restaurants or couriers. The restaurant-to-consumer delivery companies have their own cooks who prepare everything in-house and also hire their own couriers to deliver food to customers. Dominos and McDonald's, KFC are the best examples of such services.

Platform-to-consumer delivery

There is an option of either placing an order directly on the restaurant server or through any third-party apps. Many restaurants do not possess their own delivery services, therefore, these third-party apps which are platform-to-Consumer distribution mechanism actually provide online delivery services for those associated restaurants. They act as a mediator between customers and local restaurants, offering access to variety of food and placing order through smartphone application or websites.

Online food delivery necessitates real-time distribution services that are both efficient and scalable. These online food delivery restaurants can choose to deliver food via existing employees in case of small-scale restaurant or trained delivery professionals can be hired or recruited.

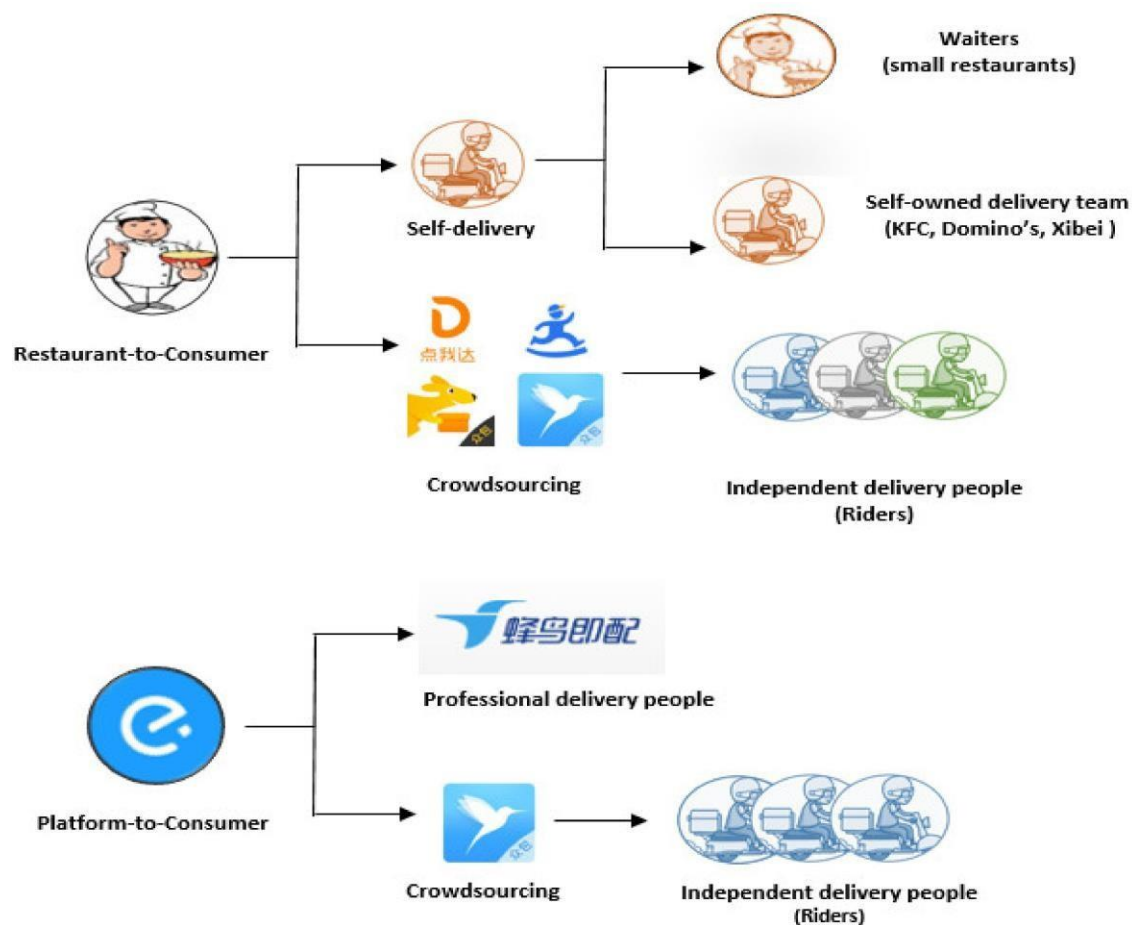


Fig : Online Food Delivery Platforms

2. Objectives of the study:

1. To study the consumer response towards ordering food online during this pandemic.
 2. To identify the factors which influence the consumer to order food online.
 3. To know the consumer preferences for online food service providers.
 4. To understand the process of food receiving and delivering pattern of the restaurants during this pandemic.
4. Review of Literature:

Suryadev Singh Rathore and Mahik Chaudhary in their study 'Consumer's Perception on Online Food Ordering' IJMBS Vol. 8, Issue 4, Oct - Dec 2018 has mentioned Customer Perception and Satisfaction on Ordering Food via Internet and Key Success Factors of Online Food Ordering Services.

Ashish Kumar, in his study 'A Study On The Impact Of Covid-19 On Home Delivery Of Food Items Through Food Delivery Platforms' PJAEE, 17 (12) (2020) through secondary data has performed the analysis, which includes previous studies and subsequent research focusing on the effect of Covid-19 on home delivery of food products through food delivery platforms.

5. Research Methodology:

The study is based on primary data which was collected through the survey method with respect to Eastern Nagpur. It intends to explore the consumer's perception towards ordering food online during the COVID-19 pandemic and also the food ordering and receiving pattern of the restaurants and service providers whether it a significant impact on their business. The data for the study was gathered through structured two sets of questionnaires. The population consist of the students, salaried, businessmen, housewives of the Eastern Nagpur. An online survey was used to collect the data for this study. The approach of this study is analytical.

6. Limitation of the Study:

A sample size of 75 respondents have been taken for the study which is carried out in Eastern Nagpur, so the study and findings may not be applicable to the other parts of the country considering the cultural and social differences.

7. Data Analysis and Interpretation:

The well-structured two questionnaire sets were taken. The first questionnaire consisted of two sections including demographic factors of the respondents and the consumer response towards online food ordering during the pandemic.

Table 1: Characteristics of the respondents

Demographic factors		Count	%
Gender	Male	50	50
	Female	50	50
Age	20-25 years	23	46
	25-30 years	14	28
	30-35 years	7	14
	35-40 years	2	4
	40 + years	4	8

Education			
	Graduation	22	44
	Post-Graduation	26	52
	Others	2	4
Occupation			
	Student	11	22
	Salaried	28	56
	Businessman	3	6
	Housewife	2	4
	Others	6	12
Marital status			
	Single	38	76
	Married	12	24

Interpretation :

The above table shows the count wise and percentage wise demographic factors of the respondents on the basis of gender, age, education, occupation and marital status.

Table 2: Consumer's response towards ordering food online during the pandemic

Parameters		Count	%
Ordering food online-			
	Yes	46	92
	No	4	8
Started ordering food online-			
Before pandemic			
During Pandemic			
Not ordered till now			
	32	64	
	14	28	
	4	8	
Ordered food online during pandemic COVID-19?			
Yes			
No			
	37	74	
	13	26	
Frequency of ordering food online during this pandemic-			
Daily			
Weekly			
Monthly			
As and when required			
	1	2	
	13	26	
	8	16	
	28	56	

Most preferred service provider-		
Zomato Swiggy Food panda	27	54
Others	17	34
	0	0
	6	12
Reasons for choosing above company services-		
Easy to place order On time delivery Offers and discounts	25	50
Good packaging and hygiene	19	38
	24	48
	21	42
Food preference-		
Snacks Breakfast Lunch	28	56
Dinner	5	10
	7	14
	10	20
Reasons for online ordering of food-		
Fear to step out of home Lack of time to prepare food	18	36
To taste variety of food without physically visiting	8	16
Convenient and economical	24	48
Many offers/discounts/coupons available	22	44
No other option	16	32
	5	10
Placed orders mostly are-		
Planned Unplanned	12	24
Partly unplanned	29	58
	9	18
Online food ordering is influenced by-		
Social Media TV	16	32
Newspaper Personal requirements	4	8
Others	0	0
	25	50
	5	10

Interpretation :

The table no. 2 clearly shows the positive response of the consumer towards online ordering of food during the pandemic. Out of the total 50 respondents, about 92% are ordering food online in Eastern Nagpur whereas, 64% have started ordering food online before the pandemic and 28% have started during the pandemic. 56% respondents are ordering food as and when required, 26% respondents are ordering weekly and 16% respondents are ordering food monthly. Zomato is the most preferred service provider from among the others, as 54% respondents prefer ordering through Zomato, 34% respondents prefer Swiggy and 12%

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respondents prefer ordering through others. The reasons for choosing the above service providers are, according to 50% respondents it's easy to place order, 48% respondents order because of the offers and discounts, 42% respondents order because of the good packaging and hygiene and 38% respondents choose those service providers for their on-time delivery of food. The food preference of the respondents during this pandemic is 56% respondents prefer ordering snacks, 20% respondents order dinner, 14% respondents order lunch and 10% respondents prefer ordering breakfast. According to 48% respondents they order food online during this pandemic to taste variety of food without physically visiting the restaurant, 44% respondents order because they find it more convenient and economical and 36% respondents order because of the fear to step out of home. The orders that 58% respondents place during this pandemic are predominantly unplanned and their food ordering these days is mostly influenced by their personal requirements.

Table 3: Online food order receiving and delivering pattern of the restaurants during the pandemic

Parameters	Count	%
Receiving online orders during the pandemic-		
Yes	24	96
No	0	0
Maybe	1	4
Restaurant been in operation before the pandemic-		
1-4 years	12	48
5-7 years	9	36
8-10 years	3	12
10 + years	1	4
Offer delivery or takeout prior to the pandemic-		
I started my own delivery services manually during the pandemic I started using third party delivery service during the pandemic	2	8
I previously used a third-party service and continue to do so during the pandemic	8	32
I am not offering delivery or takeout during the pandemic	15	60
	0	0
Maximum orders received during this pandemic are from-		
Zomato Swiggy Food panda	16	64
Others	7	28
	0	0
	2	8

Frequently ordered food by the customers-		
Snacks Breakfast Lunch	17	68
Dinner	4	16
	3	12
	1	4
Type of offers provided during the pandemic-		
Discounts Coupons Combos	11	44
One plus one offer	3	12
Not any	6	24
	1	4
	4	16
Any rise in business during pandemic-		
Yes	14	56
Somewhat No	10	40
	1	4
Percentage of rise in business-		
0%-20%	8	32
20%-40%	9	36
40%-60%	5	20
60%-80%	3	12
80%-100%	0	0
Factors influencing customers to place an order online during this pandemic-		
To get food at the doorstep Out of fear	14	56
To taste variety of food without physically visiting	18	72
To avoid contact with the outsiders	18	72
Offers/Discounts	17	68
Others	10	40
	2	8
Mode of payment accepting-		
Cash Credit	22	88
Credit/Debit	1	4
	13	52
Internet banking		
Paytm/Google pay Others	9	36
	24	96
	2	8

Safety measures taken in preparing, packaging and delivering food-		
Sanitization		
Use of hand gloves		
Use of face shields		
Use of masks	11	44
Contactless delivery	7	28
All of the above	2	8
	12	48
	6	24
	15	50
Percentage of business operation during the pandemic-		
20%	3	12
40%	5	20
60%	5	20
80%	4	16
100%	8	32

Interpretation :

From the above analysis it can be concluded that, majority i.e 96% of the restaurants out of the total 25 are receiving orders during the pandemic. According to the respondents 48% of the restaurants are in operation before the pandemic which comes into the category of (1-4 years), 36% restaurants are from (5-7 years), 12% restaurants are from (8-10 years). Out of total respondents 60% restaurants are offering the deliveries and takeout much before the pandemic and are also using third-party services even during the pandemic whereas 32% restaurants have started using third-party services during the pandemic and 8% restaurants have started their own delivery services manually during the pandemic. Further, it can be seen that 64% of the restaurants are receiving maximum orders from Zomato whereas 28% restaurants are receiving from Swiggy. According to the respondent's majority of the restaurants i.e 68% are frequently receiving the orders for snacks and then for breakfast and lunch. About 44% restaurants are providing discount, 24% are providing combo offers whereas 16% restaurants are not providing any kind of offer during this pandemic. Out of all respondents, 56% restaurants have seen the rise in their business, 40% have seen somewhat rise and 4% restaurants haven't seen any rise in their business during the pandemic. About 36% of the restaurants have seen rise between (20%-40%) and 32% have seen rise between (0-20%) in their business. According to the respondents 72% customers are ordering food online out of fear and to taste variety without visiting the restaurants. Further, 96% respondents are accepting payment through google pay/ Paytm and 88% of the total respondents are accepting through cash. Out of all the respondents 50% of them are using all safety measures in preparing, packaging and also in delivering food. Majority of restaurants i.e 32% out of all are 100% operational during the pandemic.

8. Findings:

1. Among all the respondents, majority of consumers are ordering food online during the pandemic.
2. Zomato is the most preferred service provider followed by Swiggy, the same is with the restaurants that they receive more orders from Zomato.
3. The respondents ordering food online during the pandemic are mostly because of fear to step out of home, to avoid contact with the outsiders, variety of food at the doorstep without physically visiting the restaurant and also, they find it more convenient and economical to place order.
4. Majority of restaurants are receiving orders online and are previously using the third-party services, continuing with the same during the pandemic with all the safety measures.
5. Majority of restaurants have seen rise between 20% to 40% in their business because of the online food delivery.

9. CONCLUSION:

According to the research conducted, it can be concluded that people are in the favour of ordering food online even during the pandemic just to avoid contact with the outsiders and to taste variety of food without physically visiting the restaurant. Zomato is the most preferred service provider for the customers and even for the restaurants as they receive maximum orders from the same. From the responses collected of Eastern Nagpur, there can be seen the rise between 20%-40% in the food business during the pandemic because whether if people are not actually going to the restaurants, they prefer ordering food online considering its advantages. Therefore, from the study conducted it can be said that there is a remarkable rise in the online food business during COVID-19 pandemic.

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