

Project Dissertation

A Study on Consumer Perception towards Online Food Ordering Services in India

Submitted by:

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2K14/MBA/67

**Under the Guidance of
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CERTIFICATE FROM THE INSTITUTE

This is to certify that the Project Dissertation titled **A Study on Consumer Perception towards Online Food Ordering Services in India** is a bonafide work carried out by **Mr. Sajin S** of MBA 2014-16 and submitted to Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-42 in partial fulfillment of the requirement for the award of the Degree of Masters of Business Administration.

Signature of Guide

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Seal of HOD

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Place:

Date:

DECLARATION

I, **Sajin S**, student of MBA 2014-16 of Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-42 declare that Project Dissertation on **A Study on Consumer Perception towards Online Food Ordering Services in India** submitted in partial fulfillment of Degree of Masters of Business Administration is the original work conducted by me.

The information and data given in the report is authentic to the best of my knowledge.

This Report is not being submitted to any other University for award of any other Degree, Diploma and Fellowship.

Place:

Sajin S

Date:

(2K14/MBA/67)

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I would like to extend my heartfelt thanks to Mr. Abhinav Chaudhary for his valuable guidance, interest and suggestions throughout the course of the project. I am thankful to him for providing me with useful references and information, which were of significant importance for the completion of my project. I feel honoured and privileged to work under him. He shared his vast pool of knowledge with me that helped me steer through all the difficulties with ease. This project file would not have been possible without his guidance and I would like to thank him for everything he has done for me. I perceive this opportunity as a big milestone in my career development. I will strive to use skills and knowledge gained here in the best possible way, and I will continue to work on their further improvement, in order to attain my desired career objectives.

EXECUTIVE SUMMARY

The online food ordering startups has been growing faster in recent years with the help of fast growing technology, the service level has increased with the options of fast delivery, easy returns, payment wallets etc. This has resulted in a very competitive environment in this sphere of the industry.

The project undertaken, involved the understanding of the online food ordering platforms as a marketplace. The primary aim was to understand the consumer perception towards the online food ordering services, as well as the important factors that helps in getting positive response of online food startups.

The study tries to understand the trust level of customers in such platforms as there still exists certain parameters which cause a shadow of doubt in the mind of the customers while using such platforms. The project tries to understand such parameters as well.

INTRODUCTION

The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year. In India, the food sector has emerged as a high-growth and high-profit sector due to its immense potential for value addition, particularly within the food processing industry.

Accounting for about 32 per cent of the country's total food market, the food processing industry is one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth. The total food production in India is likely to double in the next 10 years with the country's domestic food market estimated to reach US\$ 258 billion by 2015.

The Government of India has been instrumental in the growth and development of the food processing industry. The government through the Ministry of Food Processing Industries (MoFPI) is making all efforts to encourage investments in the business. It has approved proposals for joint ventures (JV), foreign collaborations, industrial licenses and 100 per cent export oriented units.

1.1 Market Size

The Indian food and grocery market is the world's sixth largest, with retail contributing 70 per cent of the sales. It is projected to grow at the rate of 104 per cent, touching US\$ 482 billion by 2020.

The Indian food processing industry accounts for 32 per cent of the country's total food market, 14 per cent of manufacturing Gross Domestic Product (GDP), 13 per cent of India's exports and six per cent of total industrial investment. Indian food service industry is expected to reach US\$ 78 billion by 2018. The Indian gourmet food market is currently valued at US\$ 1.3 billion and is growing at a Compound Annual Growth Rate (CAGR) of 20 per cent. It is expected to cross US\$ 2.8 billion by 2015.

The online food ordering business in India is in its nascent stage, but witnessing exponential growth. The organized food business in India is worth US\$ 48 billion, of which food delivery is valued at US\$ 15 billion. With online food delivery players like FoodPanda, Zomato, TinyOwl and Swiggy building scale through partnerships, the organized food business has a huge potential and a promising future (Indian Food Industry, 2016).

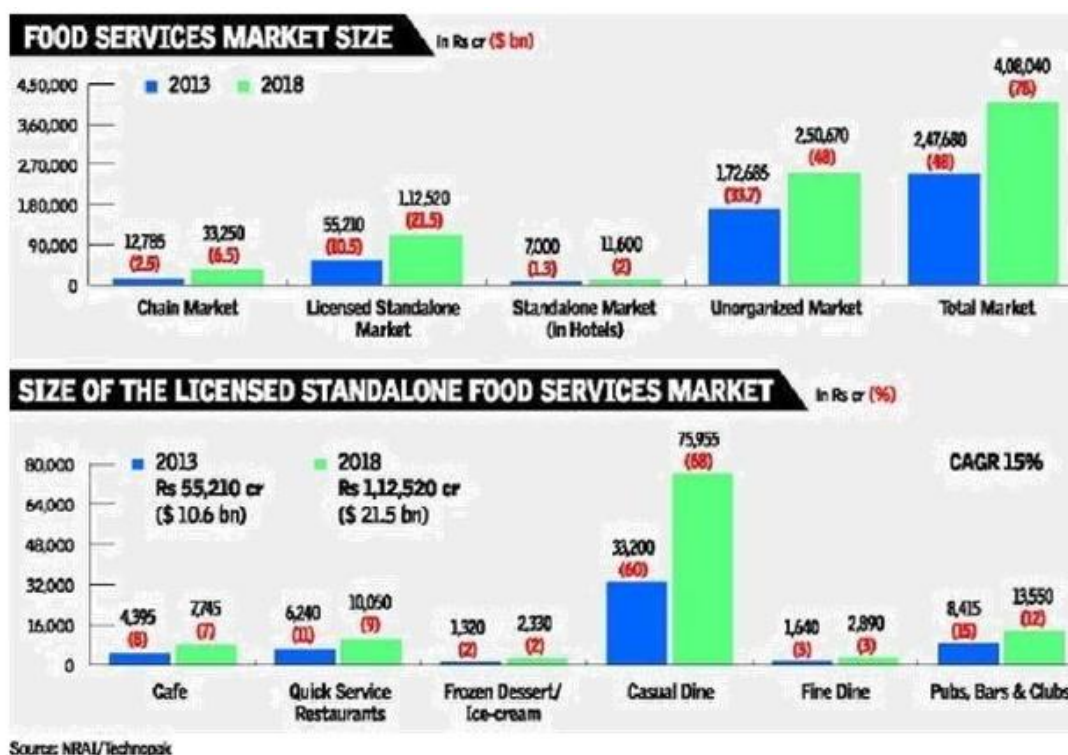


Figure 1.1: Indian food service market size

1.2 Investments

According to the data provided by the Department of Industrial Policies and Promotion (DIPP), the food processing sector in India has received around US\$ 6.55 billion worth of Foreign Investments during the period April 2000—September 2015. The Confederation of Indian Industry (CII) estimates that the food processing sectors have the potential to attract as much as US\$ 33 billion of investment over the next 10 years and also generate employment of nine million person-days.

Investment in food start-ups, which mainly include food ordering apps, has increased by 93 per cent to US\$ 130.3 million comprising 17 deals in 2015 till September 2015 as against only five deals in 2014.

Some of the major investments in this sector in the recent past are:

1. Gujarat Cooperative Milk Marketing Federation (GCMMF), popularly known as 'Amul', plans to invest Rs. 5,000 crore (US\$ 750 million) to establish ten new processing plants as well as expand the current capacity to touch 32 million liters per day (MLPD) capacity by 2020.
2. American doughnut chain Dunkin' Donuts has tied up with local online grocery delivery platform Grofers for home-delivery of its packaged and freshly made products.
3. Private Equity (PE) firm India Value Fund Advisors (IVFA) plans to invest around US\$ 100-150 million in the food business in India over the next two years.
4. Mahindra & Mahindra's (M&M) agri-commodities division has announced its entry into pulses retailing under the brand 'NuPro' with Tur dal being the first offering under the brand.
5. Zomato, a restaurant search and discovery platform, has raised US\$ 60 million from Singapore government-owned investment company Temasek, along with existing investor Vy Capital, in order to explore new business verticals.
6. ITC Limited plans to invest Rs 800 crore (US\$ 120 million) to set up a world-class food processing facility in Medak, a district located in Telangana. The company has also formulated plans to enter the dairy market (Carmody, 2016).

1.3 Government Initiatives

In order to promote food processing industries, increase level of processing and exploit the potential of domestic and international market for processed food products, Vision Document-2015 was prepared by the Ministry of Food Processing Industries. The document envisages trebling the size of investment in the processed food sector by increasing the level of processing of perishables from 6 per cent to 20 per cent, value addition from 20 per cent to 35 per cent and share in global food trade from 1.5 per cent to 3 per cent by 2015. According to the Ministry, an investment of Rs 100,000 crore (US\$ 15 billion) would be required in 2015 to achieve these targets.

Some of the major initiatives taken by the Government of India to improve the food processing sector in India are as follows (Indian Food Industry, 2016):

1. Government of India plans to allow two Indian dairy companies, Parag Milk Foods and Schreiber Dynamix Dairies, to export milk products to Russia for six months, after these companies got approval for their products by Russian inspection authorities.
2. Ms Harsimrat Kaur Badal, Union Minister for Food Processing Industries, Government of India inaugurated the first of its kind Rs 136 crore (US\$ 20.4 million) mega international food park at Dabwala Kalan, Punjab.
3. The Ministry of Food Processing Industries announced a scheme for human resource development (HRD) in the food processing sector. The HRD scheme is being implemented through State Governments under the National Mission on Food Processing.
4. The Food Safety and Standards Authority of India (FSSAI) under the Ministry of Health and Family Welfare has issued the Food Safety and Standards (Food Product Standards and Food Additives) Regulations, 2011 and the Food Safety and Standards (Contaminants, Toxins and Residues) Regulations, 2011 which prescribe the quality and safety standards, respectively for food products.

5. The Ministry of Food Processing Industries has taken some new initiatives to develop the food processing sector which will also help to enhance the incomes of farmers and export of agro and processed foods among others.
6. Spices Board, set up by the Ministry of Commerce to develop and promote Indian spices worldwide, aims spice exports of US\$ 3 billion by 2017.
7. The Spices Board India has decided to sell around 30 of the choicest spices and value added products globally under the brand names 'Spices India' and 'Flavourit' by opening premium retail outlets abroad in partnership with private investors.
8. The Government of India has approved the setting up of five numbers of Mega Food Parks in the states of Bihar, Maharashtra, Himachal Pradesh and Chhattisgarh. The Government plans to set up 42 such mega food parks across the country in next three to four years.
9. In the Budget 2015-16, a corpus of Rs. 2,000 crore (US\$ 300 million) was created under National Bank for Agriculture and Rural Development (NABARD) to provide cheaper credit to food processing industry. Excise duty on plant and machinery for packaging and processing has been brought down to six per cent from 10 per cent.
10. The Government of India has planned to set up 42 mega food parks across the country in next three to four years.

1.4 Road Ahead

Going forward, the adoption of food safety and quality assurance mechanisms such as Total Quality Management (TQM) including ISO 9000, ISO 22000, Hazard Analysis and Critical Control Points (HACCP), Good Manufacturing Practices (GMP) and Good Hygienic Practices (GHP) by the food processing industry offers several benefits. It would enable adherence to stringent quality and hygiene norms and thereby protect consumer health, prepare the industry to face global competition, enhance product acceptance by

overseas buyers and keep the industry technologically abreast of international best practices (Ernest & Young, 2013).

1.5 Purpose of the Study

The Purpose of the study is to understand the online food ordering platforms as a marketplace, consumer perception towards the online food ordering services, the trust level of customers in such platforms as there still exists certain parameters which cause a shadow of doubt in the mind of the customers while using such platforms, as well as the important factors that helps in getting positive response of online food startups. This concentrate additionally analyses whether demographic profile, past online food ordering experience, saw advantages, customers' ways of life, towards online food ordering. It is difficult to cover all the potential variables. The goal is to make sense of the most critical and important variables which may profoundly influence the consumers fulfilment towards online food ordering.

LITERATURE REVIEW

India Food Services Update – Maple Capital Advisors

The size and transformation is substantially driven by the youth (90% of whom are below 40 years). Consumption is driven by convenience, aspiration, cultural shifts, changing retail landscape and unparalleled access to information backed by some innovative marketing and product revitalization. The sector is supported by a 100% Foreign Direct Investment(FDI) which has been helped build supply chain and is driving quality and increased organized play in the sector. Social Media, Mobile connectivity and focused marketing are changing the way. The sector is reaching its customers.

Rise of Online Food Ordering Start-ups in India: Opportunities, Challenges and Innovations – iamWire

“India is not simply emerging, it has emerged,” said US President Barack Obama. The entire startup ecosystem in India has changed tremendously over the past ten years. People now opt for the road not taken; they have shunned the conventional jobs by pursuing out of the box ideas as their career choices.

Off late, the trend of food startups and online grocery has been catching the spotlight. India seems to be having a growing appetite for such startups. While online grocery vertical is garnering its own share of ventures, food ordering and delivery is not far behind.

Overall, the food start-ups are catering to the changing taste of modern India through its innovative concepts. However, the real challenge lies in the right mix of innovation with strong business sense in order to attain long term sustainability and scalability.

India Food Services Market Forecast and Opportunities, 2020

India is exhibiting high growth potential for food services, with continuously surging income and consumption levels. With increase in the number of double income households, the

lifestyle of people, including their food habits, is changing. A large base of the population of the country is getting busier, with lesser time to get involved in household activities or to indulge in cooking, further driving the market for food services in the country. Further, due to improved standard of living, people in the country are witnessing a paradigm shift in their tastes & preferences, wherein, they are foregoing conventional food like dal and rice in favor of foreign cuisines, thus creating growth opportunities for international brands operating in the country. Moreover, with changing lifestyle of people, the country has witnessed an increase in the number and frequency of social gatherings outside of work, which is also driving the demand for food services in India.

Expansion of brands into tier II and tier III cities, is also a major factor which is expected to drive growth in food services market of the country over the next five years. In 2013, the market was dominated by unorganized and non-branded players, however, with growth of various foreign and domestic brands, these players are expected to lose their market to organized branded players. Segment-wise, dining food services segment was the largest contributor in India food services market in 2014, on account of the large number of dining restaurants in the country. The segment is expected to retain its dominance in the market over the forecast period as well.

Will food throw up the next Flipkart? – Business Standard

Convenience and value are the two key factors that have led to the exponential growth in online commerce. After electronics and fashion, the next retail segment to go online is the food business. Typically, 30-40 per cent of revenue of any food business is spent on marketing, but with these platforms, the cost of customer acquisition drops down.

But this also means that the market leaders can no longer take their position for granted because competition is set to explode and rivals can reach more places than before with these platforms. Saurabh Kochhar, CEO of FoodPanda, says: "The reason behind the excitement is that as a space it is untouched. As a category, food is an essential item and there is a repeat business potential. Everybody is trying to grab a piece of the pie of the food business. Food delivery is a big business in India and the next Flipkart can come out of this category" (Calkins et al., 2007).

2.1 Online Food Ordering Startups in India

“India is not simply emerging, it has emerged,” said US President Barack Obama. The entire startup ecosystem in India has changed tremendously over the past ten years. People now opt for the road not taken; they have shunned the conventional jobs by pursuing out of the box ideas as their career choices.

Off late, the trend of food startups and online grocery has been catching the spotlight. India seems to be having a growing appetite for such startups. While online grocery vertical is garnering its own share of ventures, food ordering and delivery is not far behind.

Over the past one year, there has been an exponential growth in the number of food startups. This area is garnering investors’ interest, so much so that the market size of food in India is expected to reach Rs. 42 lakh crore by 2020, reports BCG. Presently, the Indian food market is around Rs. 23 trillion (Mignott, 2015).

COMPANY	AMOUNT RAISED TILL DATE
YUMIST	USD 1 MILLION
FRSH	USD 618K
HOLACHEF	USD 320K
SPOONJOY	UNDISCLOSED
iTIFFIN	USD 1 MILLION
TINYOWL	USD 20 MILLION
FAASO'S	USD 20 MILLION
FOODPANDA	USD 147.3 MILLION
EATLO	NO FUNDING
TASTYKHANA	USD 5 MILLION
JUSTEAT	USD 89.1 MILLION
DELIVERYCHEF	UNDISCLOSED
BITE CLUB	USD 500K

Table 2.1: Fundings Received by Food Startups

The table 2.1, names of those food start-ups have been mentioned which have caught investors’ attention lately. But then there are in-numerous food start-ups functioning, which still haven’t grabbed the limelight.

While these are only the newbies in the online food delivery industry who have raised investments, off late, the already established ones have started carving out a bigger piece of the pie for themselves. It started with FoodPanda gobbling up its biggest rivals in the country, Tastykhana and JustEat. And now Zomato too ventured into food ordering and delivery services.

Additionally, in an interesting twist of events, businesses from different niche have also decided to experiment in this lucrative business. JustDial made its way into online food ordering service and cab aggregator Ola has entered this segment with the launch of its food delivery service in 4 cities (Singh, 2015).

2.2 Innovations and Future Plans

Ex- Flipkart employee led iTiffin plans to launch new products across India, like ‘Munch Box’ to take care of day snacks and diabetic control ready to cook chapati flour. Also, it is launching salad (only in Bangalore). With current manpower of 60, the company plans to gradually expand and grow, starting from Bangalore and then reaching out to other metropolitan cities.

As for Bhojanshala, their priority domain includes ‘Technology, Service and Customers’, and in ‘Customers’, the most important thing is, to retain them.

TinyOwl’s future plan is to expand across 50 cities by the end of 2015. Holachef, Eatonomist and Yumist share similar future plans i.e. to expand and grow fast. Faasos’ plan is to expand on the entire Asia Pacific platform.

Holachef and Eatonomist are looking to raise an investment in future. Eatonomist has adopted an innovation in its packaging style. Their package, as claimed by the company is microwave safe, hygienic and environment friendly.

Snackosaur, who are in talks to raise an investment, recently introduced snack subscription service, which gets replenished automatically for the customer with variety and a box full of surprises every time. They have plans of introducing new munchies and snacks in future. While most offer free delivery, owing to their respective USPs they differ in minimum order and order placement time, have a look at the table 2.2

Startup	Operations in	Order Placement	Delivery Time	Payment Mode	Other Features
iTiffin	Bangalore	Online, Phone	Advance Booking,	Online Cheque, Cash	-
Bhojanshala	Pune	Website	30-50 Min	COD	Daily/Weekly/Monthly Packages, Bulk Orders, Party Orders, Corporate Orders
Tinyowl	Mumbai	Mobile App	45 Min	Online, COD	-
Holachef	Mumbai	Website, Mobile App	Advance Booking	Online, COD	-
Yumist	Gurgaon, Bangalore	Mobile App	30 Min or less	COD	-
Eatonomist	Gurgaon	Online, Phone	45 Min	Online, COD	Meal Planner – 10 day menu available, nutritionist advice for people following a diet plan
Snackosaur	Pan India	Website	1-3 Days	Online	Introduced a fortnightly snack Subscription plan
Faaso's	Mumbai, Pune, Bangalore, Chennai, Baroda, Ahmedabad	Mobile App	15-45 Min	Online Faasos-Wallet	-

Table 2.2: USPs of Various Food Start-ups

Rachna Nath, Leader Retail and Consumers, PwC India, commenting on the rise of food start-ups and its future said, “The future of food start-ups hold a positive potential. Presently the companies are immature, as we can see from a lot of them getting acquired by bigger companies. The trend will increase in future. Eateries like Dominos, Pizza Hut etc. alone get 50-60% ecommerce sales. So the future seems a tough competition between the food start-ups and single brand eateries. The question who will survive is a little tricky as the one who maintains its logistics well will rise” (Singh, 2015).

RESEARCH METHODOLOGY

3.1. Significance and Scope of the study

This study attempts to identify factors which are likely to affect your online buying decision of foods and also focus on understanding consumers' perception towards online food ordering. The study aims to empirically investigate the relationship between perceived taste, price, discounts, reviews, advertisements, timely delivery, packaging in online food ordering services. The scope of this paper is however limited to the residents of India, chosen for their responses, on the principle of convenience sampling. And within India, the top players in the online food ordering services segment in India were chosen based on their popularity.

3.2. Objectives

The following objectives will be covered under this project:

1. To study the various online food ordering services in India.
2. To study the impact of online food ordering services in India and the opportunities and challenges for the segment in India.
3. To identify the important factors that affect the buying behaviour of consumer with respect to online food ordering.
4. To analyse Consumer perception towards online food ordering services.

3.3. Hypotheses

Following are the proposed hypotheses for the study:

- H_{A1}: Price has significant relationship with quality
- H_{A2}: Availability has significant relationship with quality
- H_{A3}: Discounts has significant relationship with quality
- H_{A4}: Timely Delivery has significant relationship with quality
- H_{A5}: Packaging has significant relationship with quality
- H_{A6}: Advertisements have significant relationship with quality

H_{A7}: Online Review has significant relationship with quality

3.4. Research Design

The research method used is a descriptive research using quantitative analysis. The main purpose of the study is to find out the relationship between variables, i.e. quality of food versus online food ordering behaviour, chosen factors (demographic, perceived benefits, previous online food ordering experiences, consumers' lifestyles, and perceived online food ordering platforms' trustworthiness). It also attempts to determine the relationship between two or more variables using statistical data and analysis.

3.5. Research Instrument

Research instrument is concerned with how sampling units be approached for obtaining the desired information. Here research instrument is questionnaire. Questionnaire is a set of questions with or without blank spaces for recording the answers. Here both open and closed ended questions are used.

3.6. Population

This paper targets a sample population drawn from consumers who have experienced online food ordering from urban and rural areas. The number of Internet users in India was expected to reach 402 million by December 2015, registering a growth of 49 percent over last year.

3.7. Sample Size

The sample size for this study is 200

3.8. Sampling technique

Non-Probability Sampling - Convenience Sampling. Although this sampling method adopted has limitations, it is assumed that the sample may be able to represents the population of Internet users in India. This is on the grounds that the testing system that has been utilized as a part of this study was likewise a purposive testing as this study has picked respondents who are web clients.

3.9. Sources of Data

There are basically two types of data used for project study:

1. **Primary Data:** Primary data are those which are collected afresh and for the first time, and thus they are original data. Primary data are mainly collected through questionnaire method, which is filled by respondents.
2. **Secondary Data:** Secondary data means which is readily available from television, newspaper, magazines etc. Various secondary data which are used for the study are:-
 - a) Websites
 - b) Magazines

3.10. Tool for Data Analysis:

1. IBM SPSS STATISTICS was utilized for implementing Regression and correlation analysis on the data collected to check and analyze the various factors which affect the consumers' online buying decision of food.
2. Pie Charts, Bar Diagrams, Tables, mathematical calculations, Pivot Tables etc.

ANALYSIS AND RESULTS

4.1 Respondents' Demographics

A total of 200 responses were collected with varied backgrounds. The respondents were in different age groups. In terms of gender, the sample had 67% males and 33% females. The respondents' had varied professional / educational background and different income levels as well.

1. Gender:

The survey showed that:

Out of 200 respondents', 134 were Males and 66 were Females. Majority of people interested in online food ordering is males as compared to the less number of females.

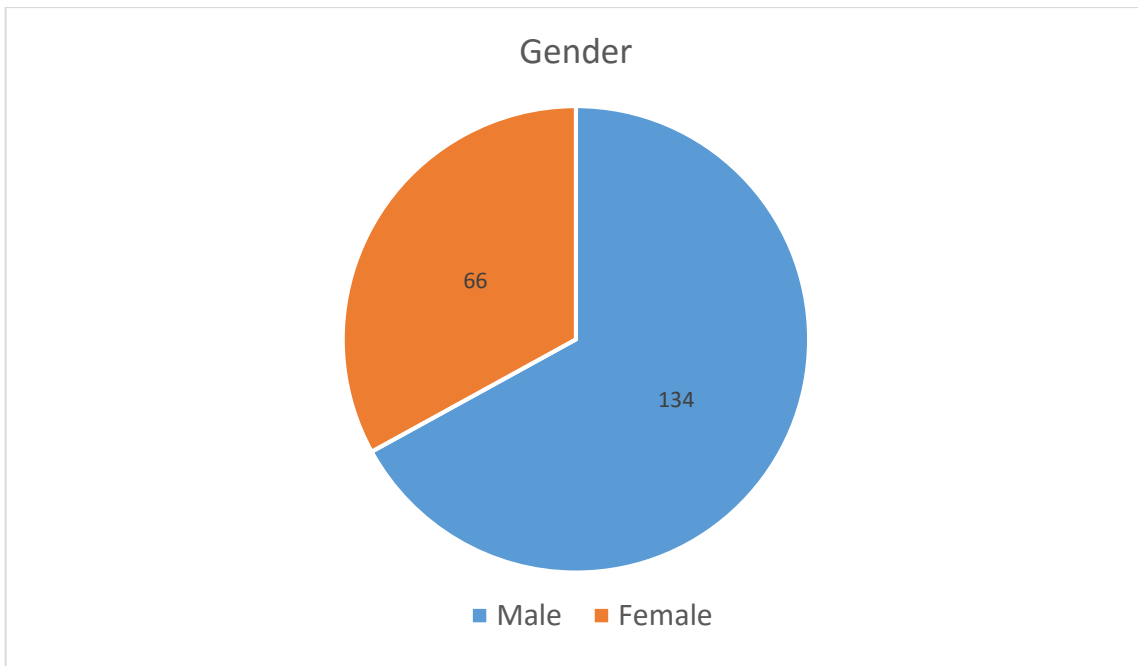


Figure 4.1: Respondent's Gender

2. Age Group:

The survey showed that:

90% of the respondents were between 16-35 years of age. Most of the people who are interested in online shopping are the people who are youth, as they have better access to the internet as well as they are tech savvy.

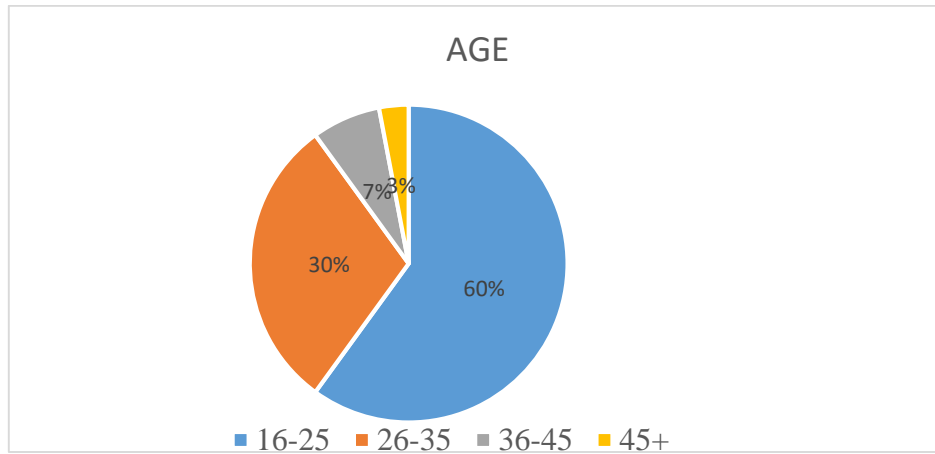


Figure 4.2: Age

3. Occupation:

The survey showed that:

Around 48 % were students followed by 43 % employees. This shows that the students are the ones who are spending most of their time online as compared to the other classes and these are the ones who are most intimidated by the variety of food available followed by the salaried people.

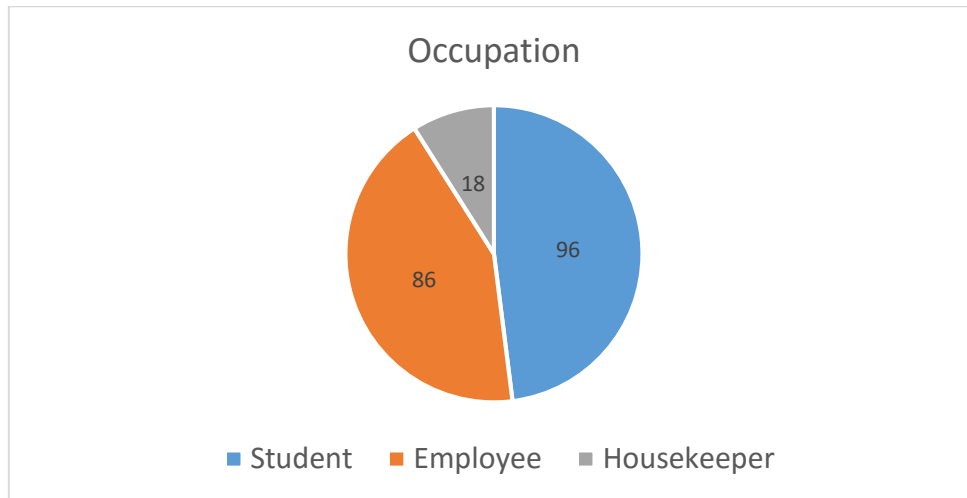


Figure 4.3: Occupation

4. Locality:

The survey showed that:

77 % belonged to urban areas. This is so because the awareness as well as the services provided by the online food ordering services are of the best quality in urban areas.

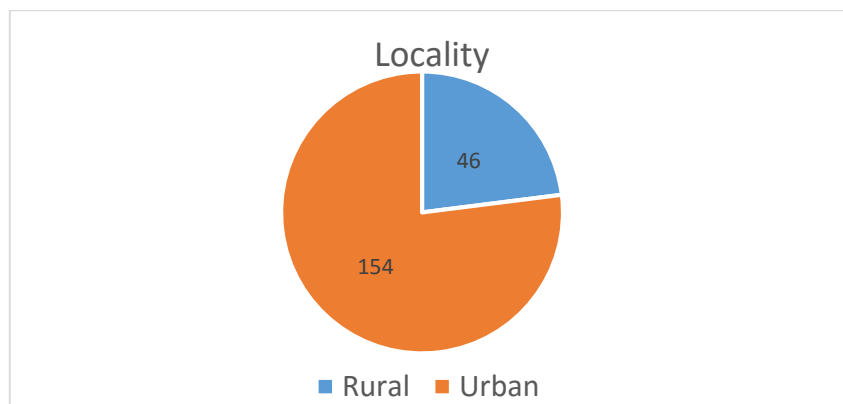


Figure 4.4: Locality

5. Marital Status:

The survey showed that:

Out of 200 respondents, 142 were Single and 58 were married. Bachelors are more font of ordering food online according to their needs.

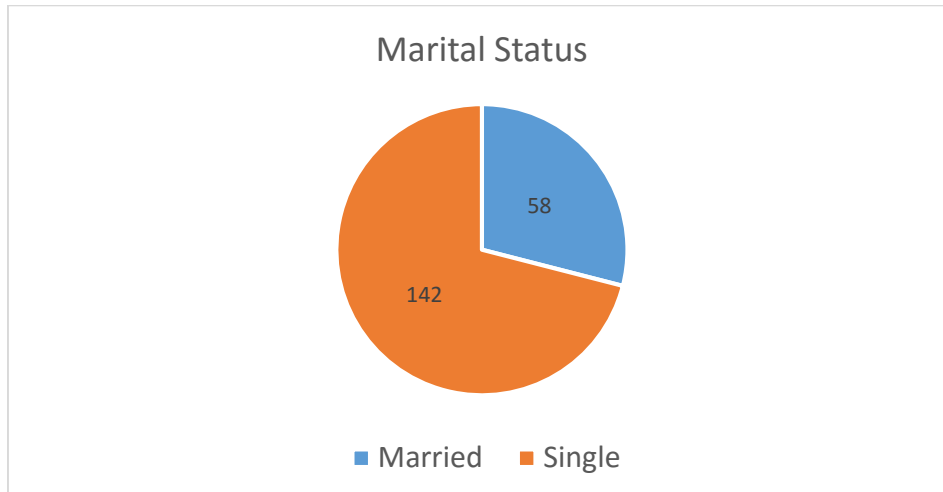


Figure 4.5: Marital Status

4.2. Analysis of Data Collected

Factors likely to affect the online food ordering

The main factors considered here are:

1. Price
2. Quality
3. Availability
4. Discounts
5. Timely Delivery
6. Packaging
7. Advertisements
8. Online review

The main advantages offered by online food ordering services considered here are:

1. Easy and time saving

2. Convenience
3. Variety of food
4. High discounts
5. Reviews & Recommendations
6. Payment options

4.3 Regression Analysis

Regression analysis is a statistical process for estimating the relationships among variables. In this research we are trying to find the relationship between 7 independent factors/variable and 1 dependant factor/variable. The factors/variables are:

1. Price
2. Quality
3. Availability
4. Discounts
5. Timely delivery
6. Packaging
7. Advertisements
8. Online review

Among the above factors/variables taste (quality) is the only dependant variable while all the other 7 factors are independent and are not affected by any other factor/variable.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.658 ^a	0.553	0.523	0.586	0.553	50.564	5	205	0.000

a. Predictors: (Constant), Price, availability, discounts, timely delivery, advertisement, promotions, online reviews

Table 4.1: Model Summary

A multiple linear regression was calculated to predict Adoption based on price, availability, discounts, timely delivery, advertisement, promotions, online reviews.

We look at the adjusted R^2 , and we can say that 55% of total variance in quality is explained by the factors.

We also see that the difference between R^2 and adjusted R^2 isn't a lot, so we can say that no redundant independent variables were added.

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	104.35	7	3.764	53.667	.000 ^b
Residual	58.518	205	0.68		
Total	162.868	212			

a. Dependent Variable: Taste (Quality)

b. Predictors: (Constant): Price, availability, discounts, timely delivery, Advertisement, promotions, online reviews.

Table 4.2: ANOVA

A significant regression equation was found ($F(7+205)=53.667$, $p<.000$) with an R^2 of .553. Also with the Sig value of .000, which is way less than .05 or even .01, we can conclude with strong evidence that the Independent variables help the dependant variable.

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-0.089	0.202		-0.283	0.623
Price	0.326	0.061	0.392	4.958	0.208
Availability	0.108	0.056	0.102	1.218	0.132
Discounts	0.153	0.032	0.168	3.325	0.004
Timely Delivery	0.075	0.063	0.085	1.359	0.006
Advertisements	0.029	0.056	0.028	0.592	0.531
Promotions	0.038	0.03	0.048	1.078	0.007
Online Reviews	0.138	0.045	0.145	2.623	0.115

Table 4.3: Coefficients

Taste (quality) is equal to

$-0.089 + 0.326 (\text{Price}) + .108 (\text{Availability}) + .153 (\text{Discounts}) + 0.075 (\text{Timely Delivery}) + 0.029 (\text{Advertisements}) + 0.038 (\text{Promotions}) + 0.138 (\text{Online Reviews})$, where the factors are coded as

1- Extremely Likely

2- Likely

3- Neutral

4- Unlikely

5- Extremely Unlikely

Among the factors, it was seen that Discounts (0.004), Timely Delivery (0.006) and Promotions (0.007) were significant predictors of Adoption, while Price (0.208), Availability (0.132), Advertisements (0.531) and Online Reviews (0.115) weren't.

4.4 Correlation Analysis

Correlation and regression analysis are related in the sense that both deal with relationships among variables. The correlation coefficient is a measure of linear association between two variables. Correlation coefficients are always between +1 and -1. +1 means perfect positive and -1 means perfect negative correlation, which means they are exactly on a straight line.

4.4.1 Price and Quality

		Quality	Price
Price	Pearson Correlation	1	.413**
	Sig. (2-tailed)		.000
	N	197	196
Quality	Pearson Correlation	.413**	1
	Sig. (2-tailed)	.000	
	N	196	196

** . Correlation is significant at the 0.05 level (2-tailed).

Table 4.4: *Correlation with Price*

We can see that Price has a correlation of .413 with Quality, which shows a positive and strong linear relationship between the two variables.

Also, the level of significance chosen was 0.05. And studying the table it can be seen that the significance value (Sig) is below 0.05. So the correlation is statistically significant.

There is enough evidence to suggest that the correlation we observed does exist in the population and they did not occur by chance.

H_{A1} is supported thus showing a significant relationship between these two.

4.4.2. Availability and Quality

		Quality	Availability
Availability	Pearson Correlation	1	.397**
	Sig. (2-tailed)		.000
	N	197	195
Quality	Pearson Correlation	.413**	1
	Sig. (2-tailed)	.000	
	N	195	196

** . Correlation is significant at the 0.05 level (2-tailed).

Table 4.5: Correlation with Availability

We can see that Availability has a correlation of .397 with Quality, which shows a positive and strong linear relationship between the two variables.

Also, the level of significance chosen was 0.05, and studying the table it can be seen that the significance value (Sig) is below 0.05 so the correlations are statistically significant.

There is enough evidence to suggest that the correlation we observed does exist in the population and they did not occur by chance.

H_{A2} is supported thus showing a significant relationship between these two.

4.4.3. Discounts and Quality

		Quality	Discounts
Discounts	Pearson Correlation	1	.392**
	Sig. (2-tailed)		.000
	N	196	197
Quality	Pearson Correlation	.392**	1
	Sig. (2-tailed)	.000	
	N	196	197

** . Correlation is significant at the 0.05 level (2-tailed).

Table 4.6: Correlation with Discounts

We can see that Discounts has a correlation of .392 with Quality, which shows a positive and strong linear relationship between the two variables.

Also, the level of significance chosen was 0.05 and studying the table it can be seen that the significance value (Sig) is below 0.05 So the correlations are statistically significant.

There is enough evidence to suggest that the correlation we observed does exist in the population and they did not occur by chance.

H_{A3} is supported thus showing a significant relationship between these two.

4.4.4. Timely Delivery and Quality

		Quality	Timely Delivery
Timely Delivery	Pearson Correlation	1	.426**
	Sig. (2-tailed)		.000
	N	197	194
Quality	Pearson Correlation	.426**	1
	Sig. (2-tailed)	.000	
	N	194	195

** . Correlation is significant at the 0.05 level (2-tailed).

Table 4.7: Correlation with Timely Delivery

We can see that Timely Delivery has a correlation of .426 with Quality, which shows a positive and strong linear relationship between the two variables.

Also, the level of significance chosen was 0.05, and studying the table it can be seen that the significance value (Sig) is below 0.05. So the correlations are statistically significant.

There is enough evidence to suggest that the correlation we observed does exist in the population and they did not occur by chance.

H_{A4} is supported thus showing a significant relationship between these two.

4.4.5. Advertisement and Quality

		Quality	Advertisement
Advertisement	Pearson Correlation	1	0.102
	Sig. (2-tailed)		0.155
	N	197	195
Quality	Pearson Correlation	.102	1
	Sig. (2-tailed)	0.155	
	N	195	196

Table 4.8: Correlation with Advertisement

We can see that Advertisement has a correlation of .102 with Quality, which shows a positive linear relationship between the two variables.

Also, the level of significance chosen was 0.05. And studying the table it can be seen that the significance value (Sig) is over 0.05. So the correlation is not statistically significant.

There is enough evidence to suggest that the correlation we observed does not exist in the population and they did occur by chance.

H_{A5} is rejected and thus this suggests that Advertisement does not have significant relationship with Quality

4.4.6. Promotions and Quality

		Quality	Promotions
Promotions	Pearson Correlation	1	.160*
	Sig. (2-tailed)		0.025
	N	197	197
Quality	Pearson Correlation	.160*	1
	Sig. (2-tailed)	0.025	
	N	197	198

*. Correlation is significant at the 0.05 level (2-tailed).

Table 4.9: *Correlation with Promotions*

We can see that Promotions has a correlation of .160 with Quality, which shows a positive relationship between the two variables.

Also, the level of significance chosen was 0.05, and studying the table it can be seen that the significance value (Sig) is below 0.05 So the correlations are statistically significant.

There is enough evidence to suggest that the correlation we observed does exist in the population and they did not occur by chance.

H_{A6} is supported thus showing a significant relationship between these two.

4.4.7. Online Reviews and Quality

		Quality	Promotions
Promotions	Pearson Correlation	1	0.159
	Sig. (2-tailed)		0.026
	N	197	197
Quality	Pearson Correlation	0.159	1
	Sig. (2-tailed)	0.026	
	N	197	198

*. Correlation is significant at the 0.05 level (2-tailed).

Table 4.10: *Correlation with Online Reviews*

We can see that Online Reviews has a correlation of .159 with Quality, which shows a positive linear relationship between the two variables.

Also, the level of significance chosen was 0.05 and studying the table it can be seen that the significance value (Sig) is below 0.05 so the correlations are statistically significant.

There is enough evidence to suggest that the correlation we observed does exist in the population and they did not occur by chance.

H_{A7} is supported thus showing a significant relationship between these two.

LIMITATIONS AND RECOMMENDATIONS

5.1. Limitations:

1. The sample was not random due to the self- response nature of the specific online panel survey
2. There was a time limit for this research that was close to 3 months.
3. This research has used a questionnaire survey. There could be the possibility that the respondents did not understand the question or answered incorrectly. This could have affected the results.
4. The questionnaire filled by the respondents may be filled with a casual approach and not taken seriously.
5. Sample size can be one of the limitations of the study.
6. There may be biasness by the respondent to keep his good image and he/she may have filled the answers which are most likely to represent his good image.
7. This research is limited to the audience of India, and it may yield different results with consumers outside India

5.2 Recommendations:

To retain the customers, a mix of marketing tools such as public relations, advertising, promotions, direct marketing and Internet advertising should be used. Customer loyalty programs should be initiated. In addition to this, the food startups in India must attract a growing segment of customers who are technologically competent, place a high emphasis on convenience, and are willing to pay a premium price if they find the product they are looking for. Therefore, they need to improve convenience and value for consumers and assist them in overcoming their fears around security.

They must also provide reluctant consumers with compelling reasons for accepting the Internet as a new way to shop. Some of these reasons might include the use of consumer assurance brands and enhanced levels of convenience, customization, selections, service and pricing. While skills like speed, differentiation, and branding are very more important in the digital world, it is the ability to transform core operations and practices to this new medium which might make the difference between success and failure.

In a nutshell, the main recommendations and suggestions for online food startups in India are:

1. Focus on technology. Differentiating and value providing technology will be easily accepted by the customers and will increase brand loyalty.
2. The food startups compete highly on delivery times. Tie up with logistic partners can help in giving a competitive delivery time.
3. A strong correlation was found between quality and price. It can be said that organizations should target on price and quality.
4. Using the correlation between quality and availability it can be recommended that more focus on timely delivery, discounts, and promotions.
5. Organizations need not devote a lot of resources into making advertisements. The relation between quality and advertisement isn't marginal and can be set aside on a low priority.
6. With a long term strategy, I feel startups should decrease their reliance on giving huge discounts as it will backfire in the future. Rather than giving huge discounts, focus on providing satisfying service and create brand advocates.

CONCLUSION

This research tries to understand the factors that influence the online food ordering and the consumer perception towards the online food ordering service.

The report suggests that the frequency of urban population, purchasing food online has been quite high.

The major factors that plays an important role in leading to online food purchase are price, taste, availability, timely delivery, discounts, reviews, packaging and advertisements.

In India, the trend of ordering food online is picking up. For the study of the variables, questionnaire was used.. A total of 200 questionnaires were used for analysis and SPSS was used for finding out result of data analysis.

The study utilized a descriptive research method with a 9 question survey to gain in depth knowledge regarding the factors chosen. Such an in depth approach gives a thorough base for future exploration supporting the quality of the food. The findings give helpful knowledge to online food ordering services to create proper business techniques to enhance the online food ordering sector.

From the correlation, it is clear that all the factors have strong correlation with quality of food. Also from the study it is safer to say that, there is a significant relationship between factor likely to affect online food ordering services and quality of food. Hence, we can infer that quality of food is influenced by the factors that have been considered in the study.

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ANNEXURE

QUESTIONNAIRE:

1) Gender:

Male Female

2) Age :

16-25 26-35 36-45 45+

3) Occupation:

Student employee Housekeeper

4) Locality:

Rural Urban

5) Marital status :

Single Married

6) Have you ordered food online?

Yes No

7) How often do you order food online?

Once a month once a week twice a week more than twice a week

8) Which of the following factors are likely to affect your online buying decision of products?

(1 for Extremely Unlikely, 2 for unlikely, 3 for Neutral, 4 for likely & 5 for extremely likely)

	1	2	3	4	5
Price					
Taste					
Availability					
Discounts					
Timely Delivery					
Advertisements					
Promotions					
Online Reviews					

9) In your opinion, to what extent Online food ordering provides the following advantages?

(1 for Strongly Disagree, 2 for Disagree, 3 for Neutral, 4 for Agree & 5 for Strongly Agree)

	1	2	3	4	5
Easy & Time Savings					
Convenience					
Variety of Food					
High Discounts					
Reviews & Recommendations					