



ON-LINE FOOD SERVICE IS FAILURE IN TWO TIER CITIES

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ABSTRACT

The present study is a theoretical study made to recognize the inventive strategies followed by online food delivery companies in India. These food delivery companies led by young Indians have been enthused to take up a range of challenges to deal with the apprehensive areas of consumers and extend them with various harvest and services at rational prices. Indian food delivery market is valued at 25 billion dollars and situate for an exponential development. Food delivery has become a very cutthroat market in India. As far as two tier cities are concern still many citizens are unaware of the concept of online food delivery. The growth of online food ordering delivery platforms by mobile apps has made business men conscious and perceive. The companies like Zomato, swiggy are analysed and it is understood through the study that the future is not good in small cities. The city is conducted with respective to Nagpur city.

Keywords: Food Delivery, Innovative strategies, online services

Introduction

During the period 2010 a big revolution for India, as E-Commerce has new venture which started with new era of business. Online shopping, online Cab services ,real estate ,Just dial ,Online

booking in every sectors has started which also motivated many starts up. The Indian food industry is a gaint industry for hungry entrepreneurs. The growth in food industry has drastically inclined and has immense potential.

The startup entrepreneur previously using the online services for showing the couples of restaurant's menu with prices, later on they have started online food delivery services with small mobile apps, again all is on finger tip. The new models like restaurant market place and cloud kitchen is introduces in 2016.The online food services with their new marketing strategies are dominating over the restaurant, which has low profit margin. Tier-I cities demanding healthy and diet food which covered by Zomato and other food delivering services has huge demand ,automatically attracts huge profit margins .Now this services moved to tier-II and Tier –III cities.

Objectives

The purpose of doing case study is to analysis the failure of *online food delivery services* which already scaled up their business in metropolitan .The Food industry build few business scenario to find the business solution which based on SWOT.

Strength

Focused solely on food and restaurants, its content is created by its own employees rather than crowd sourcing it

Focused on the communal layers on the website and on maintaining a pitch firm satisfied proposal which is funny and interactive at the same time

Weakness

Quality and veracity of data; in many cases the information regarding menu cards is either incomplete or old. For example, in certain restaurants, menu card without prices in mentioned. In certain other cases, the menu is partial

- One of the main sources of revenue for *online food delivery services* is the promotion of restaurants. This brings an opportunity of divergence of interests and require of lucidity of ratings

Opportunities

Opportunities can be broadly classified into 2 categories:

- New/Emerging Markets Emerging Markets:

With India's Internet population poised to rise to half a billion by 2018, online services like Zomato's, swiggy etc for which market is all set to grow further.

Threats

Aggressive expansion in a huge market landscape – *online food delivery services* has been continuously acquiring companies for expansion – which may not be a bad thing. But when this comes at a price of trailing out domestic ground, it may not be the best thing to do. *online food delivery services* may be missing out on strengthening and innovating on the existing network by focusing on expansion.

Online Services

- *online food delivery services* for Business: A subscription-based model wherein merchants have access to their listings. This allows them to share daily discounts, promos

Business model of online food delivery services



source: economictimes.indiatimes.com/articleshow

CONSUMER BEHAVIOUR ANALYSIS

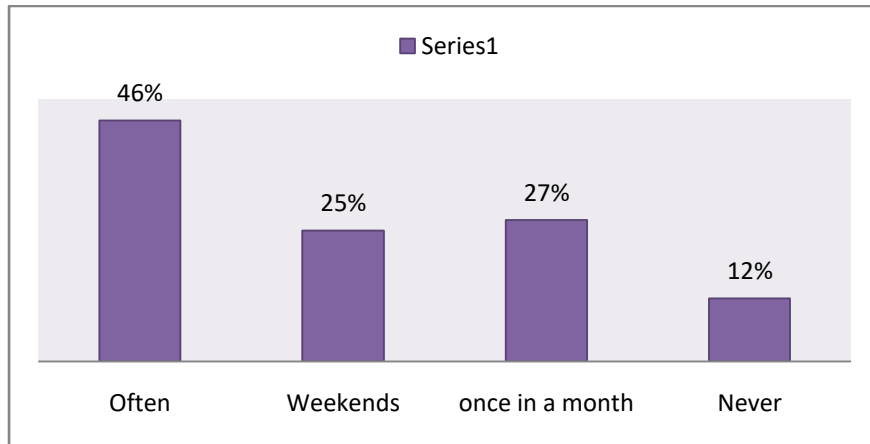
Quantity analysis:

Graphical representation is some questionnaire for customers are given below:

How often you visit restaurants?

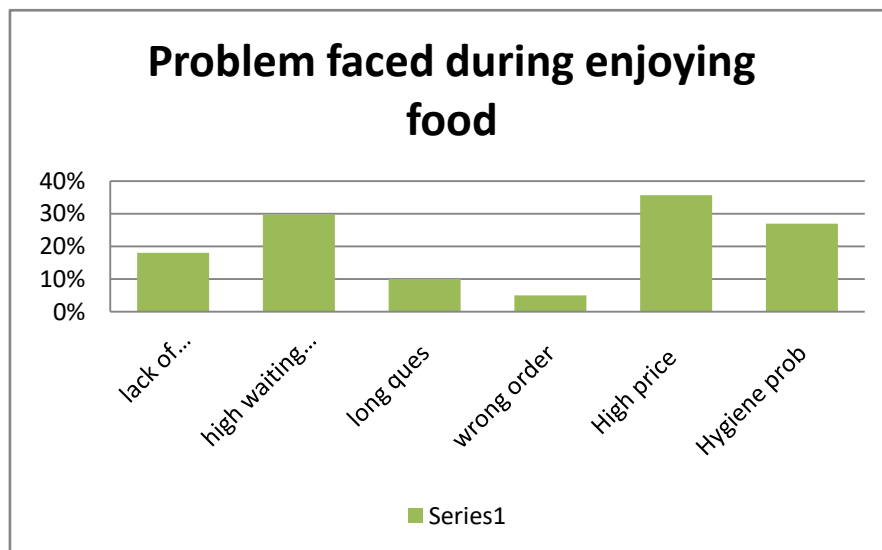
(84 responses)

Often	Weekends	once in a month	Never
46%	25%	27%	12%



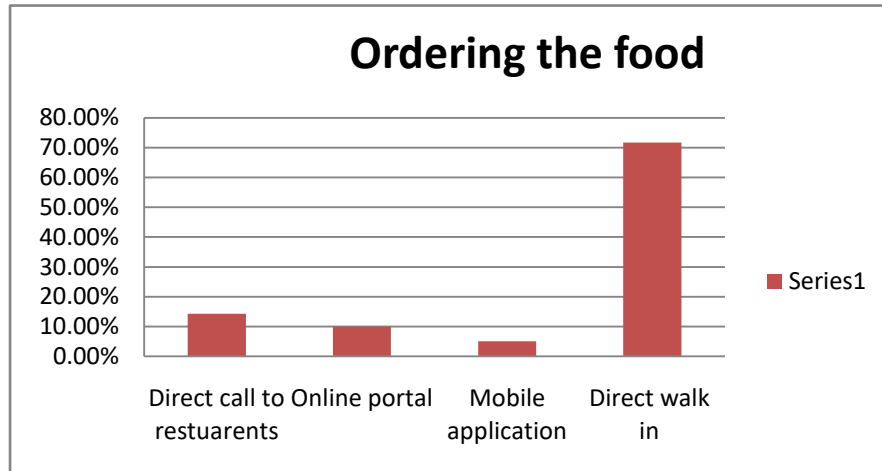
What is the main problem faced during enjoying of food?

lack of information	high waiting time	long ques	wrong order	High price	Hygiene prob
18%	29.80%	10%	5%	35.70%	27%



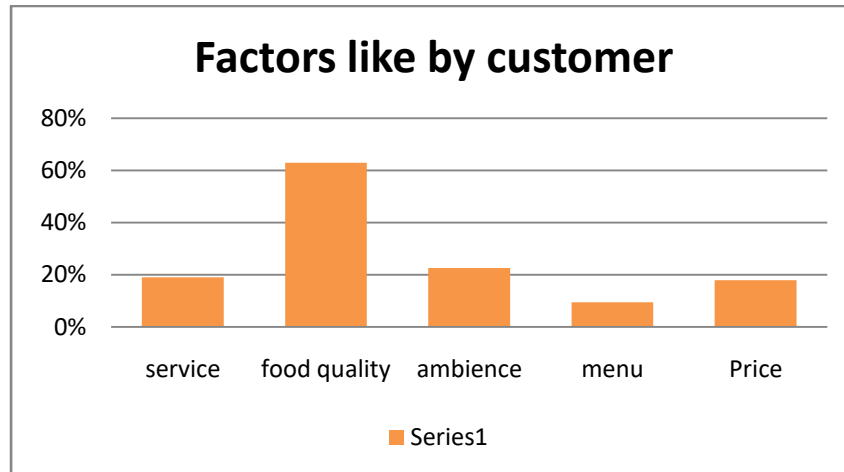
How do you order the food?

Direct call to restaurants	Online portal	Mobile application	Direct walk in
14.30%	10%	5%	71.70%



What are the following factors would you like more

service	food quality	ambience	menu	Price
19%	63%	22.60%	9.50%	17.90%



Summary Customer surveys

We have collected response from 84 person from which 43% are male and rest are female and the maximum age group is less 25 from student group. We have found that most of the people often visit restaurants in the evening time and some prefer to visit restaurants in the night and noon time. Maximum people insisted on food quality in choosing any restaurants when we about their preference. In the survey, we got to know that high waiting time, high price and hygiene problem are the main problem people face at enjoying food. It is also seem that, 78.6% are direct walk in customers and only 36.9% people order food online and maximum of them order food through swiggy and zomato. They are neutral in satisfaction level. Majority of people order snacks item for low budget. People definitely prefer restaurants near to them instead of online food.

Conclusion

1. No process in tech whatsoever, everything is done in an unplanned manner and the systems are not that tough and well-made to handle frequent changes.
2. Company is very shorthanded compared to the scale of features being taken up, hiring has started taking place but senior management has promised features to investors before people actually get on boarded appropriately.

3 Poorly written and unmaintainable code. No design patterns, documentation followed and everything written is open stagnant in a procedural way. This though is a impact of the fact that every product is ship in scurry(hustle), and thus no one is given time to do it in a proper manner. People even think that there is no need to document for a product/code until it is sure that it will be working for the customers.

4. An unskilled managers, who do not take the tenure of any creepy-crawly which goes into production, and it is the developers who are asked to move out of the company.

5.Non-structured pay scale, salaries of elite colleges (IIT, DTU etc) pass outs are way more than off campus/tangential hires for the same job role.

6 No proper timelines of project, which leads to long working hours, thus not giving any room for a developer to enhance his/her skills through work.

7.Pitiable food quality.

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Questionnaire

1.How often do you visit restaurants?

a)Often b)Weekends c)Once in month d)Never

2.Which of the following factors would you like

a)Service b)Food quality c)Ambience d)Menu e)Price f)Other

3.What is the main problem you faced at enjoying foods?

a)lack of information b) High waiting time c)Long queues d)Wrong order e)High price
f)Hygiene problem

4)What type of cuisine do you mostly prefer to enjoy?

a)Continental b) Indian c)Italian d)Mexican e)Chinese

5)How often do you give food reviews and ratings after enjoying food?

a)Always b)Sometimes c)Never

6)How do you order your food?

a)Direct call to restaurants b)Online portal c)Mobile Application d)Direct walk – in

7)Do you order food online?

a)Yes b)No

8)If yes,From which company do you prefer?

a)Foodpanda b)Hungrynaki c)Hurricane d)Others

9)Are you satisfied with ordering online?

a)Highly satisfied b)Satisfied c)Neutral D)Dissatisfied

10)Which meal you typically order from online?

a)Break fast b)Lunch c)Snacks d)Dinner

11)What is the approximately money you spend on ordering food per time ?

a) Rs <150 b)Rs <450 c)<500 d)More than 500

12) What features in online food website attracts you most?

a)Design of a website b) Discount offered c)Food reviews and rating d)Variety e)Value for money d)Any other (please specify)_____

13) What is the payment system you prefer for ordering food from online?

a)Cash b)Credit card c)Debit card d)Cash on delivery

14) What is the amount of money you would like to spend for delivery charge when ordering food from online?

a)Below 100 b)100-500 c)500-1000 d)1000 Above

15)If restaurants are located next to your house, would you like to order food from there?

a)Yes b)No

16)Do you hear about Zomato?

a)Yes b) No

17)Are you interested in ordering food from Zomato?

a)Yes b) No

Questionnaire for restaurant

1.No.of orders per day for home delivery?

Name of the Restaurant:

1.No.of orders per day for home delivery?

a)Below 50 b)50—100 c) 100-250 d)500 – above

2)No. of walk in customer per day?

a)Below 100 b)100- 250 c) 250-500 d)500 above

3)Are you tied up with any of the food ordering app?

a)Yes b)No

4)Which online application or online portal gives the maximum no. of orders?

a)Food panda b)Swiggy c)Zomato

5)What percentage of total revenue is generated through the online portals?

a)<20 % b)20%-50% c)>50%

6)How would you expand your business in the near future?

a)Continue to associate with the current online portal

b)look for a new online food portal

c)Develop your own website.