

**THE IMPACT OF MOBILE FOOD ORDERING APPS TO RESTAURANT BUSINESS IN THE
OVERALL OPERATIONS OF RESTAURANTS: A CASE STUDY**

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ABSTRACT

Technological evolution has completely altered the entire scenario of the Food and Beverage Industry. It has promoted the perusal of online food delivery services and provide food choice accessibility to the drawing-room of customers, compare prices and conveniently access these services. The reality of today after these food apps are you can have the entire menu card of the restaurant in the area at your convenience. These online food services are boosting the option of choosing meals from a wide variety of restaurants with a single click from your smartphones. From this research paper, we would be taking Chaplin Fast food in Zirakpur who avail of the foodservice app commonly used, named Swiggy. We would be able to understand the benefits of integrating online food delivery apps within Chaplin Restaurant and the influence of Swiggyfood delivery apps on sales of the restaurant. The study also lists out various challenges faced by the restaurants which the restaurateurs should keep in mind to provide better services to the customers and earn better profit margins. The study was conducted in "Chaplin fast food" Zirakpur. The study was carried out with records from 2009 to 2020 on % of sale contribution and sales growth with the application "Swiggy"

Keywords: Online Food Delivery App, Swiggy, Income and Expense

INTRODUCTION

The introduction of technology and smartphones are revolutionizing the human standard of living. With just a few clicks and swipes from where ever you are, we can have the luxury of enjoying the food at the comfort of our home while binge-watching Netflix.

Before technology could you imagine sitting in a restaurant X and asking the waiter to bring a menu card of 15 restaurants in the area? Where you could choose a starter from restaurant A and Main course from Restaurant B? Dining out with family and friends has been replaced by the concept of eating-in; someone having a long, tiring day at work and do not have the strength to prepare food or wants to skip home-cooked meal can order through online with fingertips of their smartphones. The restaurant sector is one of the fastest-growing industries in the Indian economy and the revenues generated from it are likely to increase more in the coming years with the concept of prepared meals. The study is conducted in the Zirakpur city of Punjab, India. Zirakpur has been developed as a commercial hub since it was always the next best choice after Chandigarh the City Beautiful, with rapid urbanization and a massive number of people coming to the cities in search of jobs or leading a better standard of life, the concept of ready to eat food has gained much attention. The various food delivery apps operating in

Zirakpur are Swiggy, Zomato, Uber Eats, etc. The area of interest of this Assignment is the restaurant industry, and the impact of Swiggy Application on the selected Restaurant on its sales and expenses and other challenges faced.

During the study and discussion with the manager and employees of Chaplin restaurant, we found that there are various challenges also the restaurants face due to the high usage of delivery apps. They mentioned that the actual presentation of the food can never be replicated in a delivery box since it travels and the delivery boys handle the boys differently. Secondly, the temperature of the food when it reaches the customer is a major challenge. Crispy food Items such as fried items chips, French fries all get soggy by the time it reaches the customers. Somewhere the owners started feeling that they lose a major chunk of dine-in business due to this. They also said that customer review does impact the futuristic sale of the restaurant the instance when the manager shared where a customer ordered just one French fries for a family of 3 and then later posted a comment the food was inadequate. Online food apps always come with a boon as well as negative fall, if you don't get good reviews you will be pushed to the last choice... where customers do not even bother to explore, hence you need to compromise on the quantity that affects cost.

REVIEW OF LITERATURE

Although Mobile Food Ordering Apps(MFOA) are common systems adopted by the restaurant sector worldwide, academic interest in examining issues related to MFOAs is still in its early stages (Okums & Bilgian, 2014; Wangshu, Tsering, 2019). Careful analysis reveals several themes considered by prior MFOA studies. The most common theme relates to examining such novel apps from the customer's perspective. For instance, in a qualitative study that attempted to discover the main aspects that could motivate Brazilian customers' adoption of MFOAs, Begretti and N. Machado (2017) indicated the importance of content, usability, and functionality on the usage of such online ordering systems.

Researchers have also considered another theme about the main drivers of the user acceptance of MFOAs. In this regard, Okums and Bilgian (2014) attempted a first theoretical contribution based on the Technology Acceptance Model (TAM) by proposing several factors (namely, perceived enjoyment, perceived usefulness, social norms, self-efficacy, and perceived ease of use) as key predictors of a customer's willingness to use MFOAs. Likewise, in a study on US customers' willingness to use mobile diet apps, Okums, M.Ali, Bilgian, and Ozaturk (2018) formulated a conceptual model based on the Unified Theory of Acceptance and Use of Technology (UTAUT). They tested whether innovativeness was a moderating effect on the main associations between UTAUT factors and intention to use mobile diet apps. Their findings largely supported the roles of performance expectancy, effort expectancy, and social influence. However, the moderating influence of innovativeness was not supported.

To identify the main predictors of customer's continued intention to use online food ordering systems, Yeon, Gosh, and Reza (2017) built their model based on the Contingency Framework and Extended Model of IT Continuance. They found that as long as customers perceive that using such online food ordering systems is fun and entertaining, they regard them as useful and as making their daily life much easier, and hence they are more likely to form more positive attitudes and to be willing to continue using these applications. The authors also confirmed the important impact of online food systems' ability to save customers' time and money on the customers' perception of usefulness and ease of use.

Customers' attitudes towards MFOAs has been an important theme considered by a number of researchers. An empirical study in China conducted by Chow, Bonn, and Lisung(2019) found

that perceived value and customers' attitudes towards food delivery apps are largely shaped by the level of trust, design, and product verity, and that significant differences in the customers' perception of such apps were observed between single-person families and multi-person families. The research by Alaagoz and Hekimoglum (2012) on online food ordering found that factors like usefulness, innovativeness, and trust shaped customers' attitudes towards MFOAs.

Some researchers (A,Kapoor&Viji, 2018; Wangshu, Tsering , 2019) have focused on the outcomes of using MFOAs – namely, satisfaction, customer experience, and customer conversion. In their study, Wangshu, Tsering (2019) proposed a model based on the IS Success model to predict the main outcomes of customers' use of mobile catering apps. They found that customers are more likely to positively value such apps and to be satisfied with their experience of using mobile catering apps if they perceive an adequate level of quality in terms of information, services, system, and product. A.Kapoor and Viji (2018), using data from a questionnaire and focus groups, provided further quantitative and qualitative evidence about the important impact of mobile apps features – namely, visual design, information design, navigational design, and collaboration design – on the level of customer conversion.

OBJECTIVE

The objective of this study was to understand the impact of Mobile Food Ordering Apps on restaurant business by focusing on the pros and cons of these apps in the overall operation of the restaurant. The study was conducted from the Marketing and Sales point of view from the restaurant the study was conducted on the following factors with a detailed study with Chaplin Restaurant in Zirakpur.

- The different MFOA used by Chaplin
- Impact on sales after swiggy
- Challenges faced due to MFOA
- Income to Expenditure yearly chart

RESEARCH METHODOLOGY

The Scientific Systematic system used to analyze the findings in the field of study is called Research Methodology. In this study, the data collection was done from a primary source through observational visits and personal visits to the location. The study was conducted as a qualitative research study with a descriptive study on points considered and taken. The study was conducted from the month of November to December.

Qualitative data is richer and is generally grounded in a subjective and interpretive perspective. However, while this is generally the case, it is not always so. Qualitative research supports an in-depth understanding of the situation investigated and, due to time constraints, it generally involves a small sample of participants. For this reason, the findings are limited to the sample studied and cannot be generalized to other contexts or to the wider population. Popular methods based on qualitative data include semi-structured or unstructured interviews, participant observations, and document analysis. Qualitative analysis is generally more time-consuming than quantitative analysis.

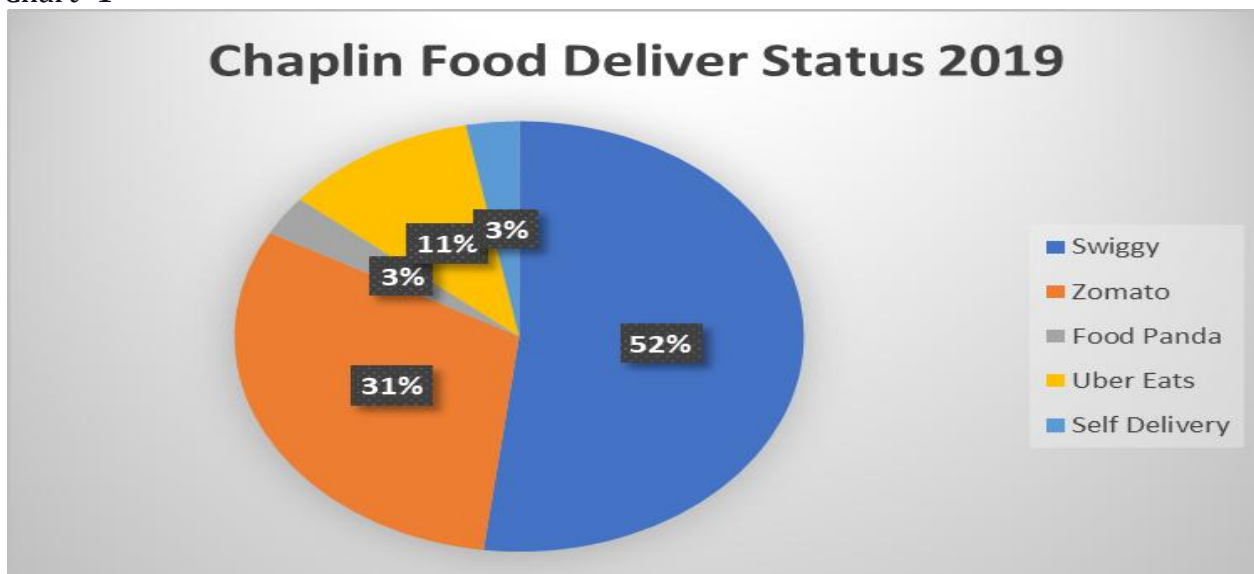
DATA COLLECTION

Zirakpur is a satellite city located near the planned cities of Mohali and Panchkula and near Chandigarh. Mostly considered as the second option for people who work in Chandigarh, Mohali, or Panchkula. It is ideally located at the foothills of Shivalik providing a very cool climate.

The demography of Zirakpur is majority working professionals, who either work in Mohali, Panchkula, or Chandigarh. Chaplin restaurant is ideally located amidst the 4 major residential

complexes of Zirakpur. The study was conducted by observational visits with a guide checklist for topics to be observed the rest was done by interviews with the owners at the location.

Chart -1



The reports provided by the owner highlighted that a majority of the food ordered in Chaplin Restaurant was through Swiggy. Hence I decided to study the impact of Swiggy on Chaplins Food delivery orders. Chaplin fast food was given a rating of 3.6 by swiggy on its application.

Zirakpur Punjab, India

Search

handigarh / Zirakpur / Chaplin Fast Food

Chaplin Fast Food

Restaurant Closed Chinese, Fast Food, North Indian

West Chd, Zirakpur

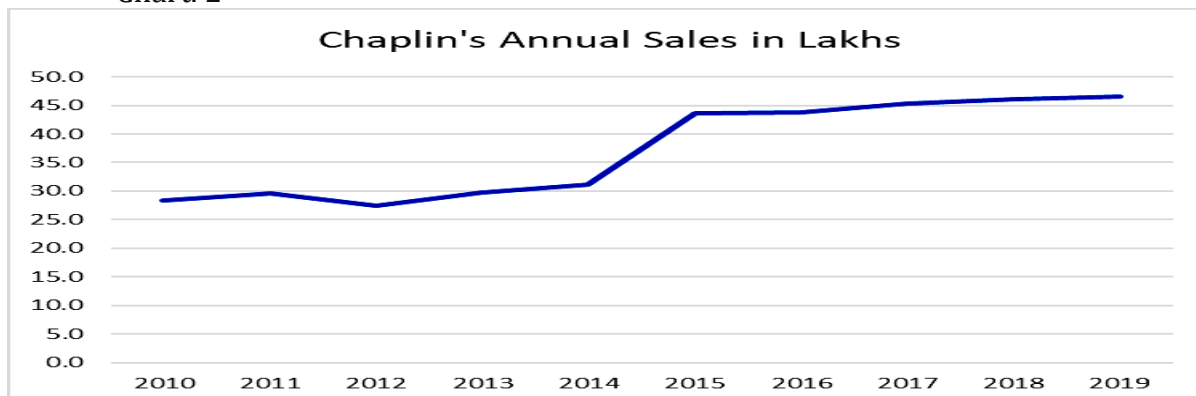
★ 3.6
100+ Ratings

Closed
For Delivery

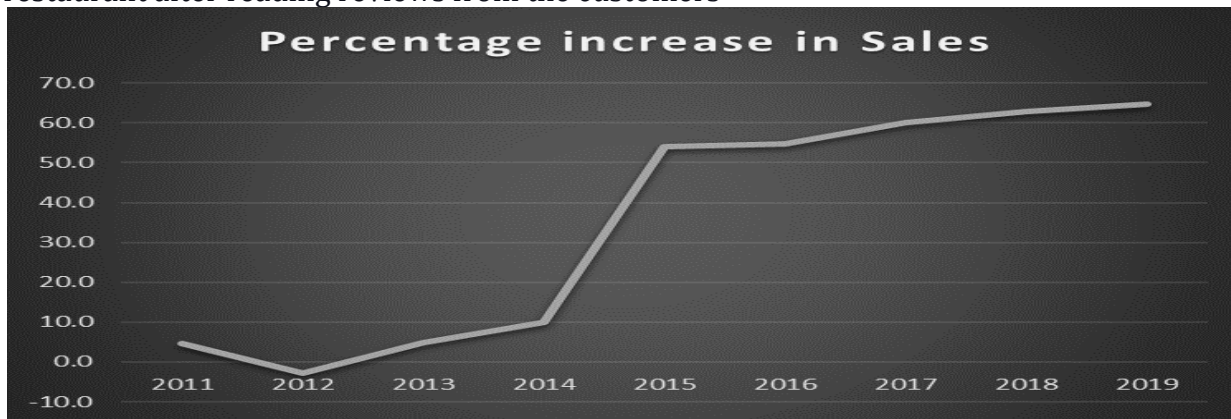
₹ 250
Cost for two

Search for dishes... Veg Only

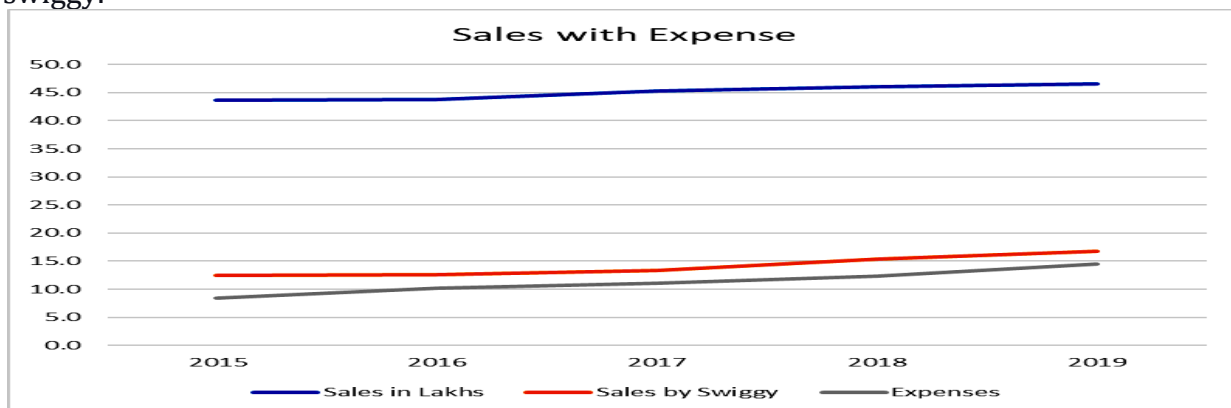
Chart. 2



The second study was conducted from the time the owner implemented and joined swiggy application in the year 2015. The owner revealed that he was reluctant in the beginning to join Swiggy in mid-year of 2014 as he was hesitant with the condition demanded by swiggy but considering the popularity of the app he has to accept the app. The table below shows the % increase in sales after he launched the swiggy app in the year 2015. It was studied that there was a rise in the sale by 54.1% since Chaplin restaurant joined Swiggy not only through Food Delivery orders but also walking guests. That is Chaplin found out that people visited his restaurant after reading reviews from the customers



However, the study also revealed that sales and cost are both two sides of the coin. The success of a business is when the owner or management is able to keep the Expenses under the income. The next chart shows the expenses chart of Chaplin fast food on the food delivered through Application. He has made a full detailed study on the income incurred from Swiggy and the expenses born by the owner after the addition of the cost of food and the commission by swiggy.



DISCUSSION

The Discussion can be done on various levels of the impact of Swiggy app on Chaplin Fast food total sales annually. There has been no doubt on the fact that the app has contributed very well to the sales of the restaurant since its membership. However, it is not ideal to discuss the only points of positivity and ignore the downfalls as well.

On Discussion the major challenge that the Chaplins face is the offers that are forced by swiggy on sales and during festival seasons. Swiggy induces restaurants to give offers to customers sometimes even beyond the threshold price the owners are ready to bear. Denial of this demand from swiggy will run you down from competitors who would be willing to offer the same.

Secondly, most customers are unable to enjoy the food with its actual presentation, people often complain the food in the picture has a minimal resemblance to the food delivered, the

truth is that during the transportation of food the owners cannot guarantee the presentation of food.

The rating matter, swiggy rating does matter as a walk-in guest mostly refers to the apps to conclude on their selection of eat-outs after the rating and the reviews given. Sometimes negative marketing also happens due to some reviews made by some customers.

CONCLUSION

The customers comfort is simply the primary facet good thing about such, whereas on the second facet these system also are helpful for the expansion of eating place and food provide trade, as by the utilization of digital food ordering system an eating place owner are ready to attract the user's attention by permitting them to see the whole food menu in conjunction with dish name, image, specialty, and price. Integration of a web food ordering system isn't any doubt is the simplest, cheap and helpful call for an eating place business owner. With the constant deluge of experts in urban areas and fast urbanization of the Indian scene, the food delivery and eatery portion are currently flourishing at a rankling pace. Adding to this situation is an expanding number of cell phones and food delivery applications.

Food delivery applications have now turned into a major hit with well-informed people crosswise over India. There are a few food delivery applications in India that one can download on advanced cells to arrange food in a hurry and from the solace of homes. The changing urban way of life of the normal Indian is sufficiently emotional to be ideal for the food-on-the-go and fast home delivery models to develop at higher rates. The regularly expanding populace swarmed metro urban communities and longer travel times are drivers for the helpful, prepared to eat, and less expensive alternatives of having food and foodstuffs conveyed at your doorstep.

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