

A Study of Factors that Influence the Quick Service Restaurants of Baner and Balewadi to OPT for Online Food Ordering Portals

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ABSTRACT

Purpose: This study investigates the impact of online food ordering portals on Quick Service Restaurants (QSRs) in Baner and Balewadi. It aims to identify the factors that drive QSRs to adopt online food ordering services, resulting in business expansion, increased customer reach, higher profits, and improved customer loyalty. Additionally, the research explores the contribution of online food ordering portals to awareness creation and revenue generation in the QSR industry. **Methodology:** The research employed a descriptive research design to analyse the QSR landscape in Baner and Balewadi. Secondary information from books and online sources provided insights into online food ordering trends. Primary data was collected through a survey of 52 QSRs using convenience sampling. Questionnaires were administered to QSR owners or managers, and data analysis involved counting, comparing, and presenting the findings using Microsoft Excel. **Findings:** The study revealed that partnering with online food ordering portals had a significant positive impact on QSRs in Baner and Balewadi. It resulted in increased sales and revenue growth, driven by the expanded customer reach and convenience offered by these platforms. QSRs also experienced improved customer attraction and retention, contributing to enhanced business prospects. **Implications:** The findings emphasize the significance of online food ordering portals for QSRs, enabling them to expand their reach, boost sales, and cultivate customer loyalty. Partnerships with online portals offer QSRs valuable opportunities to enhance their business prospects. The insights from this study can assist QSRs in making informed decisions regarding marketing strategies and establishing a strong online presence.

Keywords: Online food ordering portals, Quick service restaurants (QSRs), Influence, Business expansion, Customer loyalty.

JEL Classifications: L83 & 87

INTRODUCTION:

The fast food industry, particularly quick service restaurants (QSRs), has witnessed a significant shift towards online ordering platforms. This trend is driven by the growing preference of consumers, especially millennials, to order food online. Studies indicate that 40 percent of consumers prefer online ordering, leading to a 26 percent increase in spending. The India online food delivery market size reached US\$ 28.4 Billion in 2022. Looking forward, IMARC Group expects the market to reach US\$ 118.2 Billion by 2028, exhibiting a growth rate (CAGR) of 27.8% during 2023-2028.

Online food ordering platforms, such as Swiggy, Zomato, UberEats and Foodpanda, have experienced remarkable growth in the number of daily orders. To optimize their services, these platforms have started investing in in-sourcing deliveries, leading to a significant increase in self-deliveries. This shift has allowed them to reduce the average delivery time, ultimately enhancing customer satisfaction and encouraging repeat orders. Restaurants recognize the need for a seamless and consistent approach to enhance their operations and increase sales. Online food ordering portals have been developed by experienced professionals to serve both restaurants and customers conveniently. These platforms offer tailored websites and applications for restaurants to manage online food sales, order processing, and delivery. Users can easily search and filter restaurants based on their location, placing orders with the most suitable options. Leading players in the market, such as Swiggy and Zomato, have chosen to handle deliveries in-house to ensure better control and efficiency. Their focus on in-house deliveries has allowed them to maintain full control over the delivery process and guarantee customer satisfaction.

The preference for online food ordering is driven by several factors, including instant gratification, order accuracy, price transparency, elimination of language barriers, and the convenience of saved payment information. Consumers appreciate the ability to browse menus, select items, and place orders at their convenience without the need for waiting or language communication barriers.

In conclusion, the influence of online food ordering portals on QSRs has transformed the fast food industry. With the growing demand for convenience and the advantages offered by online ordering, the industry is expected to continue its upward trajectory. QSRs and online food ordering platforms are capitalizing on this trend to enhance customer experiences, increase revenues, and shape the future of food delivery services.

NEED FOR THE STUDY:

The dynamic nature of the food service industry necessitates a deeper understanding of the factors driving Quick Service Restaurants (QSRs) in Baner and Balewadi to adopt online food ordering platforms. With a growing number of customers embracing the convenience of online ordering, it is crucial to investigate the reasons behind QSRs' adoption of these platforms. This research paper aims to examine and analyse the key factors that influence QSRs in Baner and Balewadi to integrate online food ordering portals into their operations. By identifying these factors, QSRs can make informed decisions to effectively cater to the evolving preferences of their customers and enhance their competitive edge in the market.

OBJECTIVES OF THE STUDY:

The objectives of the study are-

1. To gain a comprehensive understanding of online food ordering portals and quick service restaurant
2. To examine the factors that influence restaurants in the Baner and Balewadi areas to adopt online food ordering portals, identifying the drivers behind their decision-making process

SCOPE OF THE STUDY:

The study encompassed a total of 52 QSRs located in the Baner and Balewadi areas. Convenience sampling, a non-probability sampling method, was utilized to select the participating QSRs. This method allowed for a convenient selection of restaurants that were easily accessible and willing to participate in the study. The findings derived from this sample are intended to provide insights into the factors influencing QSRs in this specific region.

LITERATURE REVIEW:

(Mukherjee, 2022) examines the impact of food delivery start-ups like Zomato and Swiggy on the restaurant industry, analyzing the strategies of popular food delivery apps, and understanding the factors influencing consumers' choice of online food delivery services. The findings highlight the importance of online ordering software and maintaining a strong online presence for effective food delivery operations.

(John, 2021) provides a comprehensive evaluation of the impact of the COVID-19 pandemic on the food services sector in India, using secondary data from credible sources. The findings suggest that digitally-driven formats such as cloud kitchens and delivery aggregators are poised to dominate the industry in the long term. Although the study relies solely on secondary data, future research should incorporate consumer responses to better understand post-pandemic dining habits. The study highlights the transformative effects of the pandemic on food service consumption and emphasizes the need to study the evolving landscape facilitated by digital technologies. Overall, it offers valuable insights and generates potential research questions in the realm of food services in the context of the pandemic.

(Mrs.R.Saranya & Dr.T.Sreerekha, 2021) the study showcases the increasing popularity of online food ordering systems, with 96% of respondents utilizing this convenient option. Swiggy is the preferred choice for 58% of participants due to its extensive market presence. Factors such as faster delivery and discounts play a crucial role in influencing customer decisions. The study emphasizes the significance of a user-friendly online food ordering system to enhance the overall customer experience. Overall, the findings highlight the widespread adoption of online food delivery platforms, with Swiggy emerging as the preferred app among the selected options.

(Gupta, 2019) explores the benefits, as well as the positive and negative effects, of electronic food delivery and various online food delivery applications. Additionally, the research delves into the strategies employed and understanding the impact of food delivery apps, with specific emphasis on Zomato and Swiggy on the restaurant business. The findings of this study will contribute to our understanding of how these platforms have reshaped the industry and their influence on restaurant operations.

RESEARCH METHODOLOGY:

The research methodology employed in this study involved a literature review to understand online food ordering portals and quick service restaurants, followed by empirical research in the form of a structured questionnaire administered to 52 quick service restaurants in Baner and Balewadi. The collected data was analyzed quantitatively, utilizing statistical techniques to identify the factors influencing restaurants' adoption of online food ordering portals. By combining the insights from the literature review and empirical research, this study provides a comprehensive understanding of the subject and contributes to the existing knowledge in the field, benefiting QSR owners, online food ordering platforms, and researchers in making informed decisions and developing effective strategies in the evolving food service industry.

RESEARCH DESIGN:

The research design employed in this study is descriptive research. Descriptive research focuses on describing the characteristics and features of a specific group or situation. In this case, the objective was to describe the factors influencing QSRs in Baner and Balewadi to adopt online food ordering portals.

DATA COLLECTION:

Primary Data:

The primary data for this study was collected through a structured questionnaire administered to 52 quick service restaurants (QSRs) in the Baner and Balewadi areas. The questionnaire allowed the researcher to gather specific information directly from the restaurants regarding their use of online food ordering portals.

Secondary Data:

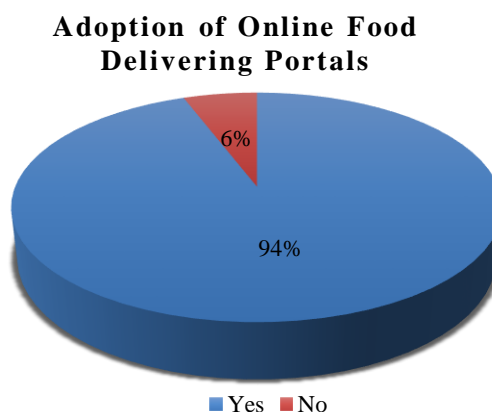
In addition to primary data collection, secondary data sources were utilized. These included online food ordering portals themselves, as well as the current websites of the QSRs under study. The secondary data provided supplementary information and insights related to the topic.

Sampling: Convenience sampling (non-probability sampling)

Convenience sampling, a non-probability sampling method, was employed in this study to select quick service restaurants (QSRs) in the Baner and Balewadi areas as participants. This sampling approach was chosen due to its convenience and practicality, allowing for the selection of readily accessible and willing QSRs. While the use of convenience sampling may limit the generalizability of the findings to the wider population, it served as a feasible and efficient method within the study's constraints, providing insights into the factors influencing QSRs' adoption of online food ordering portals in the specific context.

RESULTS AND DISCUSSION:

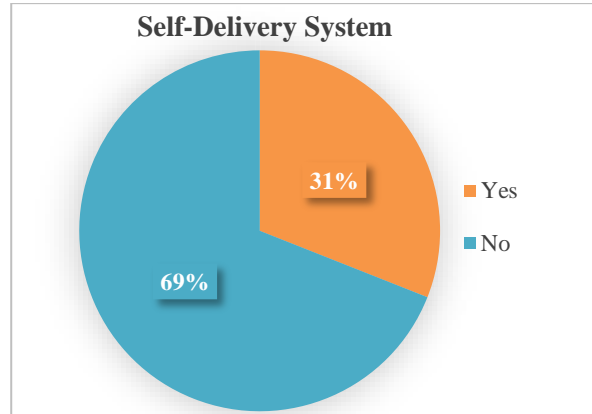
The primary data collected through the questionnaire was analyzed using the percentage method, and the findings were visually represented through graphs and charts. The data analysis was based on the responses obtained from the quick service restaurants (QSRs) in the Baner and Balewadi areas, and the interpretation of the data led to the following conclusions. The results obtained from the data collected from the QSRs in Baner and Balewadi are as follows:



Graph No- 1.1

Adoption of Online Food Delivering Portals:

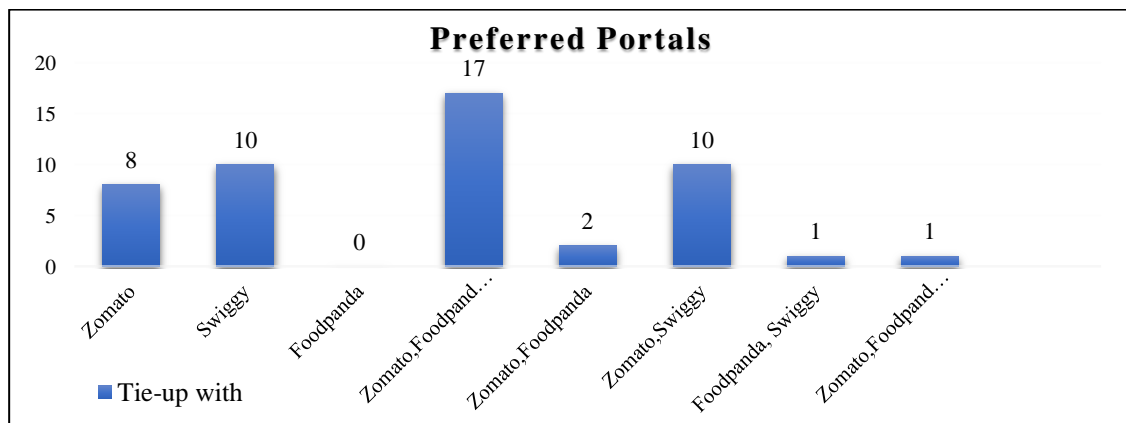
The survey findings indicate that a significant majority (94%) of the quick service restaurants (QSRs) surveyed in the Baner and Balewadi areas have adopted online food delivering portals. This high adoption rate signifies the widespread acceptance and utilization of these platforms among QSRs in the region. It reflects the recognition of the benefits offered by online food delivering portals, such as increased customer reach, convenience, and the ability to tap into the growing trend of online food ordering. The high adoption rate underscores the significance of these platforms in the operations and growth of QSRs, highlighting their importance in the evolving food service industry.



Graph No- 1.2

Self-Delivery System:

The study findings reveal that approximately 69% of the quick service restaurants (QSRs) in Baner and Balewadi do not have their own self-delivery system. Instead, they rely on the delivery services provided by online food delivering portals. The main reason for this reliance is the difficulties faced by these QSRs in managing deliveries independently. This may include challenges related to logistics, resources, or operational constraints. By utilizing the delivery services offered by online portals, these QSRs can overcome these challenges and ensure efficient and timely delivery to their customers. This finding highlights the role of online food delivering portals in supporting QSRs' delivery operations and enabling them to focus on their core business activities.

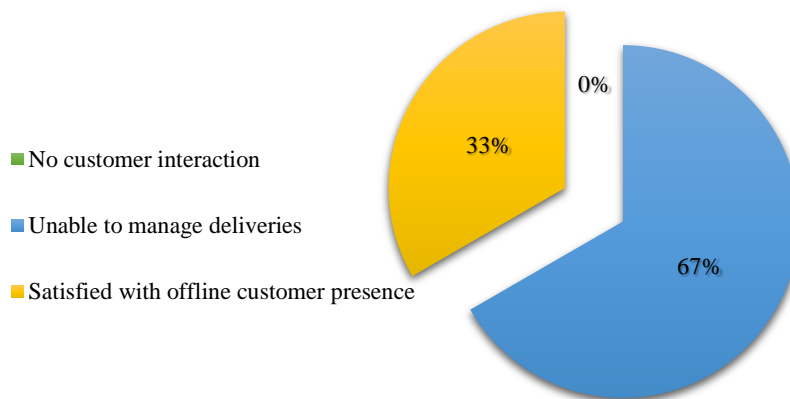


Graph No- 1.3

Preferred Portals:

The survey results indicate that the majority of quick service restaurants (QSRs) in Baner and Balewadi have established tie-ups with online food delivering portals, with Zomato being the most preferred choice. Following Zomato, the QSRs have partnered with Swiggy, and then Foodpanda. These findings suggest that Zomato, Swiggy, and Foodpanda are the preferred platforms for QSRs in terms of forming partnerships. The popularity of these platforms may be attributed to factors such as their user base, market presence, and the range of services they offer to QSRs. This insight can assist other QSRs in making informed decisions when considering tie-ups with online food delivering portals.

Reasons for not using the Portals

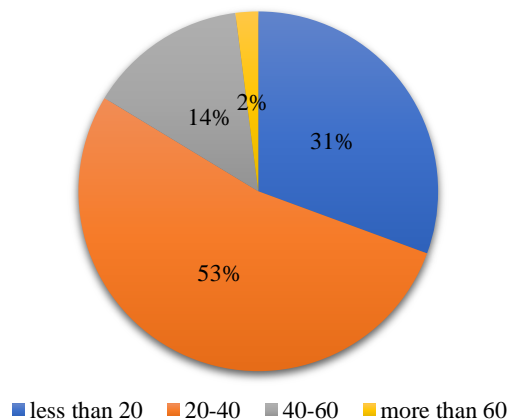


Graph No – 1.4

No Tie-up:

From the survey, it was observed that out of the 52 quick service restaurants (QSRs) surveyed, two QSRs do not have a tie-up with any online portal. The main reason for this is their inability to manage deliveries themselves. These QSRs may lack the necessary infrastructure or resources to handle the logistics of online food delivery. However, it is worth noting that one QSR expressed satisfaction with their offline customer presence and therefore did not feel the need to establish a tie-up with an online portal. These findings highlight the diversity of approaches and circumstances among QSRs in Baner and Balewadi regarding their engagement with online food delivering portals.

Regular Customer Range

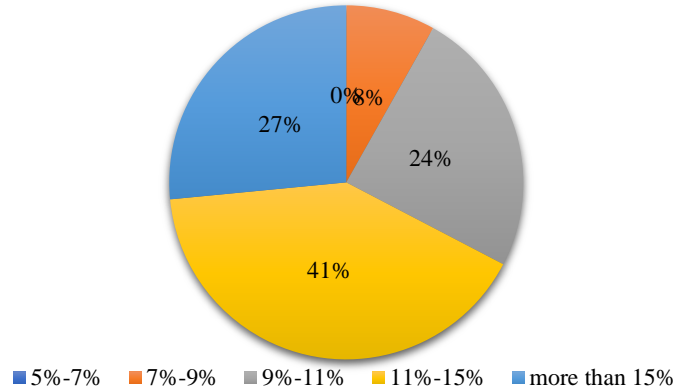


Graph no. 1.5

Regular Customer Range:

The study findings indicate that prior to their tie-up with online food delivering portals, the majority of quick service restaurants (QSRs) in Baner and Balewadi had a regular customer range between 20-40 customers. This suggests that these QSRs had an existing customer base before venturing into online food delivery services. The data implies that the QSRs recognized the potential of online portals to expand their customer reach beyond their existing customer base, thereby tapping into a larger market and potentially increasing their customer base. By partnering with online food delivering portals, these QSRs aimed to attract a wider range of customers and enhance their overall business growth.

Commission Charges

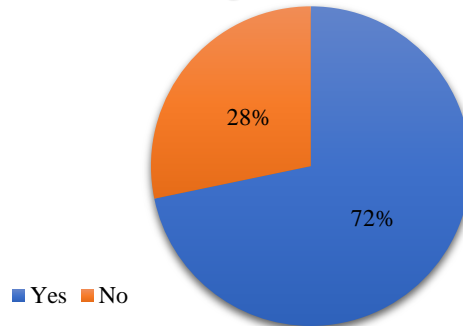


Graph No. 1.6

Commission Charges:

The analysis of the data reveals that when it comes to commission charges imposed by online food delivering portals, 41% of the quick service restaurants (QSRs) surveyed are charged a commission ranging from 11% to 15%. Additionally, 27% of the QSRs reported being charged a commission rate higher than 15% by the portals. These findings highlight the variation in commission rates among different QSRs and the impact it can have on their profitability. QSRs must carefully consider the commission charges imposed by online portals when deciding to partner with them, as it can significantly affect their revenue and profitability margins.

Attracting More Customers

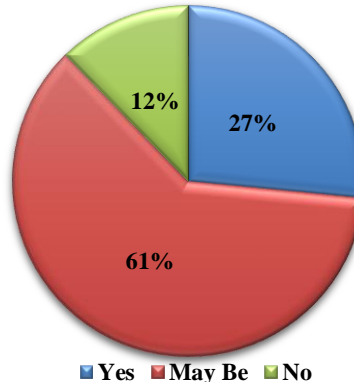


Graph No. 1.7

Attracting More Customers:

The survey results indicate that after associating with online food delivering portals, a significant majority (73%) of the quick service restaurants (QSRs) in Baner and Balewadi observed that they were able to attract more customers. This finding highlights the positive impact of online platforms on customer acquisition for QSRs. By partnering with these portals, QSRs have been able to tap into a wider customer base and reach new audiences who prefer the convenience of ordering food online. The ability to attract more customers through these platforms can contribute to the overall growth and success of QSRs in the competitive food service industry.

Decrease in Rush Hours

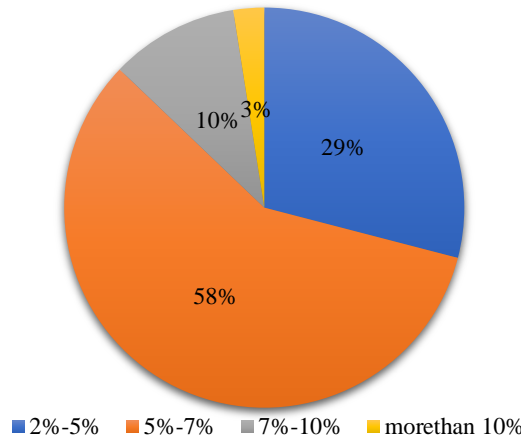


Graph No. 1.8

Decrease in Rush Hours:

The survey findings indicate that the majority of quick service restaurants (QSRs) in Baner and Balewadi are unsure about whether there is a decrease in customer rush hours at their establishments since partnering with online food delivering portals. However, a few QSRs agree that there has been a decrease in rush hours. These results suggest that the impact of online food delivery services on customer footfall during traditional peak hours is not universally perceived by all QSRs. It highlights the need for further examination and analysis to understand the specific dynamics and effects on customer behavior during different times of the day.

Increase in Sales

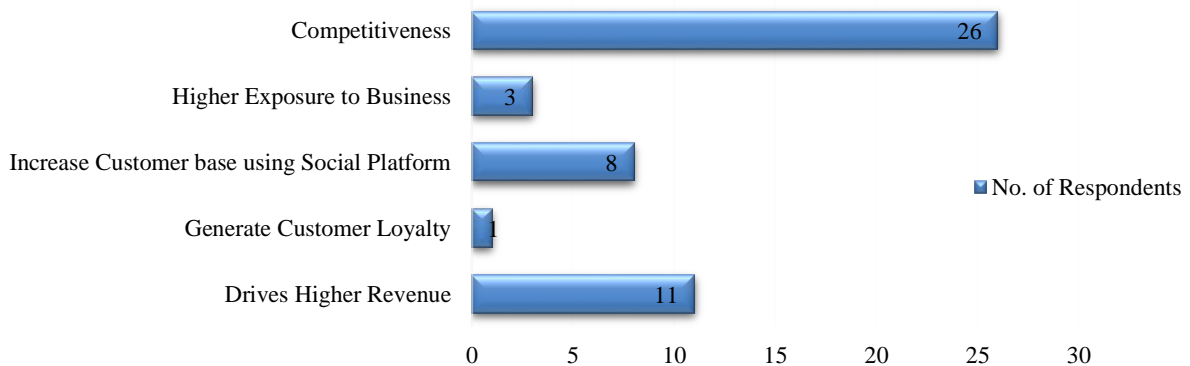


Graph No. 1.9

Increase in Sales:

The study findings reveal that approximately 58% of the quick service restaurants (QSRs) in Baner and Balewadi reported an increase in sales after partnering with online food delivering portals. The sales increase ranged from 5% to 7%, indicating a positive impact on the QSRs' revenue generation. This finding suggests that online portals have contributed to the growth of QSRs by attracting more customers and generating higher sales. The increase in sales can be attributed to the convenience and accessibility offered by online food delivery platforms, which have expanded the QSRs' customer reach and enabled them to tap into a larger market.

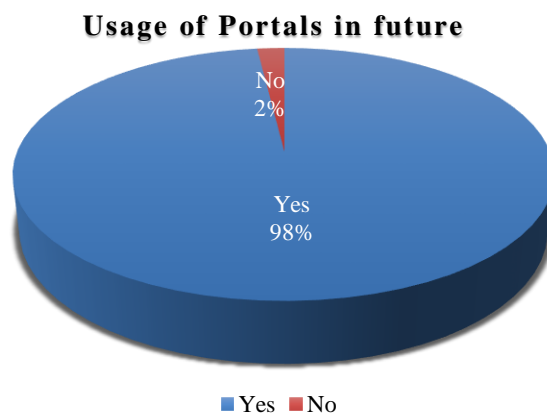
Influencing Factors Choice



Graph No.1.9

Factors Influencing Choice:

The study findings indicate that quick service restaurants (QSRs) in Baner and Balewadi are influenced by several factors when choosing online food delivering portals. The majority (53%) prioritize competitiveness, aiming to stay competitive in the market. Additionally, 23% focus on driving higher revenue, while 16% emphasize utilizing social media platforms to expand their customer base. These findings underscore the diverse influences that shape QSRs' decisions, including competitiveness, revenue generation, and leveraging social media for business growth.



Graph No.1.10

Future Use of Portals:

The survey results reveal that a striking 98% of the quick service restaurants (QSRs) in Baner and Balewadi expressed their intention to continue using online food ordering portals in the future. This overwhelming majority indicates a strong endorsement of the value and benefits provided by these platforms. The QSRs recognize the importance of online food ordering portals in expanding their customer base, increasing convenience, and driving revenue growth. Only a small percentage (2%) stated that they would not wish to use the portals, suggesting that the vast majority of QSRs see a long-term strategic advantage in maintaining their presence on these platforms. This finding underscores the integral role of online food ordering portals in the future operations and success of QSRs in Baner and Balewadi.

These findings provide valuable insights into the experiences and perceptions of QSRs in Baner and Balewadi regarding their usage of online food delivering portals, highlighting the benefits, challenges, and future intentions related to these platforms.

RECOMMENDATIONS:

Based on the survey findings, the following recommendations can be made:

1. Enhance online presence and engagement with online food delivering portals.
2. Streamline and optimize delivery operations to ensure prompt and efficient service.
3. Utilize data analytics to gain insights and tailor offerings to customer preferences.
4. Foster customer loyalty through personalized experiences and loyalty programs.
5. Stay updated with industry trends to remain competitive and make informed decisions.

Implementing these recommendations will help quick service restaurants (QSRs) in Baner and Balewadi maximize the benefits of online food delivering portals and stay ahead in the evolving food service industry.

CONCLUSION:

In conclusion, the overall study reveals that a majority of quick service restaurants (QSRs) in the Baner and Balewadi areas are utilizing online food delivering portals. The findings highlight the significant influence of various factors on QSRs' decisions when opting for these portals. Specifically, competitiveness emerges as the primary driver for a majority of QSRs (53%), emphasizing the importance of staying competitive in the market. Additionally, a notable percentage of QSRs (23%) prioritize driving higher revenue, recognizing the potential financial benefits of partnering with online portals. Furthermore, a significant proportion of QSRs (16%) place importance on leveraging social media platforms to expand their customer base. These conclusions underscore the diverse influences that shape QSRs' choices, including competitiveness, revenue generation, and the utilization of social media platforms for business growth. Overall, the study highlights the significance of online food delivering portals for QSRs in Baner and Balewadi, shedding light on the factors that drive their adoption and success in the dynamic food service industry.

AUTHOR'S CONTRIBUTION:

Both authors collaborated closely, making substantial contributions to the study, including designing the research, collecting and analyzing data, and jointly writing the paper, resulting in a comprehensive and valuable research contribution.

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CONFLICTS OF INTEREST:

We would like to inform you that this research work is free from any conflicts of interest

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