

## TO IDENTIFY ORGANIZATIONAL FACTORS LEADING TO CUSTOMER'S INTENTION TO USE ONLINE FOOD DELIVERY SERVICES.

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### Abstract

In an era defined by the rapid digitization of various aspects of our lives, the food delivery industry in India has undergone a transformative shift, with the emergence of online platforms revolutionizing the way consumers access and enjoy their meals. The mid-2000s saw the inception of India's first online food distribution companies, coinciding with the increasing internet penetration and the global proliferation of similar services. The aim of this research is to identify the various organizational factors which impact customer intention to use online food delivery services in the city of Lucknow. The research was underpinned by the Unified Theory of Acceptance and Use of Technology (UTAUT), which is one of the popular theories for investigating the field of online food delivery. Based on a quantitative approach, this research collected data from 310 online food delivery service users. The research found evidence that Zomato and Swiggy held over 80% of the online food delivery service market in the city of Lucknow. The research found evidence for the impact of organizational factors such as delivery staff's behaviour and perceived security of payment related with food delivery platforms, on customer intention to use online food delivery services. The research contributes by way of identifying the importance of organizational factors in the field of online food delivery services.

**Keywords:** Online food delivery, UTAUT, Customer satisfaction, Organizational factors, Delivery staff conduct, Payment security.

### Introduction

The rapid growth of the internet and the widespread adoption of smartphones in India have led to a significant transformation in the way people access and consume food. One of the key drivers of this change is the emergence of online food delivery services, which have become increasingly popular among busy individuals with hectic lifestyles. (Reddy & Aradhya, 2020) (Tarmazi et al., 2021). These services offer convenient and time-saving solutions, allowing customers to order their meals from a wide range of restaurants and have them delivered directly to their doorsteps. (Tarmazi et al., 2021). This research paper aims to investigate the factors that contribute to the success of online food delivery services in India, as well as the implications for both consumers and the food service industry.

The success of online food delivery services in India can be attributed to several key factors. One of the primary driving forces is the convenience and time-saving benefits that these services offer (Reddy

&Aradhya, 2020). Customers are increasingly drawn to the ease of ordering food through mobile apps or websites, which eliminates the need to physically visit a restaurant or wait in line for takeout. Moreover, the availability of a wide range of menu options, the ability to customize orders, and the option to pay online have further enhanced the appeal of these services among Indian consumers. (Tarmazi et al., 2021). Another significant factor contributing to the growth of online food delivery in India is the changing social and demographic dynamics of the country. As more women enter the workforce and the number of nuclear families increases, there is a growing demand for convenient and ready-to-eat food solutions. Additionally, the ready-food culture and the increased availability of restaurants have also contributed to the rising popularity of these services.

Existing research highlights several key organizational factors that affect customer satisfaction with online food delivery services. Firstly, the quality of the food, including its taste, temperature, and presentation, plays a significant role in customer satisfaction. Customers expect their orders to be delivered in a timely manner and in good condition, as any delays or issues with the food can negatively impact their overall experience. (Tarmazi et al., 2021). Secondly, the level of control and customization offered to customers during the ordering process is critical. Customers value the ability to tailor their orders, select preferred options, and receive detailed information about the menu, pricing, and portion sizes. This level of control and transparency helps to manage customer expectations and enhance their satisfaction with the service.

### **Literature Review**

Prior research has extensively examined the academic literature on the topic, highlighting the crucial role that organizational factors play in shaping customer satisfaction with online food delivery services (Mustakim et al., 2022). Scholars have identified several key determinants, such as the quality of the food items delivered, the timeliness and condition of the orders, as well as the level of control and customization afforded to customers during the ordering process (Leo et al., 2022). These factors collectively contribute to the overall customer experience and influence their perceptions of satisfaction with the service. Additionally, studies have explored the importance of efficient order processing, clear communication with customers, and the role of technology in enhancing the delivery experience (Akçam, 2020).

Additionally, studies have explored the importance of efficient order processing, clear communication with customers, and the role of technology in enhancing the delivery experience (Wang et al., 2022). Effective order management, from the placement of the order to the timely delivery, can significantly impact customer satisfaction. Clear and responsive communication with customers, whether through the ordering platform, mobile apps, or customer service channels, helps to address any issues or concerns in a timely manner (Nayan& Hassan, 2020). Furthermore, the integration of advanced technologies, such as real-time order tracking, digital payment options, and smart delivery routing, can streamline the overall delivery process and improve the customer's experience (Naunthong, 2021). Existing studies also suggest that the variety and number of restaurant options available through the

online platform, as well as the quality and diversity of the menu offerings, contribute to the overall customer experience and satisfaction (Sochenda, 2022).

However, there is a clear lack of research into organizational factors such as the significance of the human factor in online food delivery services. The attitude and professionalism of the delivery personnel, their ability to handle orders with care, and the overall quality of their interactions with customers can have a substantial impact on customer satisfaction, resulting in intention to use the services in future. Other factors such as customer service and payment security are also likely factors that could affect the intention to use.

### **Theoretical Framework**

This research is underpinned by the Unified Theory of Acceptance and Use of Technology (UTAUT). This theory has emerged as a prominent framework for understanding the factors that influence the adoption and usage of new technologies (Venkatesh et al., 2003). This comprehensive model synthesizes key elements from several prior technology acceptance theories, making it a useful tool for evaluating the acceptance of various technological innovations, including online food delivery services.

Exploring the application of UTAUT in the context of online food delivery can provide valuable insights into the drivers and barriers that shape consumer willingness to utilize these services (Wu et al., 2022). The model's four key constructs - performance expectancy, effort expectancy, social influence, and facilitating conditions - offer a holistic perspective on the multifaceted considerations that shape an individual's acceptance and continued use of online food delivery platforms (Venkatesh et al., 2003). The development of UTAUT was a significant advancement in technology acceptance research, as it consolidated and reconciled the key elements of earlier models such as the Technology Acceptance Model and the Theory of Planned Behavior (Momani, 2020). By integrating these diverse theoretical perspectives, UTAUT has become a widely adopted framework for understanding the complex interplay of factors that influence technology adoption (Venkatesh et al., 2003).

As the research landscape has evolved, scholars have sought to refine and extend the UTAUT model to address emerging technological (Dwivedi et al., 2020). For instance, the meta-UTAUT model, developed through a comprehensive synthesis of existing studies, offers a more nuanced and empirically validated representation of the relationships between the model's core constructs. This research aims to extend on UTAUT by proposing a set of organizational factors to go with the original four factors or constructs discussed earlier. On the basis of the gaps identified from the review of the extant scholarship, following research objective was formulated for investigation:

*To identify organizational factors which impact customer intention to use online food delivery services.*

Based on the review of literature, three areas were identified for investigation: delivery staff conduct, after-sales customer service, and perceived payment security. Three hypotheses (one for each area) were formulated and tested (see Table 1).

Table 1

*Identified Areas and Hypotheses*

| Research Area                | Hypothesis  |
|------------------------------|---|
| Delivery staff conduct       | <p><b>H<sub>01</sub>:</b> Delivery staff conduct does not affect customer intention to use online food delivery service.</p> <p><b>H<sub>11</sub>:</b> Delivery staff conduct affects customer intention to use online food delivery service.</p>                 |
| After-sales customer service | <p><b>H<sub>02</sub>:</b> After-sales customer service does not affect customer intention to use online food delivery service.</p> <p><b>H<sub>12</sub>:</b> After-sales customer service affects customer intention to use online food delivery service.</p>     |
| Perceived payment security   | <p><b>H<sub>03</sub>:</b> Perceived security of payments does not affect customer intention to use online food delivery service.</p> <p><b>H<sub>13</sub>:</b> Perceived security of payments affects customer intention to use online food delivery service.</p> |

**Research Methodology**

The study was conducted in the city of Lucknow, on a sample of 310 people, users of online food delivery service. Five-point Likert scale-based survey was conducted. In the scale, 1 stood for ‘Strongly Agree’ and 5 stood for ‘Strongly Disagree’. The survey instrument comprised 12 questions. It consisted of four constructs: delivery staff conduct, after-sales customer service, perceived payment security, and intention to buy. Cronbach’s alpha was used to test the constructs for reliability (see Table 2).

Table 2

*Cronbach’s alpha for reliability*

| S. No. | Construct                    | M    | SD  | 1     | 2     | 3     | 4     |
|--------|------------------------------|------|-----|-------|-------|-------|-------|
| 1      | Delivery Staff Conduct       | 2.14 | .35 | (.81) |       |       |       |
| 2      | After-sales Customer Service | 2.02 | .42 | .54** | (.72) |       |       |
| 3      | Perceived Payment Security   | 2.06 | .31 | .41*  | .30*  | (.76) |       |
| 4      | Intention to order           | 1.98 | .24 | .66** | .50** | .62** | (.84) |

N = 310

\* Correlation is significant at  $p < .05$  level (2-tailed)\*\* Correlation is significant at  $p < .01$  level (2-tailed)

Cronbach’s alpha in the matrix diagonal

Cronbach's alpha correlation value was found to be above .70 for all the constructs, signifying that the construct is reliable (de Vaus, 1996). This confirmed that the questions within the constructs all measure the same concept. Besides, all correlations were in the expected direction as hypothesized for the study. For instance, positive correlation between delivery staff conduct and intention to order. Similarly, perceived payment security and intention to buy were found to be positively correlated. A one-sample t-test was used to test the hypotheses.

### Data Analysis

The first section of the survey instrument consisted of questions on demographics. Collected data was first checked to see if the sample represented the overall population characteristics. There were 54% males and 46% females, which is about the Indian ratio. Similarly, 'educational qualification' factor had five categories: no qualification, twelfth, graduate, postgraduate, and doctorate. In the age factor, maximum belonged to the 21-30 group (32%), followed by the below 20 (28%), and 31-40 age group (22%). For the marital status factor, 65% of the participants were married, and the remaining 35% were single.

Majority of the participants were using Swiggy (42%) or Zomato (40%). The two service providers were found to have over 80% of the market share. Uber Eats was third with 10%, followed by Food Panda at 5% and Dunzo at 3%.

### Hypothesis 1

The first hypothesis aimed to examine whether customer intention to order food online was affected by the conduct of delivery staff. There was a statistically significant difference in *the impact of delivery staff conduct*;  $t(310) = 2.548, p = .01$ , on customer intention. Since the p value is less than .05, it can be inferred that there is a statistically significant difference between the two groups, and so, the null hypothesis,  $H_{01}$ : *Delivery staff conduct does not affect customer intention to use online food delivery service*, is rejected, and the alternate hypothesis,  $H_{11}$ : *Delivery staff conduct affects customer intention to use online food delivery service*, is accepted. The mean value for the group ( $M = 2.14, SD = .35$ ) demonstrates the high impact of delivery staff conduct on customer intention.

### Hypothesis 2

The aim of the next hypothesis was to investigate whether after-sales customer service affected customer intention. There was a statistically significant difference in *the impact of after-sales customer service*;  $t(310) = 5.281, p = .02$ , between after-sales customer service and customer intention. Since the value of p is less than .05, it can be inferred that there is a statistically significant difference between the two groups, and so, the null hypothesis,  $H_{02}$ : *After-sales customer service does not affect customer intention to use online food delivery service*, is rejected, and the alternate hypothesis,  $H_{12}$ : *After-sales customer service affects customer intention to use online food delivery service*, is accepted. The mean value for the group ( $M = 2.02, SD = .42$ ) demonstrates the high effect of after-sales customer service on customer intention.

### Hypothesis 3

The next hypothesis aimed to investigate whether perceived security of payment affected customer intention. There was a statistically significant difference in *the impact of perceived payment security*;  $t(310) = 7.659, p = .01$ , between perceived security of payment and customer intention. Since the value of  $p$  is less than .05, it can be inferred that there is a statistically significant difference between the two groups, and so, the null hypothesis,  $H_{03}$ : *Perceived security of payments does not affect customer intention to use online food delivery service*, is rejected, and the alternate hypothesis,  $H_{13}$ : *Perceived security of payments affects customer intention to use online food delivery service*, is accepted. The mean value for the group ( $M = 2.06, SD = .31$ ) demonstrates a very high impact of perceived payment security on customer intention.

### Discussion

Results from this research are indicative of the importance of after-sales customer service on customer intention to order online food. For this research, customer service stands for all queries or issues arising after the actual food ordering. This is a unique finding since existing studies have mainly investigated customer satisfaction and not the actual intention to order. These findings differ from those of Zhongcao (2022), who found evidence for a direct connect between quick delivery and customer satisfaction. Findings also differ from Smith and Heriyati's (2023), who found reported direct effect of the quality of food on customer satisfaction. Compared to these studies, this work uniquely contributes by reporting effect of after-sales service on customer intention.

The study further found that delivery staff conduct was necessary for customer intention to order food online. This is yet another contribution of this research. Many other works have investigated the effect of conditions like effort and performance expectancies on customer satisfaction, but not intentions to order (e.g., Pachpute, 2023; Ganou, Karavasilis, Vrana, & Kehris, 2022; Saad, 2021). This research, though looked into customer intention to order food online by satisfaction obtained from delivery staff conduct. While this area of customer satisfaction obtained from delivery staff's behaviour has been well-researched in the field of courier services (e.g., Mazlan, 2021; Muruganantham & Kumar, 2021; Kumar, 2018), research in the field of online food delivery seems to have ignored this factor (customer satisfaction). Therefore, this is another unique contribution of this study.

From the findings, it is also inferred imply that users are highly concerned about the safety of their payments and transactions. In the absence of this security, they would be hesitant to deal with a service online (Nagre & Sen, 2022). Therefore, this is another unique finding because most other works, even though they have found some factors that impact customer satisfaction, are mostly about 'quick delivery' or 'quality of food' (e.g., Shankar, Jebarajakirthy, Nayal, Maseeh, & Achchuthan, 2022; Raman, 2018). This work found evidence for the perceived security of payments on customer intention to order food online. Customer satisfaction has been proved to impact people's intentions to buy a product (Kumar & Neha, 2020). These findings suggest a strong relationship between three organizational factors and intentions to order food online. Swiggy was discovered as the most preferred online food delivery service followed by Zomato. Other service providers, Uber eats, Food Panda and Dunzo are very low on preference. The findings are indicative that these organizational factors, delivery staff conduct, after-

sales customer service and perceived payment security play an important role in shaping people's intentions to order food online. These three factors, this research suggests, could be valuable additions to UTAUT, giving it a more comprehensive look, when investigating the domain of online food delivery.

## Conclusion

This aim of this study was to investigate the major organizational factors that resulted in customer intention to order online food. A survey was conducted on 310 users in the city of Lucknow. Findings lead to the identification of three factors: delivery staff conduct, after-sales customer service, and perceived payment security. These are critical organizational factors that impact customer intention.

It is clear from the findings that customers are satisfied with an online food delivery service provider when the delivery staff conduct, after-sales customer service and payment security are good. Such satisfaction goes on to shape their intention to order online food. These findings are critical for service providers such as Swiggy and Zomato, which already hold a significant share in the market. The findings are even more important for service providers such as Uber Eats, Dunzo and Food Panda, which are lagging behind the major players. The findings could be of help when they are looking for factors that could improve their services. The study makes an important contribution to the UTAUT theory by finding evidence for and suggesting three additional variables: delivery staff conduct, after-sales customer service, and perceived payment security. These three factors fit under 'organizational factors' category, and together with the original UTAUT factors, give it a more comprehensive look.

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