

SERVICES MARKETING -ONLINE FOOD ORDERING BY SEM MODEL

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ABSTRACT:

The mobile phone application has made every customer to open a new alleyway for today's marketing of foods in India. Mobile application is a combination of marketing shrewdness which means every marketer must satisfy every customer by providing good service and technology. They use the Internet as an intermediate which includes web quality & web trust to advertise and sell foods through online in turn increases loyal customers. In this scenario, more people are getting connected through mobile application they are ready to buy foods through it to reduce time and ease convenience. To order a wide choice of foods from different restaurants, online food ordering services through mobile app has become popular today among youngsters. Many restaurants now delivering online services at best offers and reasonable prices, hence online food delivering system has become popularizing across the country. Mobile applications like Zomato, Swiggy and Uber Eats helps the customer's order food through online, sets up a food menu online through the internet and delivered at the user's doorstep. In this study, the main focuses on customers' perception towards online food ordering companies by Structural Equation Model. This research studies online food ordering services with the customer ordering experience includes website trust, customer satisfaction and loyalty. A survey was conducted for the 600 college students from Chennai, India who order through online were used to test the research model using structural equation modelling (SEM). Results disclose that, there is a significant positive relationship between website quality and website trust but there is also a significant positive relationship between service quality and customer satisfaction. The significant positive relationships was found not only between website trust and customer satisfaction but also between customer satisfaction and loyalty. In conclusion, the study also found an unforeseen direct link between service quality and loyalty. On the whole, the study provides appreciated perceptions for operating online food ordering services effectively.

KEYWORDS:

Online food ordering, Customer Perception, Website quality, service quality, website trust, customer satisfaction, loyalty.

A. INTRODUCTION

Online food ordering & delivery is a service in which a restaurant gets order from the mob app and delivers food to a customer at their door step. Several restaurants are observing an upsurge in food business, as ordering food online becomes very easy across the country. An online food menu is created in each mobile application by different restaurants. Mobile applications like Zomato, Swiggy, Uber Eats helps the customers countless varieties of dishes from different nearby restaurants and customers can easily place the order. These mobile applications provide a tracking system and helps the customers to become more familiar and get foods to their door steps. In turn the customers place the order in the corresponding restaurant and customers can track the order. The payment options are online or by cash-on-delivery system. These mobile application provide a feedback system where the customers can provide feedback and recommendations, rate the food item and method of delivering. Orders with discounted rates are more necessary for the customers. Also, it is more convenient, reliable. Many sources reveal that there is a noteworthy increase in restaurants since users choose more for take-away and home delivery. Most users favor online apps as food-on-click feature makes to get food delivered at right time at right place. Hence, online food delivery has boosted the restaurant business extensively. Increased reach of internet benefited the customers in buying food online and the customer's perception of online purchasing as well. As a result, e-service business is prosperous in Chennai, India.

II.

III. REVIEW OF LITERATURE

Website quality involves of four scales specifically information quality, website design, security and payment system. Information quality will be evaluated from three dimensions: information exactness, information unambiguousness and information completeness. These dimensions were enhanced from the items originally developed by Jeong et al. (2003) and Muylle et al. (2004). **Website design** will be assessed from four aspects: navigation, color combination and comfort of use. The articles were taken from Muylle et al. (2004), Jeong et al. (2003) and Kim Stoel (2004). **Security and payment system** was altered from Wolfinbargerhe and Gilly (2003) and Liu et al. (2008), correspondingly. Though, as the payment had only two items and can be measured not statistically reliable, the study established two more items to assess it based on the researchers' online experience with just-eat. The supplementary item includes the website offers me with the payment options according to my preferences. The website provides a

well-organized payment gateway system for us to make payment.

Service quality, it contains of three scales namely delivery, customer service and food quality. Delivery scale contains of four items, two of which are taken from Wolfenbarger and Gilly (2003) whereas the third item was established by Liu et al. (2008) and the fourth item was established based on the finding of an earlier investigative study. Thus, the fourth item is delivery riders are capable in delivering the foods to our home-based or workplace. **Customer service scale** was modified from Liu et al. (2008). **Food quality scale** was developed based on the results of an earlier exploratory study on 34 academicians about their perception toward online food ordering and delivery services. This scale consists of four items. The following four items include the foods delivered are fresh, well accessible, finely prepared and food operators provide a variety of healthy foods.

Three scales are examined namely website trust, customer satisfaction and loyalty. Website trust and satisfaction are modified from Cyr et al. (2008). **Loyalty** contains of three items, two of which were taken from Cyr et al. (2008) and one item from Ribbink et al. (2004). The survey instrument consists of two segments. In the first segment, respondents were requested to rate their agreement on statements related to their latest online food ordering experience. In their study, each item was measured on a 7-point Likert scale from 1 (strongly disagree) to 7 (strongly agree) and the respondents were asked to fill in their demographic profile.

Relationship between Website Trust and Customer Satisfaction were modified from Yoon (2002), it is expected that website trust will have a noteworthy effect on customer satisfaction. **Relationship between Customer Satisfaction and Loyalty**, many of the previous studies confirmed the significant association between repurchase intention as well as customer satisfaction (Mittal and Kamakura, 2001; Oliver, 1997; Yu and Dean, 2001), and positive (Hackman et al., 2006). Cass (2001) argues that a satisfied customer is predictable to show brand loyalty, and customer e-loyalty is unfair by satisfaction (Flavian et al., 2006; Yoon, 2002).

A. RESEARCH METHODOLOGY

A quantitative study was conducted at colleges in Chennai whose respondents are of local and international students. The respondents were chosen because of the easy access to

several online food ordering companies operating nearby shops such as Pizza Hut, KFC, McDonald's, Domino's, Papa John's, other local restaurants and room Service Deliveries through mobile application. The data's were collected with the questionnaires and were distributed to 600 undergraduate students. 7-point Likert scales ranging from strongly disagree to strongly agree was used for the study.

B.

C. FINDINGS AND INTERPRETATIONS

1. Preference to buy food online among youngsters is well defined.

Majority 61% of respondents buy food using different mobile applications; 33% prefer walking in to a restaurant; 5% buys food by directly calling to the chosen restaurant :the remaining 1% uses web browser for buying food.

2. The usage of mobile apps for buying food is the boom of online food delivery apps.

Majority 38% of users prefer online food delivery apps because of the ease and the convenience it provides; 19% prefer it due to its faster delivery; 16% uses food apps for its wide-ranging restaurant options ;11% opt for food apps owing to offers and discounts.

3. Preference on food delivery apps because it requires only less human interaction significantly less effect on the users of online food delivery applications.

D. 21% of respondents prefer online buying as it reduces human interaction; 32% of users are against it; 38% of them think that users may prefer food apps due to less human interaction; 9% have a neutral opinion.

4. Preference towards ordering foods through Mobile app.

E. Majority of the young adults ranked first as swiggy, second Zomato and finally Uber eats to order food through mobile application.

5. Test for Structural Equation Modeling (SEM) and Hypotheses.

The researcher used Structural equation modelling to test the assumed relationships showed in the below model. Two-step approach suggested by Anderson and Gerbing (1988) was performed in the study. First, in the study the assessment of the critical measurement properties of the scales used. Secondly, the researcher focused on the estimation of the structural equation model and the testing of the specified hypotheses by path model. The study AMOS 16 was used to generate the maximum probability estimates for the path coefficients. Regardless of having the entire hypotheses supported by the data,

the initial structural model does not exhibit the acceptable fit indices. However, an inspection of residuals and change indices displays that there is still coincidental to obtain improved fit keys. Having, an additional path from service quality to customer loyalty improves the model fit, reliable with the literature. The final conceptual path model shows the good fit indices to the data: ($\chi^2 = 89.766$; $\text{chi/df} = 3.095$; $\text{RMSEA} = 0.077$; $\text{CFI} = 0.973$). An overview of the final conceptual model is shown in Figure below.

Hypothesis H1: Website quality has positive impact on customer satisfaction.

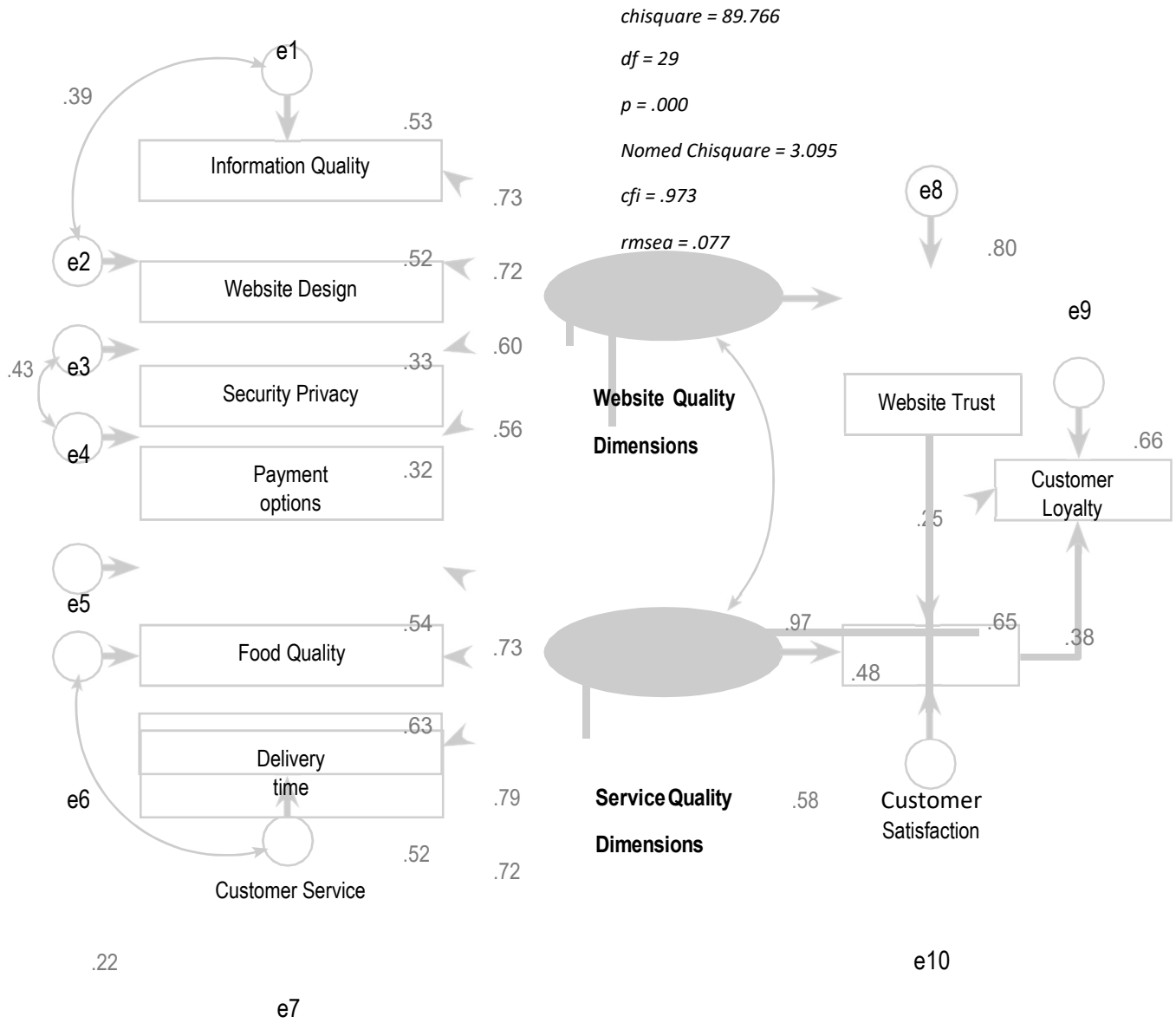
Hypothesis H2: Service quality has direct and positive relationship with customer satisfaction.

Hypothesis H3: Website trust has positive influence on customer satisfaction.

Hypothesis H4: Customer satisfaction has positive impact on loyalty.

The significance tests for the structural equation model parameters are used as the basis for accepting or rejecting the hypotheses proposed. In this study, a significant positive relationship between website quality and website trust supports Hypothesis 1 (standardized path coefficient = .90, t value = 16.803). In this study, website quality consists of numerous subscales namely information quality, website design, security and payment system. These aspects pay significantly to the level of website trust. It was found in the study that it has a significant positive relationship between service quality and satisfaction, which cares Hypothesis 2 (standardized path coefficient = .58, t value = 14.891). Likewise, in this study, delivery, customer service and food quality are the subscales of service quality. If these features are better-quality, the satisfaction level will also directly increase. Also, significant relationships are also found between website trust and satisfaction (standardized path coefficient = .25, t value = -2.147) and satisfaction and loyalty (standardized path coefficient = .38, t value = 4.284), secondary Hypothesis 3 and Hypothesis 4 respectively. However, results also display unexpected link between service quality and loyalty. These findings confirm that service quality, website trust and satisfaction are thoughtful processing factors that lead to loyalty with the online food ordering companies.

Conceptual Path Model



CONCLUSION

In this study, results of the study suggests that online food ordering companies have to stress on information quality, website design, security or privacy and payment system towards their customers in order to increase the level of web trust and customer satisfaction. The results of the empirical study support for the positive relationships between website quality and web trust, service quality and satisfaction, web trust and loyalty, and satisfaction and loyalty. On the whole, the study provides appreciated perceptions for operating online food ordering services effectively.

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