Review of Online Food Delivery Industry of India

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Abstract: Earlier people used to go to the hotel, but the scenario has changed drastically in last few years. Due to changes in lifestyle and recent pandemic situations the lifestyle of Indians has changed considerably. This has given tremendous boost to the online food delivery business. In recent time, India has witnessed rapid increase in number of food delivery startups, supporting the aspirations of millions of urban citizens of India. Currently Indian food delivery market is occupied by global, national as well as local business establishments in this food delivery industry. Zomato, Foodpanda, Swiggy, Uber Eats, Domino's, Pizza Hut and Mc Donald's are a few major names which are predominant. The users get wider choice of all the online available hotels through menu of the restaurants at a very reasonable cost and that too at their home. It saves time, travelling cost of the users. All this process of food delivery system comprises few fundamental components. Among that the first is the cooking of the food product as per the requirements of the online customers and delivering these food products through online platform is the basic business model which is used. As the customer's choices are varying with time this system will be evolving with innovative ideas to meet the changing requirements and expectations of the customers. This business models uses basically requirement of the customers; motivating them for bringing the dynamism within the market as well as within the food industry and delivering the food through the delivery personal. For ensuring the success of this online delivery model the entrepreneurs has to ensure few things which includes certain features which will be; taking care of various aspects of market as well as technological aspects. Also the opportunities and challenges that will be faced by this online food delivery system will be more clear as the time will pass. The sustainability about this food delivery business models will be depending on the benefits which will be provided to the customers and user and how much it continues to attract the venture capitalist and various investors in this online food delivery business.

Keywords: Online Food Delivery, Business Models, Indian, Urban, Ecommerce

I. INTRODUCTION

Currently it is observed that as per the evolution in the society, the new ideas are coming up in various segments eg. it may be the smaller outlets or the bigger corporate establishments. As the lifestyle of the common persons has changed, there is transformation in the food habits. People has started using, ready to cook and ready to eat food items which are now a days readily available in the surrounding provisional shops. There is a change in the attitude or inclination of the people from going to hotel for eating towards enjoying the food at the residence or at the workplace.

But there is lacuna in the food delivery systems like, the delay in the delivery of the food, inclusion of the cost of the delivery in the food prices by the food outlets and limitation of the minimum quantity of purchase- mandatory for home delivery. And because of this the online portals of food delivery business have grown up in exponential form[01]. Due to revolution in the information and communication technology, development of e-commerce and banking facilities, availability of Internet and wide use of smartphone has given the boost to online business. Over the past decade the e-commerce market has experienced rapid growth, as more and more customers are moving online. This transition in how consumers do shopping has been depending by a large number of different factors, some being market or country dependent, others occurring as a result of worldwide changes. These changes comprise: an increase in financial capacity of citizens, specifically in developing countries like India; due to increase in working hours and travelling times; increased broadband penetration and improved safety of electronic payments; an increase in the number of small ready to eat food suppliers having an online presence; and a greater awareness of e-commerce by customers[01]. Due to this various restaurants and outlets has started their business through online food delivery apps at a reasonable prices and at the doorstep of the customers. It has facilitated the customers to browse the menu of the food items of the food outlets and restaurants and as per their requirement order the food through the online apps; not only that it has facilitated to track their orders through the support system of the apps[02]. Still there is a substantial presence of customers ordering offline food in the restaurant industry, but apart from that at this moment there is an enormous surge in the online food delivery quantity of orders across the India and specifically in the metro cities. Also currently India is observing tremendous increase in new startups specifically in the area of food delivery and catering to fulfil the aspirations of middle class and lower middle class Indians who are staying in the Metros and Tier 3 cities. The new generation of urban India is looking for a tasty food at the same time they do not want to compromise on their convenience. They want to have the healthy food at an economical rate at their doorsteps.

II. ONLINE FOOD DELIVERY MODELS

Exploration are going on in online food delivery industry by the various stakeholders to have the better prospects. There are various elements which are very important in food delivery business such as the value propositions, partner activities, resources, customer relationship, delivery channels, cost structure and development of a very strong business model[03].

There are three major components of any online food delivery business and they are-
(01)   Online order of the food
(02)   Cooking of the food and packing it
(03)   Delivering the ordered food at the given location of the customer

There are various models developed for all these three components which are as below;

1.   Customer-Supplier-Delivery Model

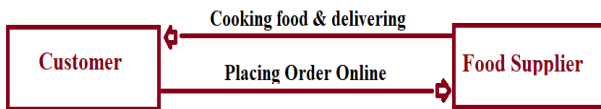In this model customer directly puts order to supplier who himself manages to deliver the order.

Figure 1. Customer-Supplier-Delivery Model

2.   Customer-Delivery Model

In this model customer tenders order to supplier through online food delivery portal and the food suppliers supplies the food through online portal only.

Figure 2. Customer-Delivery Model

3.   Delivery Model

In this model customer tenders order to supplier through online food delivery portal and the portal passes that order to the food suppliers. the food supplier supplies the food to the customer through his own delivery system.
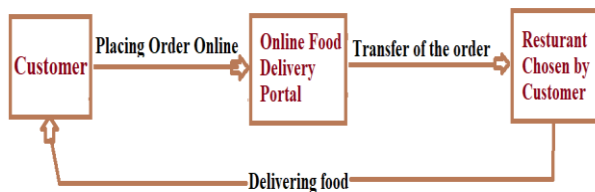

Figure 3. Delivery Model

Above illustrated all the three models are having their own limitations as well as advantages. Depending upon the various varying parameters at different countries the various models are developed depending on technology, logistics and other factors related with transactions. Apart from financial aspects online business generation, percentage of the commission, online and offline advertisements, strategic partnerships and many other parameters are influential in finalizing the model. The convenience of transaction, accessibility, influences on decision making and other post-delivery benefits are few expectations by the customers from the online food delivery companies. Online food delivery model can be made more robust and volatile by adopting the smart queuing, proper commission from merchants, efficiency in delivery.

III. MARKET AVENUES OF ONLINE FOOD DELIVERY

There is a lot of effect on the conventional market and the economy of India due to online food delivery industry. Till 2014 the Indian food market was of only 23 trillion Indian rupees and it has reached about 50 trillion by 2021[04]. Due to sudden increase in the food delivery industry market, large number of national as well as International business players have entered in the market. The online food delivery operator receives the orders through the app or phone and deliver the food within the stipulated time; it may be few minutes or a few days and they also receive the payments online or through cash on delivery (COD) or through the wallets[05]. The attractive features are also floated to attract the customers by the online food suppliers like delivery on every day, or delivery on weekends or any other similar customized packages for bulk party orders[06]. There are how many big players in food delivery industry like Zomato, Swiggy, Foodpanda etc. Suppliers like Domino's, Pizza-Hut and McDonalds also receive order for their own products through their websites and supply their products at the door-step, and around 60% their business occurs through ecommerce orders.

IV. DISCUSSION

There are many direct and indirect advantages of surge in online food supply industries. There is increase in job opportunities due to surge in online food delivery industry in the various areas. The design of website, maintenance of websites, development of mobile apps, food delivery packaging and Logistics are the few areas where large number of recruitments are taking place. As there is a cut throat competition among the online, food suppliers lot of thrust is on the development of attractive packaging and effective logistics, so as to attract the customers. As less number of customers are visiting physically the restaurants, there is reduction in requirement of space. Due to increase of ease and safety in online payment system the food delivery system is getting a boost. There are many advantages for the consumers, i.e. reduction in time, saving of transportation cost and availability of variety of choice of food items. There is overall reduction in stress of the customers and higher comfort level feeling. As large number of options are available to customers, it is a biggest challenge for online food supplier is to retain their customers. For that they have to maintain consistency in quality of food and taste. Also good and effective logistic for hassle-free delivery is essential. Food suppliers are mainly depending on the chef and the delivery personnel for their business. Attractive and excellent packaging is essential part of the food delivery system. There are many areas which needs to be explored by the players of online food delivery system. Such as having tie-ups with hospitals and corporates for tailor made food items and delivery. Development of healthy food packages and environment friendly packaging is one of the few areas where lot of exploration is possible.

Online food delivery suppliers need to explore new remote places of India like interior rural parts, which may provide more business avenues. By providing value added services like calorie counting, healthy food diets, attractive discounts, online food delivery system can attract more and new customers to its business

V. CONCLUSION

E-commerce and online food delivery business is in the driving seat of the market and modifying the lifestyle of the consumers. The various innovative concepts and ideas are developed by online food delivery companies to meet aspirations of the customers. Currently online food delivery suppliers are giving the thrust on the sustainability of the food delivery business and offering lot of benefits to the customer and trying to grab the focus of venture capitalists, investors and entrepreneur towards this fast upcoming business. If there is a proper synchronization between the consumers, restaurants, logistics and delivery personnel then the dynamism of this online business will continue to prevail and this business will grow exponentially.

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