

Factors influencing customer loyalty & patronage in Online Food Delivery Services (OFDS)

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Abstract

Due to busy lifestyles and preoccupied schedules, especially in developing nations like India, online food delivery service (OFDS) has become increasingly used. This study used the expanded theory of planned behaviour (TPB) approach to identify characteristics that affect patronage and loyalty in OFDS in India. 65 questions were asked of a total of 133 participants who volunteered their time. It's interesting that this study discovered that usability aspects, such service quality and website, had a big impact on consumer loyalty and patronage in OFDS. Theoretically, academics, IT professionals, and OFDS investors might all benefit from this study's robust foundation. Last but not least, the analysis be able to have being employed and expanded just before discover more about the issues influencing consumer loyalty and spending on Online Food Delivery Service in different territories.

Subject Classification: 91B42.

Keywords: Online food delivery service (OFDS), Loyalty, Patronage and theory of planned behavior.

Introduction

Online meal delivery services are any transactions including the delivery of food and the exchange of money that take place on a cellular phone transportable device, such as a smartphone or own cardinal associate (OFDS). In 2022, OFDS is a widely used stage because to the increase in using internet. Academics, and corporates are always working to improve OFDS with the goal of reducing costs. OFDS constantly adds to the sustainable revenue stream in India. In 2020, it brought in about \$1.915 million USD in revenue, and by 2024, it's expected to rise by 54.8%. In addition to the revenue stream, it has been expected that OFDS app penetration in India will increase over time. By 2024, OFDS will have an 11% share of all food deliveries. These apps enable users to look for all nearby eateries, view the menus, and choose the meals or drinks they desire. Several OFDS apps now provide digital payment options to streamline transactions even further. As a result of this new behaviour, many restaurants may now be found on OFDS applications in an effort to draw consumers and raise brand recognition. Customers become more accustomed to these apps over time, becoming habituated to them without running into technological difficulties. It is not sufficient to only look at factors affecting technology acceptance because technical concerns are become less frequent. Additionally, a number of research studies have already examined behavioural elements that affect OFDS app users' satisfaction and loyalty. This study uses an extended theory of planned behaviour (TPB) method to identify characteristics that affect customer

loyalty and Patronage in OFDS in India. This study examines variables influencing user loyalty and patronage towards OFDS apps. Ultimately, paper can be used and expanded for assessing the elements effecting Advocacy of OFDS apps in various nations.

Need of the study

The introduction of technology has caused businesses to undergo rapid change. Another factor would be the rapidly rising mobile adoption and usability, which has compelled firms to prioritise mobile applications above all else. On top of that, since the market for on-demand meal delivery is booming, food ordering and delivery businesses do require mobile apps. It would be best to quickly review the data on the market size of the food delivery industry before continuing.

Review of Literature

A. Quality of Website

The quality of websites has been extensively studied over the past 10 years as a cue for customer contentment, which influences purchase intention. According to Srinivasan et al. (2002) and Huang (2003), website quality includes elements like interactivity, innovation, and complexity. Other elements include community, individualization, services, integration, and comfort. Customers typically look for merits in website to support their online interactions, including quality of system, information, and service (Shih, 2004). As a result, the discussion above suggests four elements of quality on website are identified likely, quality Information, interface design, Privacy and payments.

H₁: Quality of Website has a positive impact on loyalty in OFDS

A. E-Service Quality

The key variables in the previous studies on the quality of e-services are the web experience, satisfaction, trust, and patronage of customers (Rowley, 2006). The quality of traditional services typically depends on the participation of humans, but the quality of e-services depends on technology innovation (Jabnoun and Al-Tamimi, 2003). Without taking into account the larger constructions researchers focused going on evaluation of website quality. Aspect of quality of service in e-Tailing,

according to Rolland and Freeman (2010), defines (1) how well a website makes it possible to shop, buy, and get goods and services in an effective and efficient manner, and (2) the level of customer service offered across the entire process, from initial contact to service fulfilment. Offering outstanding customer service is the main sustainable approach for online meal delivery businesses. Additionally, their research demonstrated that customer satisfaction is significantly positively impacted by delivery. Delivery becomes especially crucial in non-store, online commerce when there is a delay between placing an order and receiving the required goods. The outcome is very crucial in terms of delivery on time for attaining consumer loyalty and patronage in the online food. Customer dissatisfaction can be seen in the fact that people were least willing to shop at websites with bad customer service ratings. In addition, Suleyman (2010) found that overall online consumer contentment is significantly influenced by the quality of customer service. Online buyers frequently worry about real-time responses, refund and replacement procedures, and how quickly customer service professionals will respond to their concerns. The emphasis is placed on the food's features, such as freshness, healthfulness, presentation, and cooking, which affect whether or not consumers are satisfied and opt to make another purchase, despite the claim that food is not a component of service excellence. Food quality was investigated as a potential predictor of consumer satisfaction in various research on fast food restaurants, which revealed a relationship between it and customer delight (Law et al., 2004). In this study, there will likely be a strong correlation between meal quality and patronage and customer loyalty.

H₂: E-Service Quality has a positive impact on loyalty in OFDS

B. *Consuming Patronage*

According to empirical study, consumers' buy intentions in traditional retailers and perceived SERVQUAL are positively correlated (Parasuraman et al. 1988; Zeithaml et al. 1996). Perceived utility and usability, according to TAM, ultimately determine a person's behaviour. In other words, users' intentions toward computer systems are heavily influenced by their expectations about how these technologies would enhance their productivity. Purchase, repeat purchase, and loyal customer behaviour are all examples of consumer patronage. Numerous studies want to investigate the connection between diverse customer behaviours and the

quality of websites (Lynch et al. 2001; Chen and Wells 1999; Yoo and Donthu 2001; Loiacono et al. 2002; Ranganathan and Ganapathy 2002). The impact of website quality on client loyalty and purchase intent is examined by Lynch et al. (2001). However, the current study offers the literature on the caliber of e-services and customer loyalty.

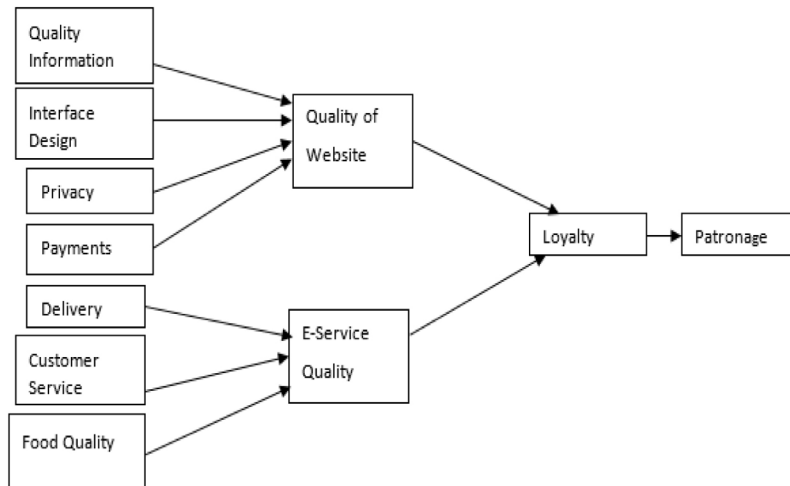


Figure 1
Conceptual Framework

Methodology

A quantitative study was carried out at one of the educational institution with a blend of local and foreign students as respondents to examine the aforementioned hypotheses. The respondents were selected because to their simple access to a variety of Local internet food delivery services including Pizza Hut, McDonald's, Domino's and Room Service Deliveries are available are available in Figure 1. 133 undergraduate students at Vignan's University were given questionnaires and asked to participate voluntarily in the study, along with any friends and family members who had previously ordered food from food delivery apps. Using a 5-point Likert scale, constructs contained in the Structural Equation Modelling were evaluated. The suggested hypotheses construct's causal connections were ascertained by applying the maximum likelihood method with AMOS 22.

Analysis & Discussions

Table 1
Demographic and Patronage Characteristics of Respondents
patronage towards OFDS apps.

Socio-demographic Variable	Socio-demographic Variable	Socio-demographic Variable	Socio-demographic Variable
Gender	Male	58	43.6
	Female	75	56.3
Age	Below 21	13	9.7
	21-30	36	27.1
	31-40	51	38.3
	41-50	19	14.2
	Above 50	14	10.5
Marital Status	Unmarried	71	53.3
	Married	32	24.1
	Separated	15	11.2
	Divorced	7	5.2
	Widowed	8	6.1
Education Status	Pri. School	7	5.2
	Sec. school	24	18.1
	Graduation	67	50.3
	PG	29	21.8
	Others	6	4.5
Span of patronage	1 year and above	12	9.1
	6Months to 1 Year	59	44.3
	3Months to 6Months	37	27.8
	Below 3 Months	25	18.7
Rate of patronage	Daily	21	15.7
	Weekly	51	38.34
	Monthly	61	45.86

Interpretation

Those that responded had the following demographic characteristics from Table 1: 25.3 percent are men and 74.5 percent are women. Those that responded had the following demographic age group: below 21 is 9.7 percent and 21-30 is 27.1 percentage and 31-40 is 38.3 percent and 41-50 is 14.2 percent and above 50 has the percentage of 10.5 percent. Those that responded had the following demographic Marital Status: Unmarried has 53.3 percentage and married has 24.1 percent and separated has 11.2

percent and Divorced has 5.2 percent and Widowed 6.1 percent. Those that responded had the following demographic Education status: pre-school has 5.2 percent and secondary school has 18.1 percent and Graduation has 50.3 percent and PG has 21.8 percent and others has 4.5 percent. Those that responded had the following demographic Span of

Table 2
Factors, Validity & Reliability

S.no.	Factor	Item	Cronbach Alpha	AVE	CR
1	Quality Information	QI1	0.59	0.631	0.874
		QI2	0.62		
		QI3	0.71		
		QI4	0.69		
2	Interface Design	ID1	0.58	0.765	0.854
		ID2	0.71		
		ID3	0.68		
		P1	0.62		
3	Privacy	P2	0.64	0.812	0.812
		P3	0.68		
		P4	0.73		
		P5	0.73		
4	Payments	PA1	0.59	0.832	0.714
		PA2	0.57		
		PA3	0.61		
5	Delivery	D1	0.76	0.754	0.852
		D2	0.64		
		D3	0.62		
6	Customer Service	CS1	0.54	0.7981	0.741
		CS2	0.61		
		CS3	0.62		
7	Food Quality	FQ1	0.54	0.812	0.687
		FQ2	0.65		
		FQ3	0.74		
		FQ4	0.76		
8	Quality of Website	QW1	0.72	0.6987	0.851
		QW2	0.73		
		QW3	0.65		
		SQ1	0.64		
9	E- Service Quality	SQ2	0.62	0.7136	0.652
		SQ3	0.59		
		L1	0.58		
10	Loyalty	L2	0.51	0.736	0.765
		L3	0.52		
		P1	0.51		
11	Patronage	P2	0.53	0.687	0.741
		P3	0.54		

Table 3
Model Fit

Goodness of Fit Measures	Estimates
Incremental fit index (IFI)	0.92
Tucker–Lewis index (TLI)	0.9
Comparative fit index (CFI)	0.91
Goodness of fit index (GFI)	0.85
Adjusted goodness of fit index (AGFI)	0.81
Root mean square error (RMSEA)	0.066

patronage: 1year and above is 9.1 percent and 6months-1 year is 44.3 percent 3months – 6 months is 27.8 percent and below 3months is 18.7 percent. Those that responded had the following demographic Rate of Patronage: Daily 15.7 percent and weekly 38.34 percent as shown in Table 2.

To evaluate the one dimensionality of the study's construct's, confirmatory factor analyses were carried out. A satisfactory match to the data was obtained for the entire model. Here is the model's quality of fit statistics: $\chi^2 = 97.8$, $\chi^2/df = 2.956$, $CFI = 0.986$, and $RMSEA = 0.073$ as mentioned in Table 3. Aggregate consistency is applied to rate structures' reliability. Above all, a cut-off value of 0.60 for composite reliability ratings is advised. Each loaded item in the current study had substantial and significant loading, defined as a loading greater than 0.05 in relation to the relevant constructs. The testing justifies difference in the constructs if there is a correlation between construct pairings that is smaller than one. Chi square is used to gauge the degree of coherence between the constructions. Although, it was revealed that loyalty is connected with quality of service. The above results affirmed that service, website quality and patronage are critical to loyalty in the aspect of online food.

Conclusion

This essay sought to ascertain the considerations influencing customer trustworthiness in an accessible restaurant. According to a study, in necessity to improve web pleasure and faith, virtual food distribution facilities should prioritize data worth, interface layout, self- assurance/ confidentiality, and disbursement procedures for its clients. Customers may continue to pay the service providers on a regular basis if they offer effective distribution, solid client assistance, and high-value meals. The results of the observed research make available credence to idea that trust

in a website, faith in a business' ability to keep its promises, and trust in a customer's purchasing power are all interconnected. patronage towards OFDS apps. Ultimately, paper can be used and expanded for assessing the elements effecting Advocacy of OFDS apps in various nations.

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