

A study on adoption of social media by Food Ordering & Delivering companies for successful development of Relationship Marketing

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ABSTRACT: *With the growth of the technology and affordability, more people are accessing Internet all over India. People are moving on from traditional ways of ordering food towards the digital platforms and using online food ordering apps to get food at their convenience. Hence the purpose of this study is to understand the evolving online food ordering and delivering industry and to gain insights of how they interact with the customers through the use of various social media platforms. Alongside giving insight on how to enhance customer loyalty, customer engagement and testing engagement with the company in current scenario. Thus a sample comprising of 270-food ordering and delivering app user was chosen. The analysis reveals that the customer loyalty can be achieved by the use of the social media and engaging the customers in various contest and providing interesting feed and offers. The maximum interaction of customer with company is enabled via timely delivery, quality, timely information, query handling, follow up and ease of use. Also giving attention to the complaints raised by customer and reverting back helps to enhance the overall experience of the customer. Customers were also found engaging with the company over social media where the most preferred platform was Facebook which engaged and developed customers loyalty. The youth has been found engaging the most in the online food ordering sector as per survey and this sector has grown a lot since the last few months hence companies should focus especially on providing customized offers to them.*

Key Words: *customer loyalty, relationship marketing, engagement, social media*

INTRODUCTION

In the world of commerce, it is essential to retain existing customers and develop the business. The expenses linked along the search of new customers define how important the existing customers are. Customer relationship management is about learning about the customer, his/her needs and behavior to initiate and grow stronger relationships. It has been of the trending and constant thing since marketing started involving relationships along with other promotions. if we dug deep into the history of marketing, we can find about the 7 eras of marketing that started a long way back.

The first era was “Simple or basic trade era” which started which was prevalent in the time of pre industrial revolution. To describe, the time of creating and building everything using limited resources and labor force. The necessary and very basic of commodities were on the top preference and the households were producing what they consumed. Then came the “Sales era” which worked it’s way in from 1860s and expanded till 1920s. Under this period of time, the goods were being mass-produced along with a low cost. The business motto of this era was “if it is produced, someone will buy”. Post this came the “Sales era” till the 1940s where the market was absorbed and the competition was intense. Customers were being persuaded through convincing techniques to purchase the product with the main aim of only profit and not to satisfy the needs of customer. This was followed by the “marketing era” till the 1990s, which was a major change since the direction of the companies, were changed to focus more on the customer needs and satisfaction. Customer was tagged as the king in this period. Then came the “Relationship marketing era” wherein the ultimate focus was on retaining the customers by building relationships with them. The customer loyalty would ensure returning of the customers every time. Now the new era that started off in 2010 and still prevails till the present is “Social/Mobile marketing era”. A new world of marketing where the technology and new techniques settle into marketing. Focus is on being social and building up a connection with the customers through communication.

Relationship marketing is a part of the customer relationship management with a focus on loyal customers and building long-term relationships instead of short-term objectives of acquiring the customer or just individual sale. It is meant to create a bonding that is strong enough to lure the customer over to the company’s products or services and in turn loyal to it. This connection of the customer and brand helps the company to satisfy a long-term growth and generate more leads in the future.

In this new era of marketing that has gone beyond traditional to modern with the use of technology and

various other electronic techniques, the ways to approach the customers and reach have expanded. This has increased competition to a whole new level. Customers have also started reacting and participating in conversations which has led to a better communication. With all the convenience of reaching out to the customer comes a great pressure and challenge of achieving a good relationship with them

Social media one of the most talked topic these days and can either build a brand or destroy it to bits and pieces. It is a collection of all communication channels that can be reached online with their main dedication to input from the communities, sharing of content and various collaborations. Social media marketing is proven to a be a very powerful way for the businesses of all types in reaching customers and potential customers.

Social media helps the company to build strong relationship with the customers by approaching them online and also offering them with the content that is based on their own taste, interests and likes. It has created a whole new technique to achieve long term loyal customers.

Hence this study focus on adoption of social media by Food Ordering & Delivering companies for successful development of Relationship Marketing

LITERATURE REVIEW

The market for the food delivery has changed and the changing market for food delivery has indicated that online penetration in the total food delivery market broke about 30 percent in the year 2016 and the rates are expected to grow substantially as the market moves towards maturity and eventually touch up till 65 percent per year (Carsten Hirschberg et al, 2016). There are many new entrants in the industry like Food Panda which is here to stay (Shiyin Chan,2015). According to report that was published by Indian Brand Equity Foundation, food segment is one of the biggest segments in India's retail sector which is valued to be \$490 bn in 2013. This food retail market in India has an expectation to reach INR 60 lakh crore by the year 2020. The food processing industry in India has accounted for about 32 percent of the country's total food market, ranked at fifth position on the basis of production, consumption and future expected growth. The online food ordering business started at a low pace but is increasingly growing. The Indian food business has a worth of \$48 billion, of which food delivery is at a value of \$15 billion.

The survey conducted for the best 326 United States restaurant revealed the industry slowly taking up electronic ordering, in various forms like online, smart phone, and textual orders (Sheryl E. Kimes, 2011). Mostly all restaurant establishments have a page or some presence on Facebook, but very less and about 3 percent had permitted ordering through that channel. There were many desirable features of ordering electronically including boosted sales, keeping in light the automated up selling and storage of the customer preference information so if customers are influenced and want to repeat the order then they can do it through a click. The disadvantages are there too with the important one being coping up with the rush hour and maintaining the kitchen all along. Also keeping the mind to the attached costs of running operations and installations. Separation of orders and assembling them in different queues is one of the ways to manage the problem.

The factors which are expected by the consumers while ordering the food online through apps, (Ramesh Kumar Bagla & Jasmine Khan,2017). keeping India in the context and keeping the trending applications like Swiggy, and Zomato in scenario are less duration to get the food ready, varieties that were available, gifts and rewards including cash back. There has also been seen a scope for the improved customer levels of satisfaction through an understanding of the tastes and their expectations in detail and making more engaging and attractive offers while they order their food online.

Soham trivedi, 2018 in his article talks about an added convenience to the customers through the introduction of the e-commerce and the e-business as they tend to simply the whole process with minimizing the problems of obtaining food. The percipience of the customers is being given a shape in this new era of upgraded technology and information and it is being directed towards the assurance towards the food delivery over the Internet. The expanding business of online food ordering and the increasing number of orders has increased the dependency of the consumers on the Internet. This study hence looks towards introducing the importance of food in the daily lifestyle of people and the convenience that is being provided by various online platforms in procuring it.

OBJECTIVES

The objectives of the study are as under:

- Determine means to enhance the customer loyalty by the use of social media
- Determine factors that customer values the most when interacting with the company.
- Provide recommendations on gaining a better customer base and customer loyalty in the future

- Testing customer engagement with the company in current scenario.

RESEARCH METHODOLOGY

Research design:

For the purpose of study both Exploratory Research design along with descriptive research design was implemented.

Mode of Data Collection:

Both primary as well as secondary mode of data collection has been used.

Research sample:

- *Sample Size:* 270
- *Sampling Technique:* Convenient Sampling
- *Sample Composition:* All educated internet user of food service apps

Data Collection Tool:

As the data is collected through the use of both sources (primary and secondary). The respective data collection tools are as under:

- Secondary Data Collection Tool: Data collection has also been done by the use of secondary data that is available in various magazines, journals, newspaper articles and on the internet.
- Primary Data Collection Tool: A survey of was carried out to discover the relationship of the customers with the online food delivery companies. A questionnaire was prepared to collect the information from the visitors through Internet by the use of Google forms.

Data Analysis Tool:

For the purpose of data analysis percentage analysis was used and visual aid like bar graphs were used to display data using excel. Also IBM SPSS Statistics 21 software was used for correlation, t-test and factor analysis

DATA ANALYSIS & INTERPRETATION

Cross tabulation for cause of interaction through social media

			Use of Social Media					Total	
			Offers	Contests	Information	Interactions	Complaints		Other
Social Media Platforms	Facebook	Count	105	92	87	58	31	33	173
	Instagram	Count	83	90	77	46	31	29	147
	Twitter	Count	26	32	36	25	24	19	57
	Other	Count	5	6	3	5	3	5	9
Total	Count	125	119	117	71	45	42	225	

X: Interaction with websites through Social Media Platforms such as Facebook , Instagram , Twitter and Others .

Y: Use of Social Media Platforms for various reasons such as offers , contests , information , interaction , complaints and others.

Interpretation: Table1 suggests that maximum users i.e. 105 make use of Facebook to get updates about offers introduced by the company . Other than offers , users also majorly connect with the companies on all the platforms for contests , information and interaction . They hardly use any other platforms .

T-test for satisfaction with overall experience

H0:Customers are not satisfied with their overall experience .

H1: Customers are satisfied with their overall experience.

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
How satisfied are you with your overall experience?	240	2.80	1.002	.065

One-Sample Test

	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
How satisfied are you with your overall experience?	43.370	239	.000	2.804	2.68	2.93

Interpretation: According to the observations, alternate hypothesis shall be accepted . Since the significance level is .000 which is less than Alpha i.e. 0.05 , it means that there is enough evidence to reject the null hypothesis in favour of alternative hypothesis .This proves that there exists overall satisfaction amongst the respondents .

Factor Analysis:

H0:There is no significant relationship between factors affecting the interaction of the customer with company.

H1:There is significant relationship between factors affecting the interaction of the customer with company.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.848
Bartlett's Test of Sphericity	Approx. Chi-Square	751.973
	df	15
	Sig.	.000

Interpretation:

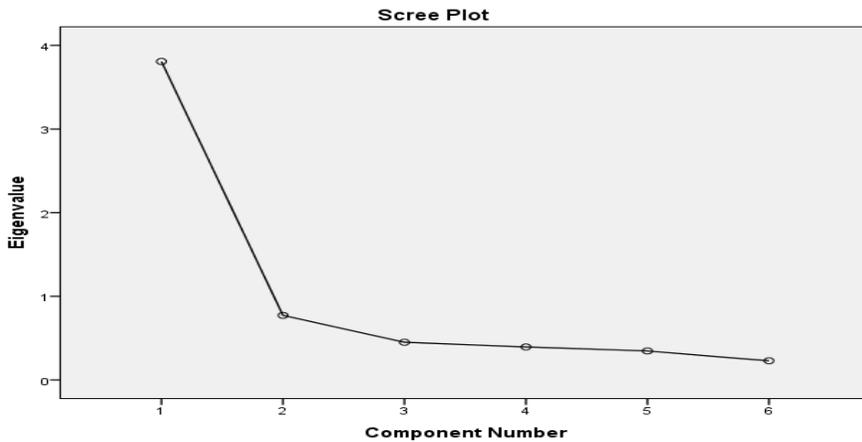
Kaiser-Meyer-Olkin Measure of Sampling Adequacy :The result for this test is .848, which is more than 0.8. Hence, this result is a measure of sampling adequacy, which indicates that factor analysis is useful for the given data.

Bartlett's Test of Sphericity : $\alpha = 0.05$ at 95% level of significance. P- value (Sig.) for the given data is .000 which is less than .05 indicating that factor analysis is the right

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.808	63.464	63.464	3.808	63.464	63.464
2	.772	12.869	76.333			
3	.450	7.506	83.839			
4	.394	6.573	90.412			
5	.346	5.770	96.182			
6	.229	3.818	100.000			

Interpretation: As maximum variance is explained by a single component i.e.,64% hence a single component model is acceptable



Interpretation: The scree plot reveals that all 6 factor comprises a single component and the component is uni-dimensional in nature. Hence all 6 factor together determines interaction with the company thus alternate hypothesis is accepted

Component Matrix^a

	Component
	1
How would you rate your interaction with the company on the basis of the following aspects :- Timely delivery	.755
How would you rate your interaction with the company on the basis of the following aspects :- Quality	.817
How would you rate your interaction with the company on the basis of the following aspects :- Timely Information	.838
How would you rate your interaction with the company on the basis of the following aspects :- Query handling	.837
How would you rate your interaction with the company on the basis of the following aspects :- Follow up	.795
How would you rate your interaction with the company on the basis of the following aspects :- Ease of use	.733

FINDINGS & DISCUSSION:

The findings achieved on the basis of data analysis for each of the objective of the study are as mentioned below:

• Determine means to enhance the customer loyalty by the use of social media:

Customer Loyalty can be enhanced by using social media via:

- **Usage of Facebook among other social media platform:** As it can be seen through the responses that the customers connect to the companies over the social media where in Facebook is the social media platform where most of the interactions take place. The cross tabulation also reveals that maximum users i.e. 105 make use of Facebook to get updates. It can be said that customers can be turned loyal and potential customers can also be approached by use of social media especially Facebook
- **Providing frequent offers & contest:** Most of the customers follow the companies for their interest

in the offers and contests that are held by the company. Also through the cross tabulation It is suggested that maximum users to get updates about offers introduced by the company. Other than offers, users also majorly connect with the companies on all the platforms for contests, information and interaction. So enhancing the communications through the Social media platform especially Facebook can bring in more results while also bringing the other social media platforms to life.

- **Frequent Interaction & query handling via social networking sites:** Social media can help the company to connect with the customers and build relationships with them through the interactions over social media. Most of the content could be shared to enhance the interests of the customers in other areas while also keeping a focus on the offers and contests that are listed

• **Determine factors that customer values the most when interacting with the company:**

Respondents in the study were asked to rate their interaction with the company on 6 factors that measure interaction with company which are Timely delivery, Quality, Timely information, Query handling, Follow up, and Ease of use.

Though each of the factor has a great influence on the interactions, Timely delivery has the most significant amount of interactions generated between the company and the customer. Companies need to maintain their timely delivery and ensure customer satisfaction and relationship management. While other factors should also be kept in mind as they too affect the interaction. Quality of the service should be enhanced, the information should reach the customer in time, the query handling should be all planned and satisfactory, the follow up with the customer should be on a good level, and the ease of use of the services should be enhanced to gain more interactions.

• **Provide recommendations on gaining a better customer base and customer loyalty in the future:**

- **Focus on Youth & Provide offers that attract them:** In India, youth has been involved in technology and the survey, results prove that most of the young generation i.e., youth crowd are involved with ordering the food via Internet compared to Older generation i.e., the mature crowd as they aren't much techno savvy. The increase in the number of smartphones and Internet connectivity in India has also increased the number of online orders for food. Through the research it was discovered that most of the respondents, who order food online, belonged to the age group of 18 to 25 years of age.
- **Keep a check on the Industry Leader Offerings :** Most of the responses were in favor of usage of swiggy and zomato, for ordering the food online. Swiggy and zomato are the industry leaders and have grown a lot in the recent years. They are inviting a lot of investment in the sector and improving and developing it for future.
- **Focus on gaining New Customers Loyalty:** Through the research we can see that more people have started ordering recently in the time frame of 6 to 12 months and have plans to be associated for long.
- **Increase usage of Social Media :** The customer base can be expanded and they can be turned loyal through the proper use of social media. The general use of social media to connect with customers is a helpful tool in turning the customers. Social media can be used to engage the customer with a dynamic feed on the platform which engages the interests of the customer. There are also different techniques like the use of chatbox to enhance the customer experience by redressal of the complaints of the customer.
- **Usage of Social Media for Promotion:** Also social media can be used as a marketing tool through showing off the reviews of the customers who have rated and reviewed the services. Good reviews can expand the customer base and enhance the loyalty.
- **Instant Query Handling using social networking site:** Proper attention to the customers in less time period through social media is convenient and helps to raise satisfaction levels of the customer.

• **Testing customer engagement with the company in current scenario:**

Customer engagement can be tested via:

- **Interaction with the company:** The customers rated the aspects that affected their interaction with the company. While Quality, Timely information, Query handling, Follow up, and Ease of use affect the interaction level of the company and the customers, the most significant interaction level is achieved through the Timely delivery aspect.
- **Impact of grievance redressal on satisfaction:** Through the t- test it is also proved that there exists overall satisfaction among the customers. There also exists a very little co relation between the redressing of the problems and overall satisfaction of the customers.

- **Usage of social media especially Facebook:** Now the engagement of the customer can be seen through the social media and the factors that interests the customers to engage with it.
- **Providing Offers & Contests via Social Media:** Offers and contests have been marked as the factors that interests the customers to follow and engage with the companies over the social media. Many customers are seen to be connecting with the companies over social media where in the social media platform of Facebook is the most proffered one than others, which is followed by Instagram. Customers are interested in the offers and contests among the dynamic feed on the page of the company.
- **Usage of Facebook for Interaction:** Through the cross tabulation it is seen that Facebook stands at the top when a connection is to be build up with the customers at social media platforms. Most of the youth (age group of 18 years to 25 year) has ordered food online and engaged or interacted with the companies.

Current Scenario: Presently the most preferable Food ordering and delivering companies are swiggy and zomato. The customers have grown the most in the last 6 to 10 months and have said that the customer relation policy of the company is good. They are also happy as their problems are getting noticed and attended through the concerned staff of the companies. The engagement has grown and needs to be maintained and hiked to a greater level to help the companies achieve better relations with the customer.

RECOMMENDATIONS

- **Redressal of complaints/problems:** Attention to the customer and his feedback is always an important part for the company to observe. So redressal of complaints is necessary and the companies should put their focus on this aspect also. Customer care lines should not be difficult to reach and they should have chatbots to help manage time.
- **More offers, more contests and an informative feed:** Customers are attracted to communicate with company through Facebook and the companies should focus on giving them more reasons to interact to build up relations. They should be creative in building relations with the customers and the potential customers in order to gain their loyalty.
- **Better delivery time:** As the research shows that better delivery time is a factor that is most important and of value to the customer so the company should focus on this factor to be more successful in the business and expanding it's customer base. Also to increase the satisfaction level of customers, this should be considered.
- **Expand the reach on Instagram and other social media:** Since the customers are not reaching out on these platforms much. Companies should consider using these to get more and more share of the customers to connect with them on this platform.
- **Use Facebook to the maximum:** Facebook is the most preferred platform by the respondents to connect over the social media. The resources must be put in management of facebook to maintain customers and creating content to build good relationships with them. A loyal customer base helps in growth 54 Chapter

CONCLUSION:

Internet connectivity has grown a lot past a year due to affordable mobile data pack offers making India the most affordable country in terms of money for accessing the Internet. With the growth of the technology and affordability, more people are accessing Internet all over India. People are moving on from traditional ways of ordering food towards the digital platforms and using online food ordering apps to get food at their convenience. Customers are also engaging with the company over social media platforms where the most preferred among various platforms is Facebook followed by Instagram. Customers are attracted towards company's dynamic and interesting feed in social networking platforms along with various informative offers and contests offered by companies in these platforms. People also are found investing their time in connecting with the company through social media platforms. Thus companies are using this as an advantage to get along with the customer and build up a connection with them to turn them into loyal ones.

Companies are providing solutions for the problems and issues raised by the customers, which help the customers to improve their over all experience resulting in a higher level of satisfaction. The engagement has grown and needs to be maintained and hiked to a greater level to help the companies achieve better relations with the customer. Social media can be used to engage the customer with a dynamic feed on the platform which engages the customer. There are also different techniques like the use of chatbox to enhance the customer experience by redressal of the complaints of the customer. Companies need to maintain their

timely delivery and keep it on satisfactory levels to help the relationship with the customers. While other factors should also be kept in mind as they too affect the interaction. Quality of the service should be enhanced, the information should reach the customer in time, the query handling should be all planned and satisfactory, the follow up with the customer should be on a good level, and the Ease of use of the services should be enhanced to gain more interactions.

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FIGURES:

The figures are pictorial representation of responses obtained for various questions

Figure 1: The applications used for online food order

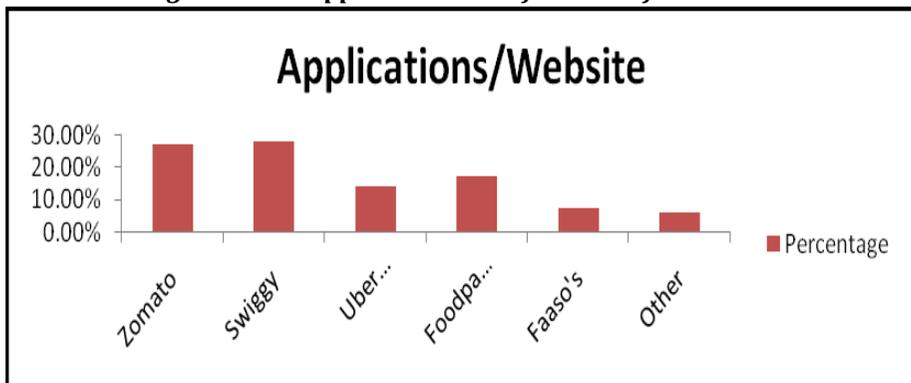


Figure 2: Likeness of the customer relation policy:

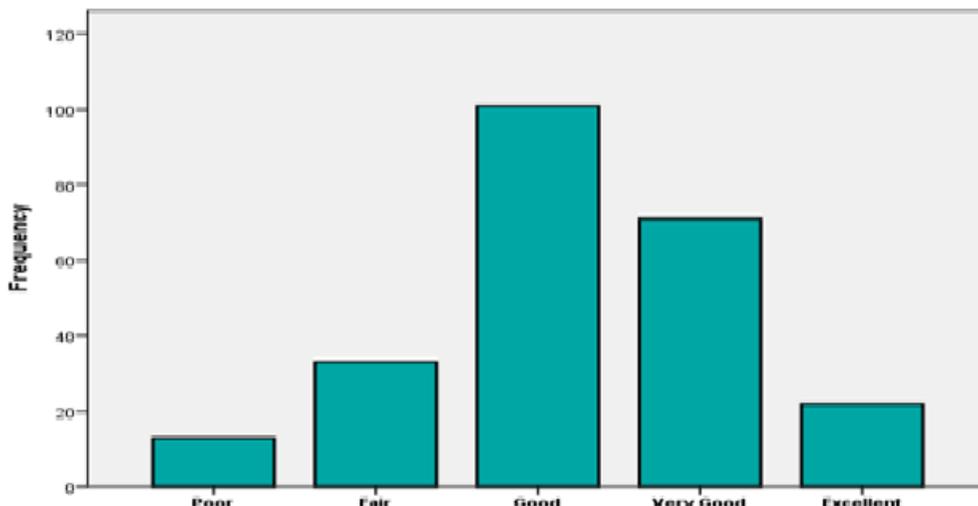


Figure 3: Proper attention payed for problems raised:

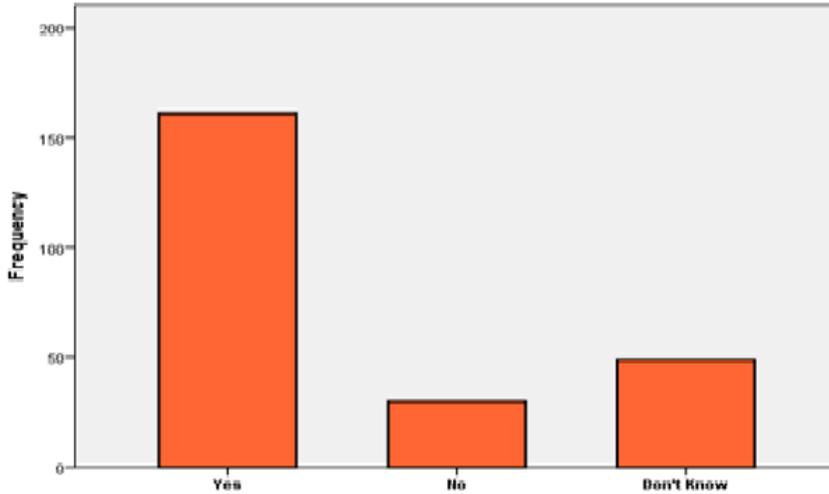


Figure 4: Continued association with application in future:

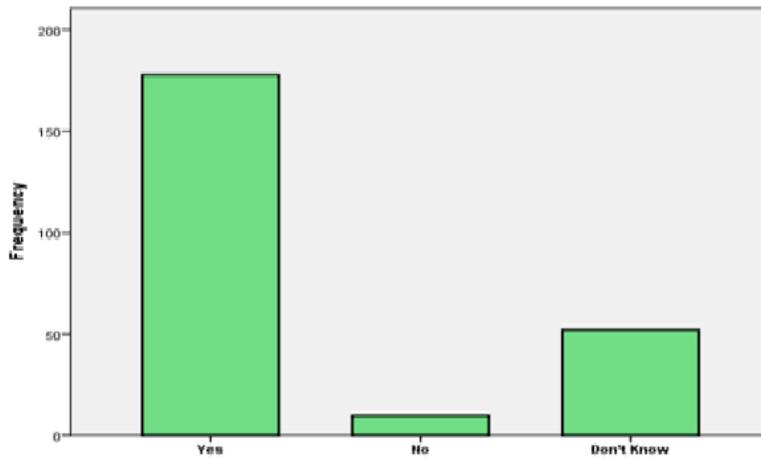


Figure 5: Satisfaction with overall experience:

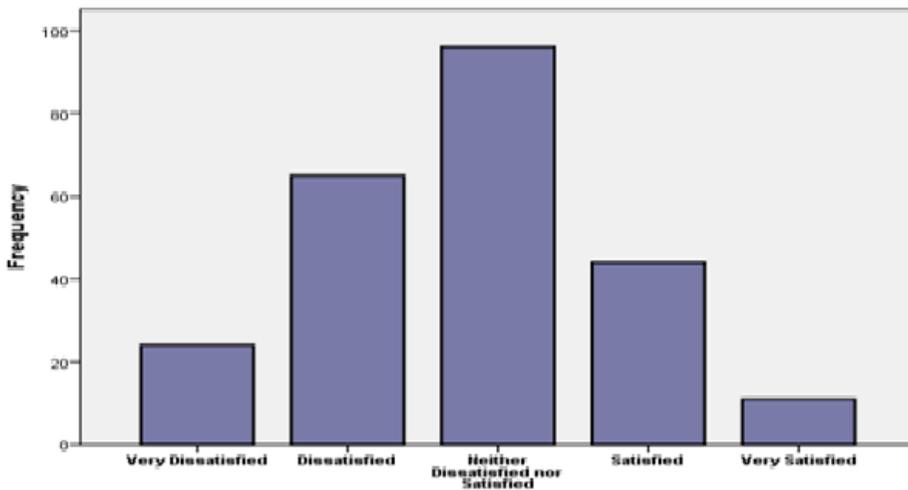


Figure 6: Connection with the company over social media:

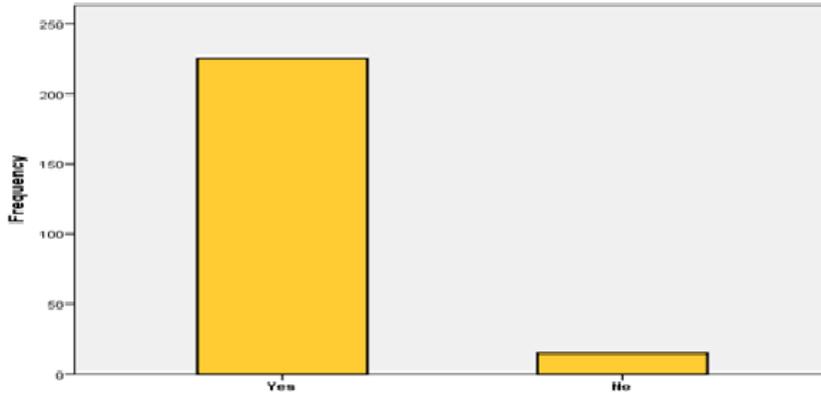


Figure 7: Social media platform used for connecting with the company

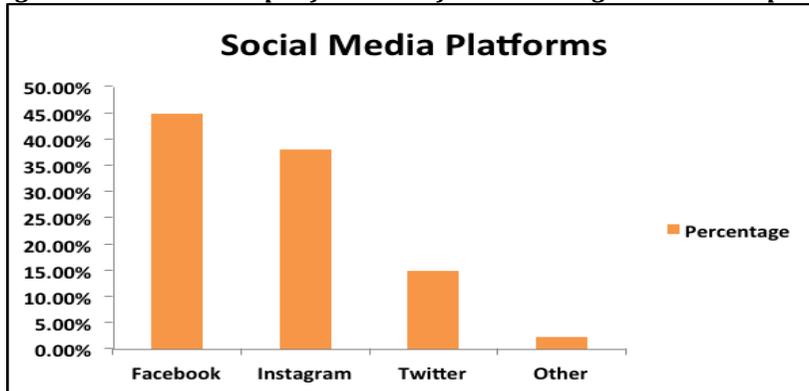
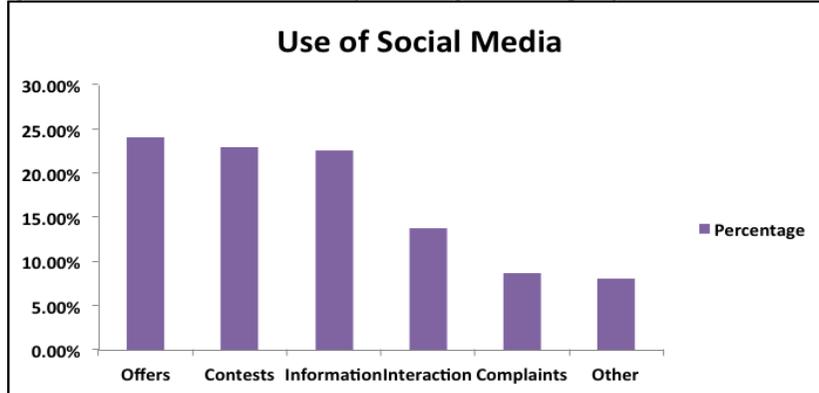


Figure 8: Factor that Interests following the company over social media



TABLES:

Table 1: Age Group of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 18 years	12	5.0	5.0	5.0
	18 to 25 years	111	46.3	46.3	51.2
	25 to 35 years	93	38.8	38.8	90.0
	More than 35 years	24	10.0	10.0	100.0
	Total	240	100.0	100.0	

Table 2: Duration of association with the company

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Less than 6 months	58	24.2	24.2	24.2
6 to 10 months	75	31.3	31.3	55.4
10 to 12 months	70	29.2	29.2	84.6
More than a year	37	15.4	15.4	100.0
Total	240	100.0	100.0	

Table 3: Would you recommend the company

	Frequency	Percent	Valid Percent	Cumulative Percent
Definitely will not recommend	16	6.7	6.7	6.7
Probably will not recommend	52	21.7	21.7	28.3
Undecided	99	41.3	41.3	69.6
Probably will recommend	47	19.6	19.6	89.2
Definitely will recommend	26	10.8	10.8	100.0
Total	240	100.0	100.0	