

Consumption of online food app services: An exploratory study among college students in Dubai

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Abstract

There is an unprecedented increase in the consumption of online food ordering services using smart phone apps across the world. Most of the residents in the UAE own smartphones and there is a greater use of several android and iOS based application for accessing and utilizing several services. Several online apps are available for ordering food for home delivery in UAE. The purpose of this study is to explore the extent of use of online food apps among the expatriate college students in Dubai. A sample of 45 college students participated in a survey. The survey included questions such as how the consumers use online food ordering apps, their level of satisfaction in the use of online food ordering apps, how much they spend for the purchase, what type of food they order and for how many people they normally order food. The findings of the survey revealed several interesting findings which have important implications for the restaurants and online food ordering app businesses.

Key words: online food app services

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Introduction

In recent times, the use of online food ordering apps have greatly increased and have started spreading rapidly. Though the concept was started by a few apps in the beginning, now more and more food apps have started their operations across various geographical locations. The expansion of such apps has also shown a rigorous growth in the Middle East countries such as the United Arab Emirates. The expansion of such apps across so many countries often leads to the question as to how the services from these apps have affected the consumer's perception about dining in restaurants. Since these apps offer an enormous amount of services to a customer from ordering to payment of the food, how have these services led to a change in the consumer's perception about a restaurant? To answer such questions, this paper reports the findings of an exploratory study in Dubai to understand consumer behavior towards the use of online food app services. We also provide the overview of the services of major online food app services such as Zamato, Talabat and Uber Eats .

Overview of online food app services

Zomato

Zomato is an online food ordering application that has gained immense popularity in a relatively short period of time. It was founded in 2008 by two Indian entrepreneurs Deepinder Goyal and Pankaj Chaddah. Zomato has provided numerous benefits to the customers who want to have the ease of ordering food through online medium and hence Zomato became a common name specifically with food lovers. Zomato makes the whole ordering process very easy for the customers.

Zomato helps the customers to discover the restaurants and eateries nearby to their location due to which the customers get ample number of options to choose from. Since Zomato provides the menu of the individual restaurants along with the reviews of the customers who have already visited the restaurants and the actual pictures of the food served, customers have the convenience to browse through all the elements of the restaurant online and order as per their convenience by looking at all the options available. In this way, Zomato helps the customers to make an informed choice (Varshney, 2017).

Zomato is not just restricted to making online orders but it also helps the customers in the reservation of table which is again a highly beneficial feature for the diners who would like to go out to the restaurant and dine there. In this way, Zomato makes the dining process smoother for the customers.

Zomato is always willing to reinvent so that it does not stagnate its position among the online food ordering portals. It keeps on adding features that attract the diners to their website and that the diners do find beneficial. Zomato started with a feature called Zomato Treats where the subscribers get to have a free dessert with every meal that they order online with the participating restaurants. Though this feature is made available only in India and UAE currently, Zomato Treats garnered to achieve 10,000 paid subscribers with the involvement of 2,500 partner restaurants in multiple cities only in a period of 4 months. Zomato Treats received positive feedback from the customers and it again managed to cross 21,500 subscriptions from the launch of Zomato Treats in a period of 4 months (Varshney, 2017).

Zomato offers a good number of benefits to the customers who become a paid member of the website. The benefits depend on the package that is bought by the individual customer but all paid members are entitled for some or other benefits which are as follows:

- Just like a Facebook page, the paid members get to have their own landing/customized profile page where the user can even add a cover photo that describes his/her food personality.
- You can show your Facebook feed, movement occurring on your Facebook fan page on the right hand side of the profile page to build client engagement.
- Paid members have an alternative to promote services of their restaurant on the right hand side of their Zomato account. The standard advertisement in the red shading stays all the time regardless of where the user scrolls which along these lines get greatest attention.

- Paid members have a chance to track the points of interest of their calls steered through the Zomato framework. They can tune in and comprehend what sort of customer services are being given by their staff. The calls can be followed for quality purposes.

- Organizations can put a banner advertisement on Zomato in the event that they wish to. Generally, new organizations use this alternative to get noticed among target audience of customers. Established organizations likewise use this option to create more deals and offers.

Uber Eats

Uber Eats is an online food ordering app that was launched first in Los Angeles, USA in the year 2014. The company originally started as Uber Fresh and later changed its name to Uber Eats. Uber, which is a well-known ride sharing app based company decided to try their hand in delivering food as well because they believed it would be a good opportunity for them to diversify the brand into a different venture. Uber did not want to restrict itself in the terms of only mobilizing humans with its fleet of cabs but it also wanted to go ahead with the idea of mobilizing fresh food. Initially, Uber Eats started with delivering meals only during the lunch time but with time they decided to change it as an app that delivers fresh food both during lunch and dinner times. When a customer orders food through Uber Eats, a well-trained Uber driver will deliver the ordered food in special lunch bags which keeps the food items as either very hot or very cold depending upon the food item. The customers can conveniently track the progress of their order on their mobile screen (Carson, 2016).

Uber Eats introduced a special feature in the app which is called instant delivery option. Under this feature, the customers can order food through the app that would reach them within a time span of 10 minutes. However, this option was only available for lunch hours between 11am till 2pm during the weekdays. For incorporating this feature into the app, Uber had to make special arrangements with the partnered restaurants for the scheduled pick up at the restaurants before 11am (Alba, 2016). There's additionally a different driver base taking care of Uber Eats conveyances, which is not part of the group of normal Uber drivers who pick up individual customers in their cabs. Drivers can switch between modes openly, by signing into and out of the application (Alba, 2016).

In today's market dynamic, Uber Eats appreciates an upper hand that others don't have: Uber's driver (or biker in a few sections of Asia) network. Since it can use its current system of drivers to give conveyance, it can give conveyances from eateries that for the most part don't deliver, and can even give a superior client encounter by indicating precisely where the food is. Basically, due to Uber's foundation, Uber Eats can use that coordination's system to give quick and proficient conveyance benefit at a lower cost. Uber's image name and monetary record likewise give another preferred standpoint in promoting and giving rebate coupons to pull in more clients (Bae, 2018).

Uber Eats expanded in India by first setting up their base in Mumbai. Though the giants such as Zomato and another online food ordering app called Swiggy already made their mark in India, Uber Eats believed that such apps had created a

market that never existed earlier in India and for this reason Uber Eats found the opportunity perfect in India to popularize their app (Kashyap, 2017).

Uber Eats has started to expand in various countries worldwide after a successful run in all the countries where it began its operations in the initial phase. It has started expanding its operations in countries of the Middle East, Europe and Africa as Uber Eats is optimistic about the amount of profit generated in these countries. It is planning to start off its services in countries like Ireland, Egypt, Kenya, Ukraine, Romania and Czech Republic. Along with these cities, it is also planning to start its operations in around 40 cities in UK and 35 cities in France. Though the investment amount chosen for expansion has been kept confidential, it is believed to be a very big investment. Along with focusing on the expansion plans, Uber Eats is also re-focusing on the markets that it is already covering as it wants to continuously upgrade its brand image. At the end of the year 2017, Uber Eats alone contributed to 10% of the gross revenue of the company which amounted to be around 1.1\$ billion in the fourth quarter of the company (Ram, 2018).

Talabat

Talabat is an online food ordering platform that enables clients to discover eateries in their general vicinity, channel by food, peruse menus and put in their requests with a choice of online installment or cash on delivery option. They offer their unique services through work areas and portable applications for iPhone, Android, iPad and Windows.

Talabat was established in 2004 by a gathering of youthful business visionaries who exploited the online sustenance requesting opportunity that existed in the Kuwait showcase. After 10 years, they turned into a pioneer in the online food ordering business in the GCC area. They are situated in Kuwait working crosswise over 7 nations: Kuwait, Kingdom of Saudi Arabia, United Arab Emirates, Oman, Bahrain, Qatar and Jordan. Their fundamental point is to wind up and remain the market pioneer in the MENA locale by expanding their administrations portfolio and giving best-in-class client encounter (Talabat, 2018).

Talabat makes it simpler for restaurants and clients to lead business easily with each other. The advantages of their online eatery conveyance organize incorporate the following benefits:

- Effectively scan for customers' most favorite restaurants by their preference of food from an extensive variety of restaurants available in the nearby locations of the customers.
- Refine customers search by cuisine preference, conveyance region, payment alternatives and other exciting offers.
- Ending the errors that exist because of telephone orders emerging from correspondence barriers.
- Customers can browse through food menus with proper finished pictures and depictions.
- It allows customers to benefit from different promotions and rebate offers from restaurants close to them.
- Customers can modify their request by scheduling the food delivery options for later time periods.

- Customers can modify their ingredients request about their food items.
- Customers can save different delivery locations in their Talabat account for a quicker checkout.
- It lets the customers rate and audit their experience with the website/app order.
- Customers can make a brisk request when they are hungry without signing in through the app.
- They offer 24/7 live chat support for any help that you may require with food ordering request (Talabat, 2018).

With so many advantages to offer, Talabat has managed to create a distinct competitive market in gulf regions including UAE. Hence, it is already giving stiff competition to the majority of the big food ordering apps such as Zomato and Uber Eats in Gulf countries.

By observing the case of the above food apps, it is clearly shown that all the 3 apps possess different services from each other. Each app is trying to attain a certain customer base and therefore the service blueprint for all of them will be different from each other. Each service app is trying to fill in the gaps by providing the best service and the most unique service so that they are not only able to meet customer's expectations but also exceed them. This is the reason that all apps try to add more and more features to the existing services so that customers feel delighted to use them and use the app as loyal customers.

Methodology

The purpose of this study was to explore how the services from online food ordering apps such as Zomato, Talabat and Uber Eats influence the customer behavior in terms of ordering food from the app or choosing to dine in a restaurant. For this purpose, an anonymous questionnaire was designed to collect the data in the form of standard survey collection method. The total number of questionnaires circulated for this study were 50 in number, however only 45 participants responded to the questionnaire, therefore N=45. As per the demographics of the respondents, males (n=15) and females (n=30) were involved in this survey. All the respondents were college students as the research was carried out in a college campus in Dubai, UAE. Since, college students are known to frequently order food from the restaurants and eateries, they were preferred to be ideal participants for this survey. All the respondents were between the age group of 22-30 years old. The whole questionnaire was designed online on Survey Monkey website as it was easier to send the surveys online through the website and the participants could answer the questions at a convenient time.

All 45 students who participated in the survey were originally based in India and live in hostels. The questions were mostly multi-choice and concerned the online food ordering habits of the participants. A few questions were designed in a way to specifically ask that how the customer satisfaction has changed through the introduction of the numerous online food ordering apps and how the fine dining concept has changed in the restaurants after the use of such online food ordering apps.

Results and Discussion

The collected survey data was analyzed using percentage analysis method. The analysis was performed for all the questions included in the survey. The first six questions of the survey were answered by all 45 respondents and the rest of the six questions were answered by 28 respondents who used online food ordering apps. The analysis revealed several important findings which would be highly useful generally for the restaurants and specifically for the restaurants who use online food ordering apps channels. The findings would also provide a number of implications to the companies in online food ordering apps business.

Responses of all respondents in the sample

The preferred mode of restaurant use is presented in Table 1. Nearly 69% of respondents prefer to have home delivery options while the remaining 31% prefer to dine in. As most of the students in the sample are expatriate Indians and live in hostels, it would be a costly affair for them to travel to the restaurant to have food. When any restaurant offers the facility of free home delivery, their cost of transportation is saved. That would be the reason for the majority of respondents to prefer home delivery in place of a visit to the restaurants for dine-in.

Table 1: Preferred mode of restaurant use

S.No	Prefers home delivery or dine in?	No. of respondents	Percentage
1	Visit to the Restaurant for dine-in	14	31.11
2	Home Delivery	31	68.89

Table 2 shows use of online reviews to choose restaurants. Around 78% of respondents confessed that the choice for them to dine in a restaurant is affected by the positive or negative comments that the customers leave on the online ordering apps while 22% of respondents are indifferent to it. This finding implies that the restaurants now should take the online reviews very seriously. They should encourage their happy customers to write the reviews on their website or on online food ordering apps.

Table 2: Effect of reviews for choosing the restaurant

S.No	Are you affected by the reviews online before deciding the restaurant?	No. of respondents	Percentage
1	Yes	35	77.78
2	No	10	22.22

Whether the consumers use online food apps for their plans to visit dine-in restaurants is shown in Table 3. Around 71% of respondents answered that they usually prefer to see the menu and photos of the food served in a restaurant before they make a choice to dine in their preferred restaurant. This finding suggests that the presence in online food ordering apps helps in consumer's decision making process to provide additional information about the restaurant which would encourage the consumers to visit the restaurants for dine-in service.

Table 3: Use of online food apps for visits to dine-in restaurant

S.No	Do you browse the menu and photos on apps before dining in a restaurant?	No. of respondents	Percentage
1	Yes	32	71.11
2	No	13	28.89

The respondents were specifically asked whether the online food ordering apps decreased their visits to dine-in restaurants and their response is presented in Table 4. Interestingly, around 76% respondents confessed that their restaurant visits have decreased significantly because of the introduction of the online food ordering apps. This finding highlights the significance of online food apps in impacting the sales through dine-in service in restaurant. This finding has several important consequences in the restaurant business model, as it functions not only on the basis of quality of food but also location of the restaurant and quality of dine-in service and ambience of the restaurant. When online food apps have the consequences of reduced visits to the restaurant, the investments and operational costs involved in maintaining aspects of the restaurant business model other than the quality of food need not be emphasized.

Table 4: Effect of online food apps on visits to dine-in restaurant

S.No	Have the online food ordering apps decreased your restaurant visits?	No. of respondents	Percentage
1	Yes	34	75.56
2	No	11	24.44

The mode of ordering food for having food at home is shown in Table 5. Out of 45 respondents, 20% opted for making direct calls to the restaurants and ordering food, 11% preferred placing order through websites and only 7% preferred direct walk-in option to the restaurants. The rest of the 62% of respondents preferred to order food using online food ordering apps. This finding shows the prevalence of the use of online food ordering apps among the students who live in hostels.

Table 5: Mode used for ordering food

S.No	How do you order your food for having food at home?	No. of respondents	Percentage
1	Direct call to the restaurant	9	20
2	Direct walk in	3	7
3	Use of online portal	5	11
4	Mobile app	28	62

Table 6 shows the word of mouth behavior of the respondents to online food apps. Around 58% of respondents have shown their intention to recommend the food ordering apps to their friends and family members. This finding shows the satisfaction and confidence among the users to vouch for the service of the online food ordering apps.

Table 6: Recommend for online food apps

S.No	Do you recommend your friends/family to use food ordering apps	No. of respondents	Percentage
1	Yes	26	57.78
2	No	19	42.22

Responses of users of online food apps

Table 7 presents the findings of the survey question related to a common brand of online food app that the respondents used. It was visible that 28 respondents preferred using online food apps to order their food out of which 71% alone used Zomato as their trusted online food ordering app with 18% respondents choosing Talabat and 11% respondents opting for Uber Eats. The finding highlights the popularity of Zomato among the college going students who live in hostels.

Table 7: App used for ordering food

S.No	Which app do you generally use?	No. of respondents	Percentage
1	Zomato	20	71
2	Uber Eats	3	11
3	Talabat	5	18

Consumer behavior in terms of size of the order is presented in Table 8. Around 61% respondents mentioned that they end up paying between 51-100 AED while the remaining 39% paid between 10-50 AED. This finding shows that the order size among the respondents are limited which implies the online food ordering apps should identify ways and means to increase the size of the order.

Table 8: Average amount spent in purchase through online food apps

S.No	Money spent on online ordered food	No. of respondents	Percentage
1	10-50 AED	11	39
2	51-100 AED	17	61
3	101-200 AED	0	0
4	<200 AED	0	0

Customer satisfaction towards online food apps is explained in Table 9. Out of 28 respondents using mobile apps for ordering food, 50% were highly satisfied, 21% were satisfied, 18% were neutral, 7% were dissatisfied and only 4% were highly dissatisfied. Broadly, it can be observed that around 71% of users of online food ordering apps are satisfied with the services.

Table 9: Level of satisfaction using online food apps

S.No	How satisfied are you with food ordering apps?	No. of respondents	Percentage
1	Highly Satisfied	14	50
2	Satisfied	6	21
3	Neutral	5	18
4	Dissatisfied	2	7
5	Highly Dissatisfied	1	4

The findings for the question whether respondents use promotion on online food apps is shown in Table 10. Among the respondents who use online food ordering apps, in terms of using the promotions of online food order apps, around 54% respondents frequently use it but still a significant 46% respondents do not use any promotions of food apps.

Table 10: Use of sales promotions on online food apps

S.No	Do you frequently use the promotions offered by online food apps	No. of respondents	Percentage
1	Yes	15	53.57
2	No	13	46.43

Situations when consumers use online food apps

The findings of the questions related to situations when consumers use online food apps for ordering food in terms of number of people for whom the food is ordered and for which type of food is shown in Table 11A and Table 11B respectively.

Out of 28 respondents who use online food ordering apps, 57% answered that they ordered food for 3-4 people, 25% respondents ordered food for 2-3 people and 18% respondents ordered for themselves. This is an important finding that uncovers the situation for which the students who live in hostels use food ordering apps. Interestingly, they don't order food if they want to have food for more than 4 people. This finding suggests that when they want to order food for than 4 people, it would be like a party and thus suggests that they would go for dine-in restaurants.

Table 11A: Size of the order – number of people

S.No	For how many people the food is ordered though app?	No. of respondents	Percentage
1	1	5	18
2	2 to 3	7	25
3	3 to 4	16	57
4	4 plus	0	0

Among the respondents who use online food ordering apps, 64% ordered food for dinner, 22% respondents ordered food for lunch, 7% respondents ordered food for snacks and 7% respondents ordered food for breakfast. This finding suggests that the respondents use food apps only in the evening for ordering dinner when they are relatively free in comparison to mornings and afternoons.

Table 11B: Type of meals ordered through online food apps

S.No	Which meal do you typically order through online app?	No. of respondents	Percentage
1	Snacks	2	7
2	Breakfast	2	7
3	Lunch	6	22
4	Dinner	18	64

Conclusion

Upon analyzing the results that we received from the survey, it is very apt to state that more and more students have become influenced because of the online food ordering apps as in all the questions, the majority of the respondents showed a higher favorability for online food ordering apps. Students are more in favor of Zomato app than the other apps.

Seeing the results, it can be inferred that Uber Eats and Talabat are still lagging behind Zomato as Zomato has a first mover advantage in terms of the market in Dubai. Though Talabat has a good number of offers and discounts for its customers, the efforts in their marketing activities may be lacking due to which the students are still not able to rely on it heavily and neither have they started using it well. Since the majority of the respondents confirmed that the choice for them choosing to dine-in in restaurants are affected by the positive/negative feedback, it has now become extremely important for restaurants to improve on their service levels as one item of negative feedback can pull away even their loyal customers to the competitors. Due to the increased use of technology and smart phones, all apps are within the reach of customers at anytime and anywhere therefore customers can make their choice very quickly by browsing the menu and photographs of the food served in the restaurant.

Since few respondents still prefer to call a restaurant directly to place an order, it might suggest that few customers still do not find any relevance in ordering through the apps as a lot of customers might not want to have the trouble of setting multiple accounts for such app services. Most of the respondents spend between 51-100 AED which is a reasonable amount in terms of ordering food for a group of people. The above results suggest that the concept of dining in the restaurants has started shifting to more home delivery concept because of the services offered by the food apps.

Based on the research conducted, it can be observed that online food ordering apps are proving to be a major influencer for a customer ordering food. After the introduction of such apps, more and more customers have started relying on them for every single detail about the restaurant. Now, the customers make perceptions about a restaurant before even visiting the restaurant personally by simply looking at the reviews, photographs of the food and the restaurant and menu displayed on these apps. The negative reviews for any restaurant by the customers can be very destructive as customers try to consult an app before planning to order food or dining in that restaurant and in the case of seeing negative reviews, the customers would be quick to change their decision about trying the restaurant. Therefore, it is now imperative for the restaurants to understand the mechanism of these apps and how customers

base their decision on these apps. Since an increased number of customers are getting familiar with these apps, restaurants should also try to benefit by partnering with these apps for food promotions so it can be a win-win situation for both the restaurant and the app. Though various customer segments can be targeted through these apps they certainly work very well with the student customer segment as students are usually on the lookout for food promotions and other food deals along with price comparisons. Therefore, these apps provide them with a suitable platform to fulfill their demands.

In terms of features, all apps are a little different from others in terms of providing services and this characterizes the USP (unique selling point) of the apps. Hence, all apps try to be different with their service blueprints as they need to gain competitive advantage for maintaining customer base. The services offered by these apps need to be strategically planned as customers now have a wide range of choice to choose from, hence, it is difficult to maintain a customer loyalty. Therefore, all these apps should be also prepared for an intense competition among themselves and the yet to be released apps that can even offer better services to customers in the future.

Limitations and Recommendations

Since the research is based on only a sample of 45 participants who are students, the results cannot be generalized for a large number of population living in Dubai. Also, the criteria for students while making choices about the food ordered from any app will be different to the criteria of families and other professionals working in Dubai. Therefore, the study should be conducted on a larger scale of participants to verify the results based in this study. Although, Zomato, Uber Eats and Talabat are the main food ordering apps available in the Dubai region, more apps such as Roundmenu, GuidePal, Evernote Food, FoodonClick, Foodspotting etc. are also present and further detailed studies using these apps should also be carried out so that it can be more visible as to how the services from these apps impact other customer segments that are not loyal to Zomato, Uber Eats or Talabat. Although 50 questionnaires were sent, 45 were received but since the questionnaire was sent through online medium, few recipients ignored answering the survey. For a broader spectrum of research, a greater number of participants could be involved to get a better idea of results.

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