

A Study On The Growth And Challenges Of Online Food Delivery Services

Dr. S. Kalpana Devi

Associate Professor, Department of Commerce Mata Sundri College for Women, University of Delhi.

The online food delivery industry in India has witnessed remarkable growth in recent years, driven by technological advancements, changing consumer lifestyles, and increasing smartphone penetration. This study aims to analyze the growth patterns, usage behavior, and key challenges faced by consumers and service providers in the online food delivery sector. Primary data was collected from 150 respondents to explore their socio-demographic profile, ordering habits, preferred platforms, payment methods, and satisfaction levels. The findings reveal that convenience, variety of options, and digital payment facilities are major contributors to the sector's growth, while challenges such as high delivery charges, delayed deliveries, and poor packaging affect overall consumer experience. The study also applies Garrett Ranking to identify the most pressing issues perceived by users. The results offer valuable insights for platform providers, restaurant partners, and policymakers to enhance service efficiency, address customer concerns, and support the sustainable expansion of online food delivery services in India.

Key Words: Online Food Delivery, service providers, payment methods, service efficiency.

INTRODUCTION

In recent years, the food industry has undergone a remarkable transformation due to the rise of online food delivery services. With the advancement of technology, increased smartphone usage, and widespread internet access, consumers now prefer the convenience of ordering food from the comfort of their homes. This shift in behavior has given rise to a highly competitive and rapidly growing digital food delivery market. Online food delivery platforms such as Swiggy, Zomato, and others have revolutionized the way food is consumed, especially in urban and semi-urban areas. These platforms offer users a wide range of cuisines, real-time tracking, digital payment options, and various promotional offers, which contribute to their growing popularity. However, alongside growth, several challenges persist. Issues such as high delivery charges, delayed deliveries, app glitches, order inaccuracies, and concerns over hygiene affect overall customer satisfaction. Moreover, understanding the consumer profile, ordering frequency, and preferences is essential for improving service delivery and customer engagement. This study aims to analyze the growth of online food delivery services, examine customer usage behavior, and identify the major challenges faced by both customers and platforms. By collecting and analyzing primary data, the research seeks to offer insights and

suggestions to enhance the effectiveness and sustainability of the online food delivery ecosystem.

REVIEW OF LITERATURE

Anupriya Saxena, (2019) this study shows that, Startups in India become a talk of the town in world business scenario. Youngsters are coming up with innovative concepts to counterpart untouched concerned area of consumers. Currently Indian Online food market is \$350 billion. Food technology in broad area, online food delivery apps are just part of it. This conceptual study will give more insight about emerging innovative technologies in restaurant industry and strategies followed by online food start ups Zomato, Swiggy. From this research paper we would understand drivers of online food sites. Different services given by application that makes consumers happy and satisfied. Comfort and Convenience which makes consumer more inclined towards online food ordering. The research concluded that due to urbanization in Indian landscape, online food delivery applications are growing with flying colors. Future of online food ordering website is bright. Facilities, Comfort, User friendliness are the key features of online websites success.

Niharika Nanaiah, P (2020) in this study, Food delivery apps are the fastest growing segment in India. Food delivery apps can be restaurant controlled, independent or online food delivery app services. Zomato was the first online food delivery service to enter India. It also provides exclusive services like reviewing restaurants, Zomato Gold, etc. which other food delivery apps do not provide. It is very convenient to the consumers due to the growing population having no time to cook or due to tight time schedules. The food delivery app services give a variety of payment options, which helps in the smooth transactions. They even have offers to attract a variety of consumers to use their app service. The millennial population are the drivers of the profitability of food delivery applications. Bangalore is known for its diverse culture. More than 50% of the Indian population are under the age of 25 years. This makes it an ideal demography to carry out a food delivery service. The study was conducted considering six colleges in Bangalore and their behaviour towards Food delivery applications. The paper aims at understanding the competition of Food delivery applications in Bangalore and the factors i.e., Restaurant Options, Delivery Time, Offers/Discounts, User Interface and Minimum Penalty that influence the frequency of using Food delivery applications.

OBJECTIVES OF STUDY

1. To know the demographic profile of the respondents in the study area.
2. To analysis the growth of online food delivery services in the study area.
3. To examine the challenges faced by online food delivery platforms.
4. To suggest strategic improvements for sustainable growth.

RESEARCH METHODOLOGY

The study is empirical and descriptive in nature. Both primary data and secondary data was used in the study. The primary data for study has been collected from 150 sample respondents

using a well-designed questionnaire. The secondary data has been collected from various books, journals, magazines, etc.,

DATA ANALYSIS AND INTERPRETATION

The analysis of data and its interpretation are shown in this section. The socio-demographic profile of the respondents are shown in the table 1.

Table 1 Socio-demographic Profile of the Respondents

Socio-demographic Variables	Categories	No of Respondents	Percentage
Gender	Male	83	55.3
	Female	67	44.7
Age	18–25	63	42
	26–35	54	36
	36–45	21	14
	46 and above	12	8
Educational Qualification	Under Graduate	52	34.7
	Post Graduate	46	30.7
	Professional	22	14.7
	Others	30	20
Occupation	Student	48	32
	Salaried	59	39.3
	Self-employed	11	7.3
	Others	32	21.3
Monthly family income	Below ₹15,000	24	16
	₹15,000–₹30,000	85	56.7
	Above ₹30,000	41	27.3
Area of residence	Rural	39	26
	Semi-urban	42	28
	Urban	69	46

Source: Primary Data

It is found that majority of the respondents are male (55.3%) than females (44.7%), indicating a marginal male dominance in online food ordering usage. A significant portion of respondents (78%) fall within the 18–35 age group, showing that younger adults are the primary users of online food delivery platforms. A majority are either undergraduates (34.7%) or postgraduates (30.7%), reflecting a well-educated respondent base likely to be familiar with using mobile apps and online services. Salaried individuals (39.3%) form the largest occupational group, followed by students (32%). Over 56.7% of respondents earn between ₹15,000–₹30,000 and 27.3% of the respondents earn above 30,000. 46% of the respondents live in urban areas, followed by semi-urban (28%) and 26% of the respondents are living in rural areas.

Table 2 Growth indicator of the online food services

Growth indicator	Variables	Respondents	Percentage
Frequency of Ordering	Daily	19	12.7
	Weekly twice	46	30.7
	Once a week	53	35.3
	Occasionally	32	21.3
Preferred Platform	Swiggy	78	52
	Zomato	72	48
Subscription Plan Usage	Subscribed to plans	48	32
	Not subscribed to plans	102	68
Order Timing Preference	Breakfast	18	12
	Lunch	48	32
	Evening snacks	22	14.7
	Dinner	62	41.3
Payment Mode	Digital payment (UPI/Card)	135	90
	Cash on delivery	15	10
Ordering Reason	Variety of choices	82	54.7
	Discounts available	19	12.7
	No time for cooking	22	14.7
	Convenience	27	18

Source: Primary Data

The majority of the respondents order once a week (35.3%) or twice weekly (30.7%), indicating a strong and consistent usage pattern. Only 12.7% order daily, while 21.3% use the service occasionally. 52% of the respondents use Swiggy and 48% of them use Zomato for ordering their foods. Only 32% of respondents use subscription plans, while 68% do not. Dinner (41.3%) is the most preferred time for ordering food, followed by lunch (32%). Very few users order during breakfast (12%) or for evening snacks (14.7%). 90% of the respondents prefer digital payment method and only 10% prefer cash on delivery method. 54.7% of the respondents using online food delivery is for the variety of choices available, followed by convenience (18%). A smaller segment orders due to lack of time for cooking (14.7%) or attractive discounts (12.7%).

Table 3 Challenges Faced by Online Food Delivery Platforms – Garrett Ranking

S.NO	Challenges	Mean Score	Rank
1	App glitches or technical issues	45.47	6
2	Delayed delivery	53.20	2
3	Unavailability of items	46.53	5
4	High delivery charges	56.93	1

5	Poor food packaging	51.32	3
6	Order inaccuracy (wrong/missing items)	48.20	4
7	Lack of hygiene or quality complaints	43.87	7

Source: Primary Data

The Garrett Ranking analysis highlights several critical issues affecting customer satisfaction in online food delivery services:

High delivery charges emerge as the Rank 1 with the highest mean score (56.93). Delayed delivery is ranked 2nd with the mean score of 53.20 and poor packaging are ranked 3rd with a score of 51.32. Order inaccuracies like missing or wrong items rank 4th with the mean score of 48.20. Unavailability of items ranks 5th with the mean score of 46.53 and technical glitches ranks 6th with the mean score of 45.47. Hygiene and quality concerns, though important, ranked last with the mean score of 43.87

SUGGESTIONS

- As high delivery charges were ranked as the most critical challenge, online food delivery platforms should explore cost-sharing models, offer free delivery thresholds, or introduce more flexible subscription plans to retain customers.
- With delayed deliveries ranked second, companies should strengthen their logistics operations, improve real-time tracking, and increase delivery partner efficiency through training and optimized routing.
- Encourage customer feedback and respond promptly to increase trust and loyalty.
- As many users are still not subscribed, platforms should simplify subscription benefits, offer trial periods, and use push notifications to promote long-term savings.

CONCLUSION

The study successfully analyzed the current trends, growth patterns, and challenges associated with online food delivery services. The findings highlight that the sector has experienced substantial expansion, primarily due to increased internet penetration, the convenience of digital platforms, and changing consumer lifestyles. Most respondents, particularly young and urban users, frequently utilize these services for their ease, diverse food options, and time-saving benefits. The popularity of platforms like Swiggy and Zomato underscores the competitive nature of the market and the importance of maintaining service quality and innovation. However, the research also uncovered several persistent challenges that hinder customer satisfaction. Key issues such as high delivery costs, delayed service, packaging problems, and occasional app-related glitches must be addressed to retain user trust and loyalty. In conclusion, while the online food delivery industry shows promising growth, sustaining it requires focused efforts on improving operational efficiency, affordability, and

service reliability. With proper strategic planning, technological enhancements, and customer-focused initiatives, online food delivery platforms can further strengthen their presence and deliver value to a broader consumer base.

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