A STUDY ON THE IMPACT OF COVID-19 ON HOME DELIVERY OF FOOD ITEMS THROUGH FOOD DELIVERY PLATFORMS

Ashish Kumar

Symbiosis Institute of Management Studies,
Symbiosis International (Deemed University), Pune, India.

Abstract:

In today's COVID hit world all business small or large has taken a hit either positively or negatively. Furthermore, the lockdown imposed due to coronavirus also caused people to switch to online buying of groceries and essentials. This study will focus on the willingness, acceptance, and changes in the pattern of people to online delivery related to food items and edibles. In this study secondary data has been used from past researches conducted by various researchers and different papers from various authors have been reviewed to make this paper successful. The study includes almost every factor to study the impact of coronavirus on acceptance of food items home-delivered.

1. Introduction:

The COVID-19 pandemic has wreaked havoc on most facets of life, including people's ability to access products. Consumers have been held at home due to government-imposed lockdowns, preventing regular shopping habits, and many brick-and-mortar businesses have closed. Pharmacies and grocery stores, for example, have stayed open but with altered hours. Many restaurants have closed or resorted to takeout in order to stay afloat. For many customers, home delivery has provided a solution to some of COVID-19's challenges. E-commerce and home delivery may be a convenient option for staff who are expected to work remotely, as well as a number of other categories, such as parents who must manage work and parental duties, or those who are at risk of severe COVID-19 health complications.

When the pandemic of coronavirus hit the world the food industry and related services were heavily impacted. This outbreak led the Indian government to make the food delivery and restaurants business to be categorized as critical services. Since more than 20% of population

in India relies on online food and restaurants services on daily basis which include students, working young people, and paying visitors these services needed to be started again. This pandemic has in more than one way created challenges for online food delivery and food industry in large that could have lasting effects.

Food industry, such as online food delivery services, are eager to provide food. Customers, on the other hand, are wary of placing orders during the pandemic, despite the fact that many online food delivery services have allowed the delivery personnelto equip themselves with protective gear and encouraged customers to pay digitally to ensure contactless delivery. The cleanliness conditions of the restaurants and the sanitary conditions of the food deliver personnel are some of the major reasons behind people not trusting the online delivery of food and services of online food delivery platforms.

Current consumers have been forced to rethink their potential buying decisions as a result of these problems.The aim of this study is to compare the acceptance criteria of customers who ordered food through online mode and other related services during the coronavirus outbreak in the country based on their personal characteristics to those who did not. The study is to find out the characteristics of people ordering food online and to what extend does the normal population accept the idea of online delivery of food items during the Covid 19 outbreak by looking at the number of orders made for online delivery.

Despite the problems encountered by people in ordering food through online mode because of the pandemic, problems like shortage of food inventories, unavailability of public transport system, less hours to work at convenience stores and supermarkets, a great percentage of people have been able to get access to sufficient amounts of food stocks. All this can be related largely to the fact that there is a rapid increase in number of online food apps which encourage people to order their meals online and to have it sent to their homes or pickup by themselves without entering the restaurant itself. Programs which encourage shopping for groceries and ordering food online can also help in minimizing the spread of Covid-19 virus by decreasing the interaction between customers and sellers creating a safe environment in itself. Therefore, considering all the facts that customers are shifting to order food online and shopping for groceries online due the pandemic has consequences for the retail market as well.

The online grocery shopping market is at a pivotal point in its evolution. Prior to the COVID19 pandemic, it was predicted that online food business would challenge the footfall of onsite food restaurants and markets, However the sales made through deliveries and orders made online in all totality were less 5% of overall sales. Nonetheless, as websites grew more user-friendly, online purchasing increased at a steady pace, making it impossible to distinguish the spike in shopping attributed to COVID19 from longer-term patterns.By reviewing the cases and people's response to ordering food online this paper points the general thinking of public to acceptance of food delivered online through online food delivery systems.

2. Literature Review:

Scenario of sector related to food delivery online

Market size of online delivery systems

Customers are rapidly heading online, which has fueled rapid growth in the e-commerce industry over the last decade. This shift in consumer shopping habits has been fueled by a variety of causes, some of which are industry or country-specific, while others are the product of global shifts. Most of it can be attributed to the availability of increased number on online

food deliver business, abetter understanding by consumers about the developments of online
e- commerce, a better easy and secure option for online payments of services, disposable
income on the rise, work from home decreasing time for people to invest in making food
themselves. All this is even more prominent in developed countries.[2].

The fastest-growing region for e-commerce in recent years has been China, where revenues
totalled US$1.935 trillion in 2019, more than three times the amount invested In the second
largest market which is the U.S having US$586.92 billion Out of the total market share china
alone accounts for the 54.7 percentage of e-commerce businesses globally which is double
the amount of total market share of next five countries in line which are the united kingdom,
unites states, south Korea, japan and Germany [3].

Online and offline Food delivery:

Many new categories of the industry have arisen as a result of the exponential development
of e-commerce, some of which are business to business (B2B), business to customer(B2C),
customer to customer (C2C), and online to offline (O2O). Online to offline operates using the
IT infrastructure i.e., information and communication technology wherein the order for any
service, product or function is made online but he delivery or collection is through an offline
site.

The proliferation of smartphones and laptops, as well as the growth of technology to enable
payment and distribution, has been one of the major factors behind the O2O commerce boom.
In the year 2019 alone, it was estimated that there were 5.2 billion smartphone connections,
and as the year 2020 ends it is estimated that almost half the world's population is going to
have smartphones and internet connectivity.

Online to offline mode of business appeared in a variety of areas, including the buying of a
wide range of products and services, some of which are real estate, food services, hotel
services and renting cars [10]. The method of preparing and delivering food that has been
ordered online is referred to as online FD. The growth of online food delivery services has
grown because of emergence of certain online food delivery services such as Uber Eats,
Deliveroo, Swiggy, and Meituan. These systems of ordering food through online means takes
care of a lot of things like providing a greater array of food options to customers, taking care
of orders and connecting with food suppliers, making online payment easy and secure,
organising food distribution, and also giving customers the option of tracking their food
online [11].

Online Food delivery business model:

Restaurant-to-Consumer Distribution or Platform-to-Consumer Delivery operations are the
two forms of food delivery systems [13]. Restaurant-to-Consumer Delivery services are the
ones that sell prepared meals to customers examples of which are Domino's, KFC,
McDonald's etc. There is an option of either placing an order directly on the restaurant server
or through any third-party apps. Now these third-party apps and services are different in
different countries such as in India Swiggy, in the UK its just eat and in China Eleme. These
third-party apps which are platform-to-Consumer distribution mechanism actually provide
online delivery services for affiliated restaurants who does not possess the delivery services
themselves.

Online FD necessitates real-time distribution services that are both efficient and scalable.
These online food delivery restaurants can choose to deliver food via existing employees in
case of small-scale restaurant or trained delivey professionals can be hired or recruited in case
of major restaurant chains such as Dominos or KFC. Another way for restaurants is to utilize

on the availability of crowdsourcing logistics which is a low-cost alternative for delivering food online [14]. These foods deliver platforms online can either hire and train delivery people themselves, or they can use crowd procurement logistics to use delivery people who aren't even employees of these platforms. In case of profession delivery partners who are qualified have their pay fixed to certain amount and the rest relies on the commission, but in case the delivery personnel are private contracts they are charged on commission basis only.

Expansion of food delivery platform online:

The system of food delivery through online mode is a global phenomenon, with every country having a least one prominent online food delivery system. In this regard of online food delivery system China is leading with unites states following closely, and the developing countries like Brazil and India having a rapid rate of growth (>9% CAGR).

In terms of developing new opportunities and cultivating customers' eating preferences, food delivery industries online are now much more conscious due to coronavirus pandemic, they have to now cultivate a sense of safety among the customers that the service being provided to them is healthy and all necessary safety precautions have been taken. An investment of 3 billion yuan has been made in china by Eleme over a course of three months during 2018 for a competitive marketing strategy campaign to raise their market share up to 50 %.[16]. However, the online food delivery services are very prominent in some countries it is on a global scale still in its growth stages, and for the online food market to grow it will require financial advertising, subsidies, restaurants to patterner with and substantial investment from various fronts [17]. If subsidies are provided to participating restaurants then it will be easier for the online services to attract customers by offering better rates or discounts which will eventually help the online food market to grow. And the partnering restaurant will also gain from this as they will receive a greater footfall and exposure to a larger customer base. For the online food services to grow it is important for them to cultivate people's food habits online. So, by encouraging them to eat through online food delivery mode and not get into hassle cooking food themselves online food market will continue to grow.

Young adults around the world are rapidly accepting and embracing online food delivery, the evidence of this is very apparent in china itself where the Covid-19 pandemic originated. 71.45% of university students in Nanjing university among the 1000 interviewed in a 2019 study admitted to using any kind of online food delivery service for the least part of 2 years, and a majority of 85% students used them as frequently as once per week [23]. Similarly, in other parts of world also studies have shown that people are gravitating towards online mode of food delivery specially during this pandemic times since travelling and going out to buy fresh produce is becoming very difficult for most of them. This opens up new opportunities and gates for all such online food delivery industry to leave a mark and capitalize on this opportunity created due the Covid-19 pandemic. Although the differences like cultural barriers, social norms, safety issues, economic instability can pose difficulties for online FD industry but it can be worked around to create better service.

3. Research methodology:

The study relies on secondary data to perform the analysis, which includes previous studies and subsequent research focusing on the effect of covid-19 on home delivery of food products through food delivery platforms.The analysis approach is analytical, and the whole thesis is focused on systematic analyses of previous research in this field.

4. Findings of the study:

- The study shows that the food delivery system through online mode was severely impacted due to the pandemic situation caused by coronavirus.
- Tradition ways of preparing and delivering food was impacted and new business models were made by many restaurants and food delivery partners.
- Moral and safety concerns related to food delivery personnel and concerns around the safety of delivery people were greatly affected.
- Overall usage of online food delivery platforms increased after a few months of lockdown phase but many small businesses had to suffer the consequences.

5. Conclusion:

This study shows that a large number of online food delivery services have been impacted a various number of stakeholders involved in various ways due the pandemic of Covid-19. The impact and its repercussions can be categorised in either a 'negative' or 'positive' way and a lot of effort has been put into doing so but fundamentally it can be argued that these impacts can be categorised in various other classifications. For example, there has been a lot of traction generated due to coronavirus pandemic which has created a lot of opportunities for online food deliver services and impacted it in positively in this sense. Also, it has created an environment where consumers don't have to leave the comfort of their homes and now can get food delivered to their doorstep without any physical ouch involved i.e., positive outcome for consumers. But at the same time, it has left the food delivery personnel more susceptible to the spread of the virus a negative impact on part of food delivery services.

In summation this study has made three major revelations. Firstly, this thesis studies the effect of Covid-19 on online food delivery by studying various scholarly articles ranging widely in different topics of for rise of online food delivery. Second, a lot of concerns and difficulties related to delivery of food online during a pandemic has been highlighted. Third, it focuses on the possible future of online food delivery market, its potential for growth, concerns for safety and possibilities for all related parties to capitalize on the positive side and mitigate the negative risks. Thus, ensuring that the future of online food deliver and its acceptance is very promising and must be continued.

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