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## Food Tech Revolution in Emerging Markets: Examining Consumer Preferences and Mobile App Usage in Sri Lanka

FHA. Shibly<sup>1\*</sup>, AR. Mohamed Mahir<sup>2</sup>, A. Mohamed Jabir<sup>3</sup>

<sup>1</sup>Senior Lecturer, South Eastern University of Sri Lanka

<sup>2</sup>Senior Assistant Registrar, Trincomalee Campus, Eastern University, Sri Lanka

<sup>3</sup>Chief Security Officer (Gr I) , South Eastern University of Sri Lanka

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\*Corresponding author: FHA. Shibly

Senior Lecturer, South Eastern University of Sri Lanka

### Abstract

Information Technology or the digital revolution has enabled many new windows in the product and service industries. Technology impacts people's lives in numerous ways. It severely has implications on education, transportation, economy, health, food, and society with its advanced features. Especially after online shopping, people's lifestyle has been changed at various levels. In Sri Lanka, online shopping is an emerging business model that leads to many new commercial opportunities in product-related businesses and service-oriented businesses. Online food ordering is one of the most dramatic changes in online shopping. Especially many new companies have started food ordering and delivering services through mobile applications. Since it is a recent phenomenon in Sri Lanka, an initial study should be done to identify the consumer attitudes towards food ordering through mobile App. Therefore, this study considered online food ordering mobile applications, specifically; Uber-Eats, PickMe Food, and Eats-Eat Conveniently, which are popularly available in Sri Lanka in general and in the study area in particular. And this study attempts to find out consumer's attitude and factors determine the online food ordering behavior. Both quantitative and qualitative methods were used in this study. Kandy Municipality was the sample, and the sample size was 100 users. The study found that 57% of users use mobile apps for ordering foods, while others use direct calls, walk-in, and web links. In this study, 40% of users suggest mobile apps for ordering foods for their ease of use, 17% prefer due to various menu, 19% indicate due to speed of delivery, and others prefer for quality of foods and payment facilities. However, the observation of the findings revealed that respondents' food behavior has been changed or moderately transformed from traditional pattern to new system due to the arrival and influence of online shopping Apps or digital revolution, as a result of the massive globalization process.

**Keywords:** "Attitude", "Consumers", "Mobile-App", "Food Ordering & Delivering".

### Introduction

Online food ordering is budding in Sri Lankan food market gradually. Sri Lankan people are engaging in electronic commerce, mobile commerce, and online transaction actions for the last few

years. Because of the emerging electronic market, online food ordering has become a viral business, especially in Sri Lankan cities like Colombo, Kandy, Galle, etc. Online food marketers are

trying to expand their business by introducing new mobile applications for online orders to earn more money and build a good reputation in the competitive market. Since it is simple and easy to manage, customers are also trying to use applications and websites to buy their foods. So online food services are becoming a massive sector with such advantages and will support Sri Lanka's economy.

Technology has grown as excited in every industry as it made everything possible. Electronic information media, particularly smartphones, have brought different market dimensions. This includes fields such as customer relationship management, Supply Chain and Logistics Management, Secure Payment, and efficient Settlements Systems. The industry is like e-ticketing, entertainment, traveling, learning, any agency businesses [01 Ninad Gawande, Gajanan Pachaghare, Ashish Deshmukh]. These can be achieved by the dynamic use of data and its transmission from several saints to different users. Search data consists of product sales information, supply channels, extra customer support.

Digital technology has just started to grow, will continue to proliferate, and so will numerous other sectors, including the food industry [02]. Mobile apps like Uber-Eats, PickMe Food, Eatts-Eat, Pizza Hut Sri Lanka, McDelivery Sri Lanka deliver countless different dishes to customers from various nearby restaurants and customers. These mobile applications provide a tracking system in which consumers are familiar with each delivery development. They place the order in the respective restaurant, and customers can track the order. The payment options include either online or by cash-on-delivery (COD) system. These apps also provide a feedback system where the users can offer feedback and recommendations, rate the food item, and mode of delivering [03 Dr. Neha Parashar1 Ms. Sakina Ghadiyali2].

This system contains a few basic operations, such as the Realtime Feeding Menu and the availability of restaurant data with an app, offering & highlighting food menus and discounts, order receipt, confirmation of order after the decision on methods of payment and customer information, determining the time of order, location of order and final order delivery within the specified period [Arji Mariam Jacob, N.V. Sreedharan, Sreena. K].

## Research Problem

In Sri Lanka, online shopping is an emerging business model that leads to many new commercial opportunities in product-related businesses and service-oriented businesses. Online food ordering is one of the most extensive dramatic changes in online shopping. Especially many new companies have started food ordering and delivering services through mobile applications. Since it is a recent phenomenon in Sri Lanka, an initial study should be done to identify the consumer attitudes towards food ordering through mobile App which can be useful for consumers, restaurants, business vendors, application developers, and entrepreneurs.

### Objectives

This study aims to identify the popular online food ordering applications in Sri Lanka and investigate the customer attitude towards the usage of online food ordering apps in Kandy municipality because this study will open up new windows in online food ordering via mobile applications since it has a perfect market especially in a country like Sri Lanka.

## Review of Literature

Research on online food ordering is an emerging one and a significant improvement can be observed for the last five years.

Most of the western countries have already identified this potential market by different approaches.

Research on the changing market for food delivery (Carsten Hirschberg et al. 2016) indicates that online's penetration of the total food-delivery market broke 30 percent in 2016. We believe penetration rates will grow further as the market matures, eventually reaching 65 percent per year. It gives us a good picture of the growth of this market. This dramatic change in the food market will be an opportunity to rethink the mode of delivery and expand the business.

Another research has been carried out by Dang and Tran (2018) said that Internet had played a significant role in increasing the awareness of online food delivery apps. People can search about foods and restaurants through the Internet, compare their prices and their services, and have easy access to them. The Internet has made all these things convenient for the customers. Based on their research, the Internet's role is a crucial one, and this online food ordering can be implemented in high-level internet usage areas. According to the Digital 2020 report, there were 10.10 million (47% of the total population) internet users in Sri Lanka in January 2020, and another exciting part of Sri Lanka is the number of mobile connections in Sri Lanka in January 2020 was equivalent to 149% of the total population. Therefore, the business related to the Internet will be the right choice. During the lockdown period, people have become more familiar with using the Internet for shopping, education, and food ordering.

Another research has also carried out by Kanteti (2018) stated that Startups have become the trend setters in India and are ruling the economy since the past few years. Tech savvy young individuals start these companies. These young individuals having fresh brains and innovative ideas, start different kinds of businesses with technology. According to this research, most startup businesses have a very good market penetration. The food ordering via mobile can be a perfect startup business in Sri Lanka. It can be done by restaurants, individuals, part-time job seekers, and other interest parties.

Another research can be reviewed on consumer behavior and attitude from Schiffman, L., (2010), who explained that "in a consumer behavior background, attitude is a learned predisposition to behave in a consistently favorable or unfavorable way concerning a given object." By object, he referred to the actual consumption or concepts related to marketing. Maria (2012) indicates a combination of cognitive information and beliefs, emotions, and behavioral intention regarding a consumer product or service.

It is essential to analyze consumer behavior and attitude towards online food ordering business via mobile applications, which is very important and has an immense role in its success. Therefore, in this research, researchers have tried to study consumers' attitudes on online food ordering to succeed.

## Methodology

The research study was employed descriptive analysis of quantitative research based on questionnaire survey. With the study problem analysis, the case study method was selected, and a formal survey was conducted using a structured questionnaire. The population was the people who are living in Kandy municipality in Sri Lanka. The sampling method is Convenience Sampling to collect data, and randomly respondents are selected. The sizes of

sampling were limited to approximately 100 respondents. A structured questionnaire was used to collect data, and a questionnaire was pretested before the final administering. Secondary data from sources such as previous research articles on published journals and websites were used. Data analyses were done through MS Excel 2013, and descriptive statistics were used for the data analysis.

**Research Area**

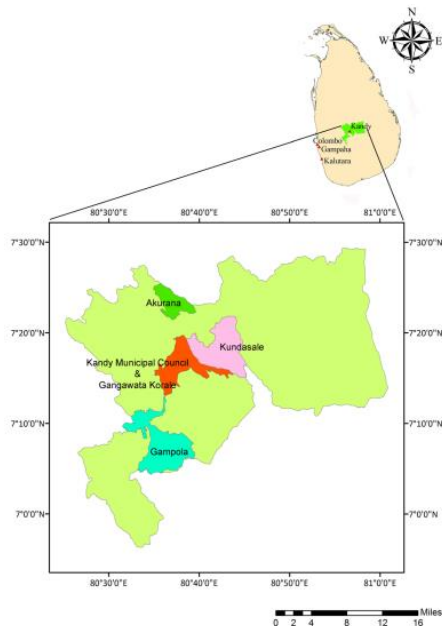


Fig. 1 (Hasantha Nayana Gunathilaka) Map of Kandy District showing study areas [Kandy Municipal Council (KMC)]

**Results & Discussions**

**Mobile Apps**

In Sri Lanka, eight primary food ordering mobile applications were identified as Uber-Eats, Pick Me Food, Eatts-Eat, Pizza Hut Sri Lanka, McDelivery Sri Lanka, Yamu, iDelivery Sri Lanka, and Domino's pizza. Among these applications, researchers have found that Uber-Eats and Pick Me Food applications are highly used in Kandy Municipality.

**Demographic Results**

**Gender**

Based on the data collection, 42% of the Male consumers and 58% of the Female consumers have participated in this survey.

**Age of Respondents**

Out of 100 respondents, 84% of respondents belong to the age group of 18 – 25, 12 respondents are above 25 years of age, and the remaining respondents belong to below 18 years of age and occupy only 4%.

**Marital Status**

Out of 100 respondents, 38 (38%) respondents are unmarried, while the rest 62 (62%) respondents are married who participated in this survey in the research area.

**Users of Online Food Apps**

From the total respondents, 57% of consumers use online food apps to order their foods, and the remaining 43% of consumers never use such mobile applications. More than half of the respondents prefer a mobile App for ordering their food, which shows that the involvement of people in different food ordering

patterns has been increasing, and they are associated with a new paradigm of a mobile application for their needs.

**Frequency of Usage (per month)**

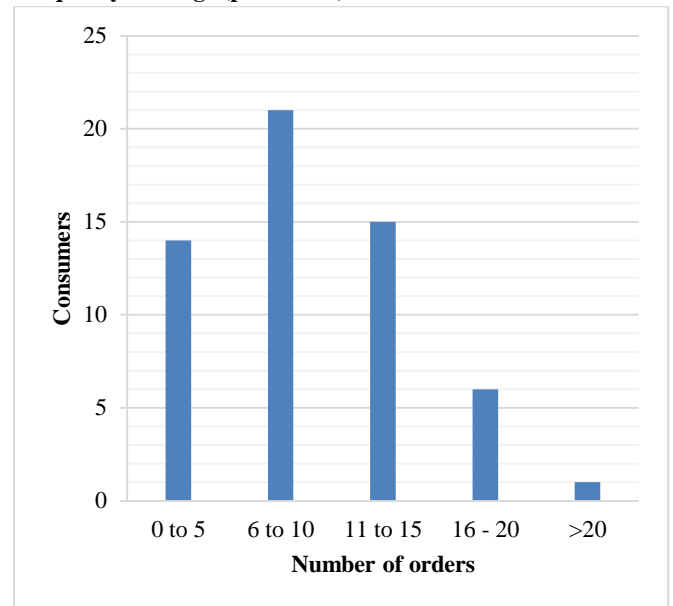


Figure 2: Frequency usage

The above figure shows that consumers have made a significant number of orders, and it shows Sri Lanka has a potential market in food ordering mobile applications. And the customers have frequent choice to place their orders from home using mobile App whenever they required. More or less, the customers in the study area have been associated with the practice of the new technological invention. It is observed that the traditional food (ordering) behavior has been transformed into the new globalized culture which belongs to modern information technology. It resulted that the physical movement and direct interaction of customers have been limited due to online food ordering app usage. As a positive result, some youth may get employment opportunities to create various business wings like food delivery.

**Reasons for not using mobile apps for food ordering**

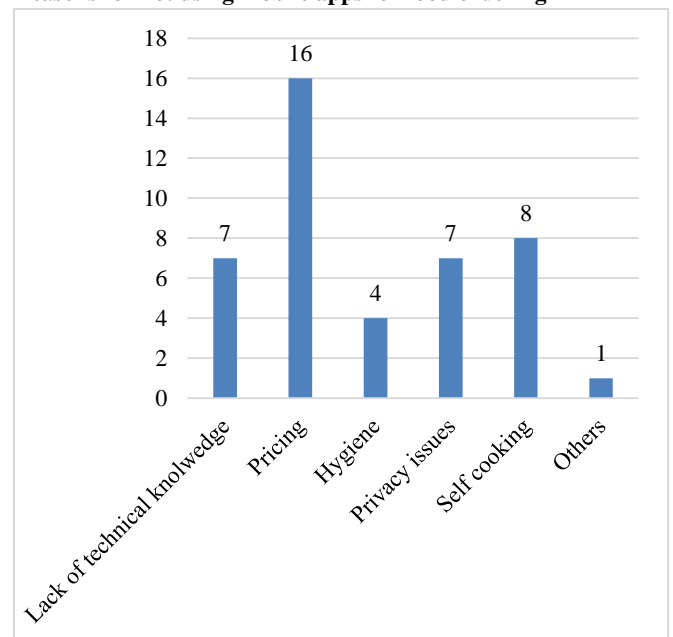


Figure 3: Reasons for not using mobile apps for food ordering

According to figure 3, researchers have listed why consumers are not using mobile applications for ordering foods. Most of the respondents pointed pricing, lack of technical knowledge, self-cooking, and privacy issues.

#### Reasons Contributing to the Usage of Online Food Ordering Apps

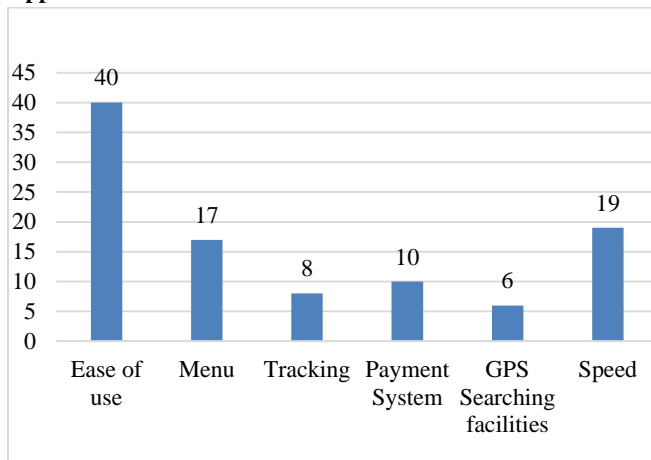


Figure 4: Reasons Contributing to the Usage of Online Food Ordering Apps

Based on Figure 4, we can find mobile applications' critical success factors on food ordering activities. Out of 100 respondents, 40% of consumers said easy to use. The rest of the respondents pointed out the menu, tracking, payment system, GPS searching facilities, and speed to use mobile applications for ordering foods.

#### Conclusions

Through mobile App, food ordering behavior is now dramatically increased as popular culture, particularly among people residing in the urban sectors [Iyer, 2019]. This new approach or mode of food ordering ethos became more general and widespread in the Kandy Municipality of Sri Lanka. Around 57% of respondents have preferred a mobile App for ordering food in their daily life. As a faster-growing urbanized city in the Kandy Municipal region, the restaurant and food delivery services are now influencing urban people extensively. On the other hand, the vast numbers of smartphone users and easy access and development of food ordering apps are significant factors that contributed to support these phenomena in the study area. A number of food ordering apps in Kandy City for downloading on their smartphones and ordering food and receive it comfortably at home. Throughout the analysis, this study found some factors and significances related to their attitude on ordering food via mobile App.

- It is noticed that a reasonable number of mobile users use mobile applications for ordering foods online in Kandy municipality.
- Uber-Eats and PickMe Food operate their services in a wide range in the study area.
- Uber Eats is the leading mobile Application rather than that of other mobile apps in Kandy municipality.
- In this study, 40% of users suggest mobile apps for ordering foods for their ease of use, 17% prefer due to various menu, 19% indicate due to speed of delivery, and others prefer for quality of foods and payment facilities.

- However, it is found that pricing, lack of technical skills, self-cooking, and privacy issues are significant reasons that people don't interest in applications for food ordering.
- There is some unpleasant experience in mobile food ordering such as packaging issues, delay and misleading reviews, etc. among respondents.

So, the value, customs and social stress, available resource for individuals, psychosomatic incentive, the value of price, experience, and personal habit are major factors influenced attitude on the use of mobile App and food ordering. Nevertheless, Sri Lanka has an outstanding market in mobile applications for ordering foods capitalized by restaurants, developers, entrepreneurs, and enterprises to expand their business. It will create new job opportunities for young people as well.

#### Recommendations

The typology of recommendation can be made for consumers, restaurants, and developers. Based on the findings, consumers can practice the system and try to be familiar with some restaurants to order their needy foods online. After that, they can realize the advantages of ordering foods via online applications.

Restaurants play a crucial role in this system, and they have to take more actions to make it a success. They should provide more offers to attract existing and new consumers to promote their online business and earn more profits. Also, they should concentrate on the packaging for ensuring safe delivery and the condition of food. Another issue has been identified that some female students and family members do not like to allow delivery boys for their privacy and security reasons. Therefore, restaurants can appoint and assign delivery boys and girls to deliver food to make consumers comfortable. One more issue from the restaurant's side is the price. They have to make it a reasonable one to allow all consumers to purchase online.

There are some recommendations for developers as well. Firstly, since it is an upcoming business in Sri Lanka, advertisements free mobile applications should be developed to promote the system. Some of the consumers may feel difficult when more advertisements pop up unnecessarily. Secondly, developers should make sure about the security of payments. They can offer cash on delivery or credit card options. But, when they develop credit card payment modes, safety must be verified. Thirdly, the Application should be user friendly, and it can be used by anyone who uses smartphones.

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