

## **Customer perception towards food delivery services during COVID-19 pandemic: with special reference to Colombo district**

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### **1. Introduction**

Before Covid-19 Pandemic, dining out was much popular among the Sri Lankans than the use of food delivery services. They enjoyed visiting the food-providing entities and to have their meals at the same place. Lack of trust in delivering a commodity like food was the key reason for them to adopt dine out as a self-protective and to prevent the damages occurring during the delivery. As per the travel restrictions imposed by the government to prevent the spread of the Covid-19 virus, people had to face the challenge of fulfilling their food requirements. As a result, both the food industry and the consumers adopted the online Food Delivering Service (OFD). This causes a positive effect on the OFD (Global Online Food Delivery Services Market Report 2021: COVID-19 Growth, 2021). And on the other side, this made a huge competition within the Online Food Delivery Services as new players entered into this industry as well as they need to adhere to the health and safety guidelines. (Hirishegan et al., 2020) While fulfilling the consumers' requirements. Under that focus, the main objective of the current study was to investigate the customers' perception towards OFD and to find out the key factors that influence the customers to build trust and loyalty towards the food delivering services with special reference to Colombo District.

### **2. Materials and Methods**

Colombo district was selected as the study area as the outdoor dining and the OFD was much popular comparatively. A total of 250 respondents were chosen as the study sample through the convenience sampling technique. The questionnaire was distributed via online and physical modes due to the Covid-19 pandemic situation. Primarily the questionnaire included Liker questions and choice cards were adopted in primary data collection to gather the information regarding the consumer perception of OFD during the Covid-19 Pandemic. The study adopted the Consumer Based Conjoint Analysis (CBCA) approach in data analysis. The combination of the attributes and their levels (Table 01) was used and it finally resulted in 9 different choice cards. A Cox Regression was conducted by the SPSS to gain the results of research objectives.

In this study, three attributes were chosen concerning the research objectives as, factors that are being considered by the consumers when selecting an online delivery service (factors) with three levels of accessibility, officers, and the price of the delivery service. As the second attribute, it is considered the newest trends use by the online delivery services to affect the consumers' perception. Here this attribute has been measured concerning the levels like After-Sale Services, Easy Payment options and Customer loyalty benefits given by the Online Delivery Services. And the third attribute is how the Covid-19 Effect affect the food delivery services which has been evaluated about the levels of low, moderate and high effect of Covid 19.

In each attribute Level 01 and Level 02 were comparatively analysed with Level 03 which is also known as Status Quo.

**Table 01. Attributes and levels adopted designing the choice experiment of consumer perception towards the OFD services during the Covid-19 situation**

Attributes	Level 01	Level 02	Level 03 (Status Quo)
Factors	Accessibility (ASS)	Offers (OFF)	Price (P)
Trends	After-Sale Services (AS)	Easy Payments (EP)	Loyalty Methods (LM)
Covid-19 Effect	Low	Moderate	High

### 3. Results and Discussion

The importance of each attribute was analyzed using the choice modeling where a sample of people was asked to select their preferred option from all the possible alternatives which include the status quo. The Levels like P, LM, and Covid-19 Effect –High (Table 2) were dummy variables. So these variables were considered as the status quo.

Variable Price was considered as the status quo when considering the attribute, “factors” that consumers consider basically when selecting an Online Food Delivery Service. So when comparing both variables ASS (.005) and OFF (.000) with the status quo they are significant. It indicates that customers will consider more about the offers than the accessibility of the Online Food Delivery Service when selecting it (.005<.000).

The variable Loyalty Methods (LM) out of the Online Food Delivery trends, considered as the status quo. The AS variable was significant ( $p=.003$ ) when compared the difference between the status quo. At the same time when comparing the status quo with, the variable EP it was also significant ( $p=.000$ ). But this indicated that the customers were preferring the Easy Payment trend currently more than the trend of providing the After-Sale Services when considering the trends relating to the Onile Food Deliveries ( $.000 > .003$ ). Therefore, the OFD providers needed to be more concerned about making arrangements for convenient payments methods while introducing special methods to create a more loyal customer group. In addition to that, the variable High was the status quo when considering the Covid-19 effect on the OFD. So here when comparing the status quo with the variable Low was not significant ( $p=.454$ ). At the same time, the variable Medium too was significant when compared with the difference ( $p=.002$ ). Therefore, it indicated that the Covid-19 effect was highly affected to change the consumers’ perception towards the OFDs’ in a positive way.

According to the findings of current research, the majority of the respondents were quite unfamiliar with Online Food Delivery as they enjoyed visiting the places to have food with their families and friends, and at the same time, they enjoy the shopping experience in past. In addition to that, except for the other consumer goods, individuals believe that the food items might get damaged and will not be delivered at best quality during the delivery. Therefore, the respondents were expecting the factors including Price, Service Quality, and Accessibility except to the delivery service. Furthermore, the Covid-19 pandemic situation had created a great influence on the OFDs operations. Compared to the earlier situation in the food industry with this new normal situation, some additional factors were considered by the customers when selecting an ODF service provider mainly the safety and hygiene practices adopted by the individual service providers.

**Table 02. Test results of equation’s variables**

	B	SE	Wald	df	Sig	Exp(B)
ASS	-.506	.178	8.067	1	.005	.603
OFF	-.671	.178	14.173	1	.000	.511
P				0		

AS	-.680	.227	8.962	1	.003	.506
EY	.998	.159	39.413	1	.000	2.713
LM				0		
Low	-.130	.173	.562	1	.454	.878
Moderate	-.588	.192	9.407	1	.002	.555
High				0		

a. Degree of freedom reduced because of constant or linearly dependent covariates

b. Constant or Linearly Dependent Covariates price = 1 - as - off ; lm = 1 - as - ep ; high = 1 - low - mod ;

#### 4. Conclusions

The findings of the current study concluded that the world pandemic situation and travel restrictions motivated the Sri Lankan consumers' to adopt the OFD mechanism more frequently and this adoption rate changed in a positive direction. This current trend of OFD was positively influenced by transportation restrictions imposed by the government. Further, the study results indicated that the perception towards OFD was mainly affected by the Offers given by the OFD rather than considering the accessibility, which means consumers' tendency is more towards the benefits they will gain. Furthermore, customers are always concerned about the convenient Easy Payment options provided by the delivery channels and this facility made them loyal towards a particular OFD service. Therefore, the Online Food Delivery service provider is required to adopt and try to fulfill the customers' expectations while adhering to the health guidelines imposed by the relevant authorities to be successful and stand against the rivals.

#### 5. References

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