Measuring Service Quality of Food Delivery Services: A Study of Generation Z

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Abstract

This study was undertaken to elucidate on the service quality of Food Delivery Services especially for Generation Z. These services are currently being carried out by every food delivery organization to make aware their consumers about what products and services they are offering. The food delivery service industry is growing at a rapid rate in India and globally. The research methodology used for this study was exploratory and descriptive. A questionnaire was used for conducting the survey to understand the service quality of food delivery services for generation Z consumers. The study sought to find out through the SERVQUAL model how consumers perceive the quality of service of the food delivery services and if they are satisfied by the services offered to them in Delhi NCR. The sample size for the report comprised 312 respondents. On the basis of this survey, analysis was done and recommendations and conclusion were made based on the findings. In summary, from the results obtained, it is evident that consumers perceive service quality as being poor in all dimensions meaning their expectations fall short of what they experience from food delivery service providers. "All the dimensions showed a negative gap between expected service and perceived service and this means that food delivery service providers need to make improvements in all dimensions in order to close gaps that could lead to increased customer satisfaction.

Keywords: Servqual, food, delivery, satisfaction, tangibility, reliability, assurance, empathy.

Introduction

Measuring Service Quality of Food Delivery Service - A Study of Generation Z* studies two factors and compares them to find out how food delivery apps are performing and how they can better their service quality for their consumers. The two factors that were studied in this report are customer perception of service quality of the food delivery industry and customer expectation of service quality of the food delivery organizations. The study will try to find out the gap between consumer perception and consumer expectations in service quality of food delivery services by analyzing the research conducted.
The purpose of the study was also to understand the perception consumer has of the food delivery industry as opposed to what the consumers’ expectations are. The study will find out how the application of the SERVQUAL model applies in the application of food delivery services and further explains how customers view the factor of quality when it comes to service provided the food deliverers.

The study signifies the importance of what service organizations are focusing on these days when it comes to consumer perception and the meeting of their expectations. It helps them develop strategies that in turn lead to customer satisfaction. In today’s scenario there has been a marked shift from a focus entirely on food to the quality of service food providers provide as well, and consumers are now paying more attention to how the food is delivered to them, what quality of service the restaurants or food delivery organizations are providing. This suggests a high importance of service quality in marketing the food delivery industry as stated by Ramphal and Nicolaides (2014) and also Nicolaides (2012).

The following study was additionally focused on finding the quality of service as perceived by consumers among food delivery services and to establish the factors which bring the utmost pleasure to customers. This will help food delivery service providers to spot the most promising and effective ways of eliminating the gaps in service quality and select which gaps to specifically focus in. This can be found out by studying and calculating the customer's expectations and perception on the Servqual model thus finding the gap scores calculated between the consumer’s perception and expectations of the services felt by them. The food delivery industry is considered highly competitive and organizations are introducing new and better offers every day to retain their consumers in the market. Due to such competition faced by the food delivery service providers, it is crucial for the service provider to have a better understanding of the consumer’s perceptions and expectations of them in order to maintain them as customers and attract them. This study will additionally help us and the service industry organizations to identify the weaknesses and strengths in the quality of service of food delivery providers.

The study thus focuses on food delivery service providers which provide service operations as they work in delivering food to consumers and the selling of food as products. The food delivery services play an important role in the life of the Generation Z as this generation mostly consists of independent working individuals who do not have enough time to cook a meal themselves. The food delivery services satisfy their needs by providing freshly cooked food of different type, category and cuisine at their doorstep within a given timeframe.

Review of Literature

Customer Satisfaction for Food Delivery Services

Online food delivery plays a huge role in customer experience and satisfaction by many factors such as food availability, rating by other customers, payment mode and human interaction (Kwong & Shiun-Yi, 2017). To gain maximum customer satisfaction, Service providers need to focus on the quality of service and the ultimate goal of the food delivery services should be to have maximum customer satisfaction and not only profit (Nicolaides, 2008; Andaleeb & Conway, 2006). Research shows that consumer satisfaction is significantly influenced by the tangibility aspects in the service, food quality and price (Ha, & Jang, 2010; Nicolaides, 2008). Lee et al.,(2019) indicates that habit has the strongest influence on continuous use intention, followed by performance expectancy and social influence.

Furthermore, this confirms the importance of information quality, performance expectancy, habit,
and social influence as factors in inducing users' continuous use intention for food delivery apps. Suhartanto et al., (2019) confirms the direct effect of food quality on online loyalty, but not e-service quality, and also discloses the partial mediation role of customer satisfaction and perceived value on the relationship between both food quality and e-service quality on online loyalty toward OFD services.

**Consumer Convenience and Food Delivery Services**

Facilities offered by the food delivery services play a major role in customer convenience. Social media is said to be the best tool for service providers to promote their offering, especially on their request making it convenient for the consumers to order from them. Comfort of users should be given major preference (Chen et al., 2011). Yeo et al., (2017) identified that only a few studies addressed customer experiences with online food delivery services and factors such as convenience, hedonics motivation, time saving orientation, prior online purchase experience, consumer attitude and behavioral intention influence costumers while looking for OFD services. Thamaraiselvan et al., (2019) explored the issue and discovered that digital apps have emerged as one of the fastest-growing developments in food delivery as consumers today have the privilege to choose from a variety of cuisines, anywhere, anytime from a range of food providers listed in the e-commerce space. Added attractions like no minimum order value and the multitude of payment options like net banking, digital wallets, and cash on delivery all have increased the consumer convenience. Ray et al., (2019) examined eight main gratifications behind the use of FDA, namely, convenience, societal pressure, customer experience, delivery experience, search of restaurants, quality control, listing, and ease-of-use. Customer experience, search of restaurants, ease-of-use and listing were the significant antecedents of intentions to use FDAs.

**Growth and Food Delivery Services**

With rapid growth in independence with it (Parashar & Ghadiyali, 2018), food delivery service has gained a major part of the food consumer market share (Kwong & Shiun-Yi, 2017). The food delivery industry growth is also because of the changing lifestyle of Indian consumer and the expanding online transaction activities. The current consumer trends of ‘no cooking foodies’ who are people who love exploring food but do not cook it are willing to spend money in exchange of varieties of food of good quality (Kwong & Shiun-Yi, 2017). Alalwan, (2020) proved the ‘influence of online review, online rating, online tracking, performance expectancy, hedonic motivation, and price value on e-satisfaction and continued intention to reuse’. Chandrasekhar et al., (2019) revealed that the consumer perception plays a crucial role in understanding the decision-making process of the consumers that mostly prefer uniqueness in terms of price, quality, and delivery which concurs with Nicolaides (2016) who states that customers’ needs always must be exceeded where possible.

**Technology and Food Delivery Services**

Technology plays a crucial role in food delivery service using smartphone. The apps can be downloaded within few seconds and order processing also takes hardly few minutes (Gupta, 2019; Parashar & Ghadiyali, 2018). Technology is assisting to create new dining experiences and it is crucial to change the ways consumers choose to dine. Because of technology there is a growing potential in the food delivery industry, and great opportunities are arising and challenges are appearing within the industry as many competitors have arisen. Food delivery service providers should alter their approaches to meet changing trends as consumers are changing with generations (Kwong & Shiun-Yi, 2017). The customer’s expectations keep on changing from time to time, hence it is advised that the organization keeps on developing (Van & Berner, 2003). Vinaik
et al., (2019) also identified that food Apps have emerged as a trend as these apps have tie-ups with many restaurants and act as a link between restaurants and consumers. There are many other factors which lead to increases in their sales such as convenience of use, easy payment methods, variety of food and restaurants, delivery time, customer services, etc. They further identified that the majority of the respondents are aware and use these apps to avail the benefits and to order food on a regular basis. Okumus and Bilgihan, (2014) identified smartphone apps are innovative channels for delivering individual health behavior changes and in building healthy eating habits by including nutritional facts about menu items. Jacob et al., (2019) stated that these food apps are now acting as an only window for ordering from a wide range of restaurants as this also changed the mindset of customers.

The online food ordering system sets up a food menu online with the help of mobile applications and delivers the desired food items at the user’s doorstep. It frees customers from visiting the eateries and also the long wait in restaurants. Lee et al., (2017) explored consumers’ experiences in purchasing delivery food through mobile apps and found that user-generated information, firm-generated information, and system quality had a significant effect on perceived usefulness. In addition, system quality and design quality strongly influenced the perceived ease of use, which improved perceived usefulness, and in turn, perceived usefulness and perceived ease of use affected attitude toward the use of mobile apps. Ramphal and Nicolaides (2018) assert that Six Sigma can be applied as it requires that customers be prioritized as the first step to effectively restore an issue of defective service that has been created by a service provider. Six Sigma then is a process of reducing defects by analyzing the methods and business processes of service providers, which are defective in terms of efficacy, and then crafting high quality ideal products and services. Where there are defective processes and services, strategies for change and improvement should be introduced and endorsed, so as to meet and exceed customer needs towards excellence in food delivery provision.

Payment and Food Delivery Services

The most preferred option of payment by the food delivery consumers is the mode of Cash on Delivery or COD, also other digital methods such as debit cards and payment banks are also in the growth stage. Food delivery service providers make sure that the payment mode is smooth and user friendly (Parashar & Ghadiyali, 2018; Houvener, & Hoenisch, 1998; Kargman, 2009; Vignesh & Arun, 2019). Online food delivery providers aim to create a safe and secure environment which aligns with the customers needs and wants and to protect their customer's privacy and they guarantee their financial security to incorporate trust within their consumers and facilitate with convenient payment process (Nicolaides & Grobler, 2017; Karnouskos, 2004).

Generation Z and Food Delivery Services

The young population is especially interested in ordering via food delivery services. In India, people prefer to make a home cooked meal and eat in the conventional and traditional way but the upcoming generation, Generation Z find it smart and convenient to order via food delivery service providers. This compliments the trend in food delivery towards online mediums (Nguyen, 2019). Studies have revealed that mostly youngsters are attached to get food delivery via these services. Youngsters prefer ordering food online on a weekly basis and some daily as well, and their food choices are mostly snacking. Youngsters are well versed with these systems of food delivery and they trust the online payment mode as well ( Sethu & Saini, 2016). Food delivery services are growing in popularity globally among Generation Z.
Website and Food Delivery Services

Web page design is a very necessary consideration and acts as a first impression to the consumers and visitors. Having a smooth and pleasant web page acts as a key to attract visitors and convert them into potential consumers increasing their shopping experience and trust (Porat & Tractinsky, 2012; Lee et al., 2017). Consumers expect the service provider to respond immediately in case of any query (Nicolades, 2008) or to solve problems, this has a positive impact on trust of consumers for food delivery services (Yoon, 2002). For food delivery providers Website quality and a measurement system are very important, to understand the consumer requirement and consumer perceptions on the measurement system for service quality are of the utmost importance (Kamaraj & Thangavelu, 2018). Appearance of the website and functionality is also a crucial factor.

Research Methods and Procedures

Research Objective: To study the customer satisfaction with the various dimensions of Service Quality.

Hypotheses

$H_1$: Tangibility influences consumer satisfaction of Food Delivery Service.

$H_2$: Reliability influences consumer satisfaction of Food Delivery Service.

$H_3$: Responsiveness influences consumer satisfaction of Food Delivery Service.

$H_4$: Assurance influences consumer satisfaction of Food Delivery Service.

$H_5$: Empathy influences consumer satisfaction of Food Delivery Service.

Scope of Study: The study focus is on measuring the service quality and satisfaction of the people using on-demand ride services through the Servqual instrument.

In order to fulfill the objective, the research design includes a part of the exploratory and descriptive analysis. The technique used is the survey method, which was conducted through questionnaires.

The Servqual model which is proposed by Parasuraman et al., (1988), is used as the main guide for the structured questionnaire which has been further modified according to the food delivery service providers. The initial questionnaire was pretested on 50 users of food delivery services, and the changes were incorporated in the final questionnaire before starting the final data collection, the data was collected accurately based on the customers’ expectations and perceptions of service quality.

The Servqual 5 dimensions have been used including tangibles, reliability, responsiveness, assurance, and empathy, for the food delivery service providers.

The study has utilised the Servqual model as the basis for the structured questionnaire because it provides information on the research questions in which it is trying to know how consumers perceive service quality in food delivery service providers, by assessing the difference between their expectations and perceptions of services experienced by consumers.
Participants

A sample size of 312 was administered for this purpose from the major cities of India where food delivery services are prevalent, namely, NCR, Mumbai, Chennai, Hyderabad, Kolkata and Pune.

Data Collection Method

Primary research consisted of a collection of original primary data by the researcher. Primary data included the information gained through the questionnaire by the respondents.

Instrument Used: Questionnaire

The first part of the questionnaire aimed at measuring the consumer expectation of the questionnaire. The second part aimed to calculate perceptions of the food delivery service providers in NCR, Mumbai, Chennai, Hyderabad, Kolkata and Pune based on their experience.

Data Analysis

Based on the type of data collected inferences were made. The response set of one variable was compared with the response set of another variable to ensure a detailed analysis of data. The comparison of perception and expectation was done to analyze the data.

Descriptive Study

The total number of respondents were 312 out of which, there were 62.9% males and 37.1% females. In terms of age group 44% of respondents were below 30 years of age, 32.7% were of 31-45 age group, 13% in the range of 46-60 and 10.3% above 61 age groups. Out of the total sample 37.4% of the respondents were from the service class, business class respondents were 18.2%, 35.1% were students and 9.3% were retired. Out of the total respondents 58.1% were in the income group of Rs. 3 lakhs to 7 lakh per annum, 20.7% were in 7 lakhs to 10 lakhs income bracket, 10 lakhs to 12 lakh income group constituted 11.8% and 9.4% of the respondents were in the above 12 lakh per annum income group.

Description of Dimensions

TA-Tangibles averagely respondents are unhappy with the services offered by food delivery service providers as they have a gap of -4.786 for this dimension.
RL-Reliability has a gap score of -1.789.
RN-Responsiveness has a gap score of -1.081.
AS-Assurance average gap for this dimension is -2.441 depicting dissatisfaction.
EM-Empathy average gap score for the empathy dimension is -4.516.

Findings

Service quality in food delivery service providers was looked at empirically to find out how consumers perceive service quality in food delivery service providers by identifying what dimensions bring satisfaction.”

Concerning food delivery service providers, the gap scores analysis was carried out provided answers to the asked questions. The overall perceived service quality is low as expectations exceed perceptions meaning customers desire more than what is offered to them as of now, this
might be due to high competitiveness in the industry. As a result of this gap, it is clear that customers are not satisfied. Studying the perceptions and expectations of consumers, it can be seen that none of the dimension of service quality brings consumer satisfaction.

Discussions

SERVQUAL has been used to empirically test the model of food delivery service providers which is a tested model (Akbaba, 2006; Borkar & Koranne, 2014; Harrington & Akehurst, 1996; Kumar, Banga, & Thapar, 2000; Wu & Ko, 2013; Nicolaides, 2008; Yilmaz, 2009). In summary, from results obtained, it is seen that consumers perceive service quality as poor in all dimensions meaning their expectations fall short of what they experience in food delivery service providers. All the dimensions show a negative gap between expected service and perceived service and this therefore means that food delivery service providers needs to make improvements in all dimensions in order to close gaps that could lead to increased customer satisfaction. The present research studies the difference between consumer’s expectations and consumer’s perceptions of the service quality in food delivery service providers. It was found that the respondents’ overall expectation in a scale from one to seven is 4.937, an average of all the dimensions of service quality namely, tangibility, reliability, responsiveness, assurance and empathy. This is high and implies that customers expect a lot from the food delivery service providers.

Implications for Management

Tangibility, empathy, responsiveness, assurance and reliability are the important dimensions for the satisfaction of the customer for food delivery services, so marketers need to be really careful in developing empathy so as to understand the consumers need in food delivery services, the policy makers can develop adequate strategies to respond to the consumer needs leading to customer satisfaction. Further assurance and reliability were also found to be the significant dimension which is influencing the satisfaction of food delivery services. This implies, the companies providing food delivery services have to assure the consumers with positive word of mouth and good service provision so that the trust in the consumers can grow into reliability, hence leading to greater customer satisfaction.

For all the customers tangibility, empathy, responsiveness, assurance and reliability are vital dimensions for food delivery services satisfaction. The marketer needs to focus on all the five dimensions of service quality, namely, empathy, responsiveness, assurance and reliability while developing strategies so that the customer is satisfied. It was also noticed that the high income category of the customers are less likely to use food delivery services and prefer dine-in services, hence it is suggested to give more importance to the view point of the middle income group which was 76.7 % of the respondents who are below the age of 45 years of age. The marketers thus should understand the needs of these customers and draft strategies accordingly.

Lastly, it is very strongly suggested that the marketers should not create and increase the expectations of the customers which they cannot deliver upon, as this results in low perception which eventually becomes dissatisfaction for the customers. Continuing consumer acceptance of individual food delivery service choices is contingent on their satisfaction with the quality of the delivered food products. The effectiveness of the delivery services is a critical consideration. Where there are some issues such as protracted delivery times, ruined food products these all mirror poorly on the delivery services on offer. Consumers who are not happy will invariably use competing companies, which does not bode well for food delivery businesses.
Limitations

The study was focused only on the major cities of India, and consequently results may vary if other cities are considered. Research has thus been limited to the 5 dimensions of Servqual.

References


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