



ONLINE FOOD DELIVERY APPLICATIONS AND CHANGING CONSUMER BEHAVIOUR-ITS IMPACT ON TRADITIONAL HOTEL BUSINESS IN NAGPUR CITY

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ABSTRACT

In this Research Paper data collected from customers and restaurants in Nagpur city, Maharashtra, is analyzed in this chapter. 300 restaurants and 500 customers in Nagpur city were selected for the study. The obtained data was analyzed using a variety of statistical techniques, including descriptive statistics like frequency and percentage. The data that was analyzed was arranged using tables that had appropriate descriptions. Each table was explained, and then the findings were shown. In addition, testing hypotheses was part of this chapter's last section.



KEYWORDS: *statistical techniques , including descriptive statistics , food and hospitality sectors.*

INTRODUCTION :

In recent years, the digital transformation in India has revolutionized various industries, including the food and hospitality sectors. Among the most significant developments is the surge of online food delivery applications like Swiggy, Zomato, Uber Eats, and others, which have fundamentally reshaped how consumers access food services. The rapid expansion of these platforms has been driven by advancements in mobile technology, increased internet penetration, and changing consumer preferences. By offering the convenience of browsing menus, placing orders, and receiving meals without leaving home, online food delivery applications have altered traditional dining and ordering behaviors, creating a paradigm shift in the hospitality industry.

Nagpur, a major city in Maharashtra and a growing urban hub, is a focal point for studying the impact of these digital platforms. With a young, tech-savvy population and increasing disposable incomes, Nagpur's residents are adopting online food delivery services at a rapid pace. As a result, local food businesses, including restaurants, hotels, and cafés, have had to adjust to a market that increasingly favors convenience, variety, and speed over traditional dining experiences.

The city's food service industry, which was previously dominated by in-person dining at local hotels and restaurants, now faces a unique set of challenges. The new consumer preference for online food ordering has disrupted the traditional business models, creating both competitive pressure and the need for adaptation among local establishments. Consequently, understanding how these shifts affect consumer behavior in Nagpur's market is vital for traditional hotels and restaurants looking to sustain their operations.

The rapid expansion of online food delivery applications has altered consumer behavior in ways that directly impact the traditional hotel business in Nagpur. As more customers choose to order food online, traditional hotels experience shifts in foot traffic, dine-in rates, and customer loyalty. Many

hotels and restaurants are now forced to join food delivery platforms to remain relevant, which often involves negotiating commission rates, altering menus to suit delivery needs, and sometimes lowering prices. These adjustments can strain profit margins and challenge the traditional hotel model, which has typically relied on in-house dining and direct customer service.

This study will provide a comprehensive analysis of the shifting consumer behaviors influenced by online food delivery applications in Nagpur and the subsequent impact on the city’s traditional hotel businesses. By using both primary data (surveys and interviews) and secondary data sources, the research will capture a wide range of insights into consumer preferences, behaviors, and motivations.

This study aims to provide insights into the changing consumer demands and strategies for traditional hotel owners and managers in Nagpur. It will also benefit policy-makers and industry stakeholders by understanding the economic impact of digital platforms on local businesses. The research will also serve as a foundation for further research into digital transformation and its effects on traditional business models. The study will reveal the complex interplay between convenience and loyalty, as well as significant pressures on traditional hotels to remain competitive. By identifying effective adaptation strategies, the research aims to offer practical recommendations for traditional hotels seeking sustainable solutions amidst digital transformation. The rise of online food delivery applications presents both opportunities and challenges for traditional hotels, as they can expand their reach and enhance customer convenience while also introducing new competitors and shifting customer relationships.

Table 1: Information pertaining to ways by which customer loyalty to traditional hotel restaurants been influenced by the availability of delivery services

| How has customer loyalty to traditional hotel restaurants been influenced by the availability of delivery services? | N | % |
|--|----------|----------|
| Increased Expectations for Convenience | 296 | 98.7 |
| Loyalty Fragmentation | 216 | 72.0 |
| Brand Engagement via Delivery | 247 | 82.3 |
| Rise of Alternative Dining Preferences | 251 | 83.7 |

Above Table 1 shows information pertaining to ways by which customer loyalty to traditional hotel restaurants been influenced by the availability of delivery services. It is observed from the information that according to 98.7% restaurant authorities customer loyalty to traditional hotel restaurants has been influenced by increase expectations for convenience whereas 83.7% restaurant authorities reported that customer loyalty to traditional hotel restaurants has been influenced by rise of alternative dining preferences. Furthermore, customer loyalty to traditional hotel restaurants has been reported to be influenced due to brand engagement via delivery and loyalty fragmentation by 82.3% and 72.0% restaurant authorities respectively. Hence, it is apparent that customer loyalty to traditional hotel restaurants been influenced by the availability of various different facilities among which customer loyalty to traditional hotel restaurants been mostly influenced by increase expectations for convenience.

Table 2: Information pertaining to ways by which online food delivery platforms affected the revenue models of traditional hotels and restaurants

| How have online food delivery platforms affected the revenue models of traditional hotels and restaurants? | N | % |
|---|----------|----------|
| New Revenue Stream | 109 | 36.3 |
| Reduced Dependency on In-House Dining | 293 | 97.7 |
| Bundling Opportunities | 248 | 82.7 |
| Commission-Based Revenue Model | 222 | 74.0 |

Above Table 2 illustrates information pertaining to ways by which online food delivery platforms affected the revenue models of traditional hotels and restaurants. It is evident from the information that according to 97.7% restaurant authorities online food delivery platforms affected the revenue models of traditional hotels and restaurants through reduced dependency on in-house dining whereas 82.7% restaurant authorities reported that online food delivery platforms affected the revenue models of traditional hotels and restaurants through bundling opportunities. Furthermore, online food delivery platforms have been affected the revenue models of traditional hotels and restaurants through commission-based revenue model and new revenue stream by 74.0% and 36.3% restaurant authorities respectively. Hence, it is apparent that online food delivery platforms affected the revenue models of traditional hotels and restaurants through various ways among which reduced dependency on in-house dining is found to be a primary factor which affect the revenue models of traditional hotels and restaurants.

Table 3: Information pertaining to increase in food delivery sales or a decline in dine in customers among traditional hotels

| Have traditional hotels seen an increase in food delivery sales or a decline in dine in customers? | N | % |
|---|------------|-------------------|
| Increase in Food Delivery Sales | 141 | 47.0 |
| Decline in Dine-in Customers | 159 | 53.0 |
| Total | 300 | 100.0 |
| Chi-s | DF | P |
| 1.08 | 1 | 0.2987(NS) |

Above Table 3 demonstrates Information pertaining to increase in food delivery sales or a decline in dine in customers among traditional hotels. It is apparent from the information that 53.0% traditional restaurant experienced decline in dine in customers due to online food delivery platforms whereas 47.0% traditional restaurant experienced increase in food delivery sales due to online food delivery platforms. It is evident from results of non-parametric chi-square test that there is no significant (Chi Sq.-1.08; DF-1; P-0.2987(NS)) difference among restaurant with respect to increase in food delivery sales or a decline in dine in customers among traditional hotels. Hence, it is apparent that significant percentage of restaurant experienced decline in dine in customers due to online food delivery platforms.

CONCLUSION

It is apparent from Table 1 that according to 98.7% restaurant authorities customer loyalty to traditional hotel restaurants has been influenced by increase expectations for convenience whereas 83.7% restaurant authorities reported that customer loyalty to traditional hotel restaurants has been influenced by rise of alternative dining preferences. Furthermore, customer loyalty to traditional hotel restaurants has been reported to be influenced due to brand engagement via delivery and loyalty

fragmentation by 82.3% and 72.0% restaurant authorities respectively. Table 2 illustrates that online food delivery platforms affected the revenue models of traditional hotels and restaurants through various ways among which reduced dependency on in-house dining is found to be a primary factor which affect the revenue models of traditional hotels and restaurants. Table 3 shows that significant percentage of restaurant experienced decline in dine in customers due to online food delivery platforms.

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