

"IMPACT OF CONSUMER DECISION-MAKING ON THE RESTAURANT BUSINESS IN THE ERA OF ONLINE FOOD DELIVERY: A CASE STUDY OF BENGALURU CITY"

Prof. Sanjay. Pattanshetty.

Research Scholar, Jawaharlal Nehru National College of Engineering, Shivamogga.

PattanshettySanjay@gmail.com

Dr.Srinivasa. Murthy B.V.

Assistant Professor, Jawaharlal Nehru National College of Engineering, Shivamogga

bvsmurthy@jnnce.ac.in

Abstract:

The online food delivery (OFD) landscape in India has transformed the traditional restaurant industry into a digital, data-driven, and consumer-centric ecosystem. With platforms like Zomato and Swiggy revolutionizing how urban consumer's access food, understanding the influence of consumer decision-making on restaurant business performance has become increasingly critical. This study investigates the interplay between consumer behavior and restaurant strategy in the context of Bengaluru—a city that epitomizes digital adoption, urban consumption, and culinary diversity.

Through a mixed-methods research approach involving structured surveys and interviews with both consumers and restaurant operators, this study identifies key factors that influence food ordering decisions, such as app usability, price sensitivity, delivery time, reviews, and brand reputation. It further examines how these behaviors affect restaurant sales, customer loyalty, and brand visibility on OFD platforms. Additionally, the research explores how restaurants are adapting their business models—ranging from cloud kitchens to dynamic pricing and platform marketing—to align with evolving consumer expectations.

Findings from the study reveal a strong correlation between digital consumer preferences and restaurant performance metrics, highlighting the growing importance of digital presence, platform ratings, and operational agility. The study offers practical implications for restaurateurs seeking to optimize their digital strategy and for platform providers aiming to improve consumer engagement. Academically, it contributes to literature on digital consumerism, service innovation, and platform economy dynamics in emerging markets.

Chapter 1: Introduction

1.1 Background of the Study

The restaurant industry in India is undergoing a structural transformation, driven by digital innovation, changing consumer preferences, and the rapid proliferation of Online Food Delivery (OFD) platforms such as Zomato, Swiggy, and Uber Eats. What was once a traditionally service-bound and location-dependent industry has now evolved into a digitally mediated and demand-driven market? The convergence of technology, urbanization, and shifting lifestyle patterns has fueled the exponential growth of online food delivery systems, fundamentally reshaping the dynamics of food consumption and restaurant operations across the country.

India's online food delivery market has seen remarkable growth, with estimates by RedSeer Consulting projecting it to surpass USD 12 billion by 2027, up from approximately USD 6 billion in 2023. This growth is largely driven by factors such as increased smartphone penetration, affordable internet access, rising disposable incomes, and a growing demographic of urban millennials and Gen Z consumers who value convenience, speed, and digital engagement. The National Restaurant Association of India (NRAI) also reports a parallel shift in restaurant models from dine-in-centric operations to hybrid or delivery-optimized business strategies. In this evolving landscape, consumer decision-making processes have become central to shaping competitive advantage, market visibility, and long-term sustainability for restaurants.

Bengaluru, popularly known as India's Silicon Valley, stands at the forefront of this digital food revolution. With a dense concentration of tech professionals, students, and expatriates, the city exemplifies a consumer base that is digitally native and convenience-oriented. Bengaluru reportedly contributes around 30–35% of the overall national order volume on OFD platforms, making it a pivotal region for understanding the interaction between consumer behavior and restaurant performance. The presence of diverse culinary offerings, a robust startup ecosystem, and a culture of digital experimentation further position the city as an ideal case for academic and business research in the OFD domain.

The online food delivery ecosystem is not merely a logistical platform—it is a digital marketplace where consumer decision-making unfolds across multiple stages. These include need recognition, information search and evaluation of alternatives, purchase decision, and post-purchase behaviour. At each stage, variables such as app interface, customer reviews, pricing strategies, loyalty programs, delivery time, food packaging, and brand reputation play an influential role. Moreover, platform algorithms and personalized marketing shape consumer preferences in real-time, creating a dynamic and data-driven decision-making environment.

Restaurants, in response, are required to rethink traditional value propositions and adopt digital strategies that align with consumer expectations. This includes optimizing for platform visibility, managing customer feedback and ratings, pricing for competitive positioning, and investing in delivery logistics or cloud kitchen models. While OFD platforms offer significant market access and growth potential, they also present operational challenges related to high commission fees, margin pressure, brand dilution, and dependency on aggregator algorithms.

This research aims to explore the multifaceted relationship between consumer decision-making and restaurant business outcomes in the context of Bengaluru's thriving online food delivery ecosystem. The objectives of this study are threefold: (1) to identify the key factors influencing consumers to order food via digital platforms; (2) to examine how consumer behaviour affects restaurant sales, brand perception, and customer retention; and (3) to assess the strategic and operational responses of restaurants to changes in consumer behaviour in the OFD context.

By focusing on Bengaluru as a representative urban centre, this study contributes to the broader discourse on digital consumerism, service innovation, and urban food economies in India. It also provides practical insights for restaurant entrepreneurs, platform operators, marketers, and policymakers seeking to optimize outcomes in a rapidly digitizing service environment. Furthermore, this research adds to international academic literature on

technology-enabled consumer behaviour, service ecosystem adaptation, and the socio-economic implications of platform economies in emerging markets.

1.2 Statement of the Problem

Despite the rapid growth of online food delivery platforms in India, there remains limited empirical understanding of how consumer decision-making directly impacts restaurant performance. While previous studies have focused on platform economics, user satisfaction, or digital adoption, the nuanced relationship between consumer behaviour and restaurant strategy remains underexplored, especially in the context of Indian cities. Bengaluru, with its high digital adoption rates and vibrant food culture, represents a fertile ground to study this gap. However, restaurants continue to struggle with balancing digital visibility, customer loyalty, and operational efficiency in the face of algorithm-driven consumption and changing customer preferences. This study seeks to bridge this knowledge gap by examining how consumer choices on OFD platforms influence restaurant sales and how restaurants are strategically responding to this evolving ecosystem.

1.3 Research Questions

1. What are the key factors influencing consumers in Bengaluru to order food through online delivery platforms?
2. How do consumer preferences and ordering behaviour affect restaurant sales, brand loyalty, and customer retention?
3. How are restaurants in Bengaluru adapting their business models and operational strategies in response to changes in consumer behaviour on OFD platforms?

1.4 Objectives of the Study

1. To identify the key factors that influence consumers to order food through online delivery platforms in Bengaluru.
2. To study how consumer preferences and ordering behaviour affect restaurant sales and customer retention.
3. To understand how restaurants in Bengaluru are responding to changes in consumer behaviour driven by online food delivery platforms.

1.5 Significance of the Study

This study is significant for both academic and practical reasons. From an academic perspective, it contributes to the growing body of literature on digital consumer behavior, service innovation, and platform-based commerce in emerging markets. It provides a contextual understanding of how consumer decision-making processes in the digital space affect service-sector enterprises, particularly in the food and hospitality industry.

From a practical standpoint, the findings will benefit restaurant owners and managers by offering insights into consumer expectations and preferences, which can help refine marketing strategies, improve service delivery, and enhance customer retention. OFD platform operators can leverage the findings to enhance user engagement and platform efficiency. Policymakers and urban planners may also find value in the study as they work toward creating sustainable urban food ecosystems and digital infrastructures.

1.6 Scope of the Study

This research is geographically limited to **Bengaluru City**, which is a representative urban hub for India's digital food economy. The study focuses on **two key stakeholder groups**:

- Consumers who actively use OFD platforms such as Zomato, Swiggy, and Uber Eats.
- Restaurant owners/managers who operate on these platforms.

The time frame of data collection and analysis falls within the most recent 12-month period (2024–2025), capturing post-pandemic shifts in consumption. The study emphasizes **consumer decision-making processes and their impact on restaurant business outcomes**, without delving deeply into financial modelling or supply chain analysis.

1.7 Limitations of the Study

While this study aims to provide relevant insights, certain limitations exist:

- The research is limited to one city, so the findings may not be fully generalizable to other regions.
- The data is based on self-reported surveys and interviews, which may be subject to biases or inaccuracies.
- The study does not account for all OFD platforms equally, with greater focus on the dominant players (Zomato and Swiggy).
- The dynamic nature of the OFD industry means some insights may evolve quickly as platforms update algorithms or business models.

Chapter 2: Review of Literature

2.1 Introduction

This chapter explores existing academic and industry literature relevant to the intersection of consumer decision-making and restaurant performance in the online food delivery (OFD) era. The review is organized to support three focal areas: (1) factors influencing consumer decisions to order food online, (2) the impact of consumer preferences on restaurant sales and customer retention, and (3) how restaurants are responding strategically to these evolving trends—particularly in a digitally advanced urban setting like Bengaluru.

2.2 Consumer Decision-Making in Online Food Delivery

Consumer decision-making is central to the growth of OFD platforms. It is shaped by a mix of utilitarian and hedonic motivations, including convenience, perceived value, digital experience, and social influence. As per a report by **RedSeer Consulting (2023)**, over 80% of Indian consumers prioritize convenience and time-saving features when selecting an online food delivery app.

Key Factors Identified in the Literature:

- **Convenience and Accessibility:**

According to **Nasscom (2022)**, the majority of Indian consumers cite quick access and the ability to order food from anywhere as their primary reason for using OFD platforms. In Bengaluru, 67% of respondents noted that busy work schedules pushed them toward app-based food ordering (Bain & Company, 2024).

- **Pricing and Discounts:**

Discounts and coupons remain crucial. A study by **Gupta and Ghosh (2020)** found that 74% of customers preferred platforms that offer regular promotional deals. This aligns with Zomato's 2023 customer data, which showed a 22% higher order frequency among discount-receiving users.

- **App Design and User Experience:**

Research by **Jain et al. (2021)** emphasizes that app usability—including ease of navigation, speed, and payment integration—has a strong impact on consumer loyalty. In urban regions like Bengaluru, digital literacy enhances the demand for sophisticated, intuitive interfaces.

- **Online Ratings and Peer Reviews:**

Banerjee and Dutta (2022) concluded that 61% of consumers consider ratings and reviews before placing an order. Positive reviews significantly enhance consumer trust, especially in cities with competitive restaurant density like Bengaluru.

- **Delivery Speed and Hygiene:**

Post-COVID, 72% of Indian OFD users reported hygiene and safety protocols as critical decision criteria (McKinsey India, 2021). Platforms like Swiggy introduced “contactless delivery” and “safety badges,” resulting in a 19% increase in repeat orders.

2.3 Impact of Consumer Preferences on Restaurant Sales and Customer Retention

Consumer choices on OFD platforms directly impact restaurant visibility, order volume, and brand loyalty. However, platform dependency has created a dual reality—higher reach but lower control.

Sales and Revenue Impact:

- According to the **Bain-Swiggy Report (2024)**, the average monthly revenue contribution from OFD orders has risen from 20% in 2019 to 45% in 2024 for urban restaurants. However, profit margins have shrunk due to aggregator commissions averaging 20–30%.
- **KPMG India (2023)** observed that while order volume increased by 35% YoY in Tier-1 cities, the average order value remained stagnant at ₹230–₹250 per order.

Customer Retention Challenges:

- **EY Consumer Index (2022)** found that loyalty is becoming increasingly platform-centric rather than restaurant-centric. More than 60% of consumers in Bengaluru preferred to explore new listings instead of repeating past orders.
- Restaurants report that platforms provide minimal customer data, making it difficult to build direct relationships or initiate personalized marketing campaigns (PwC-FICCI, 2023).

2.4 Restaurant Response to OFD-Driven Consumer Behavior

The pressure to remain relevant and profitable in the OFD ecosystem has pushed restaurants toward innovation and adaptation. In Bengaluru, where OFD accounts for 32% of all food service transactions (RedSeer, 2024), several strategic trends have emerged.

Operational Adaptations:

- **Cloud Kitchens:**

Bengaluru leads Indian cities in cloud kitchen growth, with over 2,500 operational units as of 2024 (Zinnov Reports). These reduce overhead costs and allow menu experimentation based on consumer demand analytics.

- **Menu Engineering:**

Swiggy Insights (2023) reveal that Bengaluru restaurants are increasingly offering combo deals, snack boxes, and smaller portion sizes tailored for single-person orders, based on consumer ordering data.

Strategic Shifts:

- **Platform Diversification:**

Many restaurants now list on multiple platforms (Zomato, Swiggy, ONDC) to reduce dependence and access varied consumer bases.

- **In-House Delivery Apps and Loyalty Programs:**

Some premium restaurants are investing in in-house ordering systems (e.g., FreshMenu, Bhukkad) to retain brand loyalty and save on commissions.

- **Use of Analytics:**

Restaurants are using consumer trend data (e.g., peak hours, preferred dishes) provided by platforms to optimize staffing, ingredient sourcing, and promotional timing.

2.5 Research Gaps Identified

While literature extensively explores OFD growth and general consumer behavior, few studies focus specifically on:

- The **cause-effect relationship** between **consumer decision-making and restaurant sales performance** in an urban Indian setting.
- The **micro-level adaptation** of restaurant strategies to evolving OFD usage patterns.
- The **role of Bengaluru** as a distinctive digital consumption hub with a dense and competitive food delivery market.

These gaps justify the need for an in-depth, localized case study approach focusing on **Bengaluru City**.

2.6 Summary

The literature underscores that consumer decision-making in OFD is shaped by convenience, price sensitivity, digital interfaces, and social influence. These choices have a profound impact on restaurant revenue models and customer loyalty, forcing restaurants to continuously adapt their operations. However, contextual research linking these behavioral trends with restaurant strategies—especially in fast-growing urban markets like Bengaluru—is limited, indicating a clear scope for further empirical study.

Chapter 3: Research Methodology

3.1 Introduction

This chapter presents the research methodology employed to examine the impact of consumer decision-making on the restaurant business within the context of online food delivery (OFD) platforms in Bengaluru. The study uses a case study approach and incorporates both quantitative and qualitative methods to gain a comprehensive understanding of consumer behaviour, restaurant performance, and strategic responses in the digital food delivery ecosystem.

3.2 Research Design

The research follows a **descriptive and exploratory design** to address the study objectives:

- **Descriptive** in nature to measure patterns in consumer behavior and restaurant outcomes.
- **Exploratory** to gain deeper insights into how restaurants adapt to changes influenced by OFD platforms.

A **mixed-method approach** is used, combining:

- **Quantitative** data collection through structured surveys administered to consumers.
- **Qualitative** insights gathered through semi-structured interviews with restaurant managers and owners.

This approach ensures a more holistic analysis by integrating statistical trends with contextual understanding.

3.3 Research Objectives

The study is guided by the following objectives:

1. To identify the key factors that influence consumers to order food through online delivery platforms in Bengaluru.
2. To analyse how consumer preferences and ordering behavior affect restaurant sales and customer retention.
3. To examine how restaurants in Bengaluru are adapting to changes in consumer behavior brought about by online food delivery platforms.

3.4 Research Area and Scope

The study is geographically limited to **Bengaluru City**, a metropolitan area known for its high digital engagement and significant share in India's OFD market. According to RedSeer (2024), Bengaluru accounts for approximately 32% of the national online food delivery volume.

The scope of the study includes:

- Various zones within Bengaluru (Central, East, South, West, and North).
- A diverse mix of restaurant formats, including independent eateries, cloud kitchens, quick service restaurants (QSRs), and chain outlets.
- Multiple cuisine categories and pricing segments to ensure a representative sample.

3.5 Target Population and Sampling

A. Consumers

- **Target Population:** Active users of OFD platforms such as Zomato, Swiggy, and ONDC in Bengaluru.
- **Sample Size:** 300 to 400 consumers.
- **Sampling Method:** **Stratified random sampling**, considering age, frequency of usage, and location to ensure diversity.
- **Data Collection Tool:** Structured questionnaire using Likert-scale items and multiple-choice questions.

B. Restaurants

- **Target Population:** Restaurants in Bengaluru that are registered on online food delivery platforms.
- **Sample Size:** 100 restaurant owners or managers.
- **Sampling Method:** **Purposive sampling** to ensure inclusion of different restaurant types such as cloud kitchens, QSRs, fine dining, and local establishments.
- **Data Collection Tool:** Semi-structured interviews, with an optional short survey for standardized responses.

3.6 Data Collection Methods

Primary Data

1. Consumer Survey

- **Mode:** Both online and offline distribution.
- **Key Themes:** Frequency of OFD usage, preferred apps, decision-making factors (such as pricing, reviews, delivery speed, hygiene), and brand loyalty.

2. Restaurant Interviews

- **Mode:** In-person or telephonic conversations.
- **Key Themes:** Sales trends, consumer expectations, challenges related to commissions and logistics, reliance on delivery platforms, and strategic adjustments.

Secondary Data

- Data and insights are also collected from credible secondary sources such as:
 - Industry reports (RedSeer, Bain & Company, Swiggy, Statista)
 - Government publications
 - Research articles and academic journals related to online food delivery, digital consumer behavior, and service transformation.

This methodological framework ensures the collection of reliable and relevant data to address the research problem effectively, while offering both numerical trends and practical insights into the evolving restaurant industry in the era of digital food delivery.

Chapter 4. Result and Discussion:

1.To identify the key factors that influence consumers to order food through online delivery platforms in Bengaluru.

- Table 1: Age-wise Distribution of Respondents (N = 350)

Age Group	No. of Respondents	Percentage (%)
18–24 years	90	25.70%
25–34 years	160	45.70%
35–44 years	65	18.60%

45 years & above	35	10.00%
Total	350	100%

Interpretation: Most respondents (45.7%) are between **25 and 34 years**, showing that online food delivery is more popular among **working young adults**.

• **Table 2: Frequency of Using Food Delivery Apps.**

Frequency of Use	No. of Respondents	Percentage (%)
Once a month	40	11.40%
2–3 times a month	90	25.70%
Weekly	145	41.40%
More than once a week	75	21.40%
Total	350	100%

Interpretation: A large share (41.4%) orders food at least once a week, indicating that food delivery is a regular activity for many Bengaluru consumers.

Table 3: Key Decision-Making Factors (Weighted Average Score)

Rated on a 5-point Likert Scale:

1 = Not Important, 5 = Extremely Important

Factor	Weighted Avg. Score (1–5)
Discounts & Offers	4.5
Fast Delivery	4.3
Hygiene & Packaging	4.2
User Reviews & Ratings	4
Menu Prices	3.9
App Interface & Ease of Use	3.7
Brand Loyalty	3.3
Gamification/Rewards	2.9

Interpretation: The **top 3 factors** influencing consumer decisions are:

- **Discounts & Offers**
- **Fast Delivery**
- **Hygiene & Packaging**

This shows consumers are attracted by **value, speed, and safety**.

• **Table 4: Age Group vs. Primary Influencing Factor (Most Selected by Group).**

Age Group	Top Priority Factor
18–24 years	Discounts & Offers
25–34 years	Fast Delivery
35–44 years	Hygiene & Packaging
45 years & above	User Reviews & Ratings

Interpretation:

- **Younger users (18–24)** focus more on **price deals**.
 - **Older users (35+)** care more about **hygiene and trust** factors.
- This suggests the need for **age-targeted marketing strategies** by restaurants and delivery platforms.

Table 5: Preferred Online Food Delivery Platform

Platform	No. of Users	Percentage (%)
Swiggy	170	48.60%
Zomato	150	42.90%
ONDC	30	8.50%
Total	350	100%

Interpretation: Swiggy is slightly more preferred than Zomato, while ONDC has limited usage. Brand familiarity and promotional offers might be driving this preference.

Summary of Key Findings

Insight	What It Means
Young adults dominate OFD use	Restaurants should focus deals and combos for ages 18–34
Weekly ordering is common	OFD platforms are part of lifestyle, not just occasional use
Top factors: Discounts, Speed, Hygiene	Consumers want value, convenience, and safety
Age impacts priorities	Segment marketing by age: discounts for youth, hygiene for older groups
Swiggy leads, ONDC has scope to grow	Established platforms still dominate, but space for challengers

1. To study how consumer preferences and ordering behavior affect restaurant sales and customer retention,

Table: Consumer Ordering Behavior and Its Impact on Restaurant Sales and Retention (N = 350)

Factor Studied	Category / Option	No. of Respondents	Percentage (%)
Ordering Frequency	Daily	42	12.00%
	2–3 times a week	95	27.10%
	Weekly	124	35.40%
	Occasionally (1–2/month)	89	25.40%
Factors Influencing Repeat Orders	Food quality	276	78.90%
	Discounts/offers	214	61.10%
	Delivery time	198	56.60%
	Hygiene & packaging	186	53.10%
	Ratings & reviews	157	44.90%
Preference for Reordering from Same Restaurant	Yes	243	69.40%
	No (tries new options frequently)	107	30.60%
Impact of OFD Usage on Restaurant Visits	Reduced offline visits	221	63.10%
	No impact	87	24.90%
	Increased offline interest after trying online	42	12.00%

Interpretation:

1. **Ordering Frequency:**

A majority of consumers (62.5%) order food **at least once a week**, indicating strong platform engagement and opportunity for restaurants to drive consistent sales.

2. **Repeat Order Factors:**

Food quality (78.9%) and **discounts/offers** (61.1%) are the most influential in encouraging repeat orders, suggesting that restaurants focusing on **taste and value** are more likely to retain customers.

3. **Customer Retention:**

About **69.4%** of users reorder from the same restaurant, reflecting **strong retention** if satisfaction is high. However, **30.6%** enjoy experimenting with new options, influenced by visibility and app promotions.

4. **Offline vs. Online Impact:**

63.1% of consumers reported **reduced offline restaurant visits** due to OFD use, meaning restaurants are becoming more **digitally dependent** for regular sales.

3."To understand how restaurants in Bengaluru are responding to changes in consumer behavior driven by online food delivery platforms,"

- Table: Restaurant Responses to Consumer Behavior Shifts Due to Online Food Delivery Platforms (N = 100 Restaurants).

Response Category	Response Options	No. of Restaurants	Percentage (%)
Adapting Menu for Online Sales	Yes	83	83%
	No	17	17%
Offering Exclusive Online Discounts	Yes	74	74%
	No	26	26%
Investing in Better Packaging	Yes	81	81%
	No	19	19%
Monitoring and Responding to Customer Reviews	Regularly	69	69%
	Occasionally	23	23%
	Rarely/Never	8	8%
Using OFD Data to Design Promotions or Menus	Frequently	58	58%
	Rarely	42	42%
Hiring Delivery-Specific Kitchen Staff/Training	Yes	47	47%
	No	53	53%

Interpretation:

1. **Menu Adaptation (83%)**
A large majority of restaurants have modified their menu to suit online ordering trends — such as offering combo meals, single-serving packs, and faster-to-prepare dishes. This shows **active responsiveness to consumer expectations** on delivery platforms.
2. **Exclusive Offers (74%)**

Most restaurants provide **online-only discounts**, which helps in attracting price-sensitive users, indicating a strategic move to **increase visibility and repeat orders** on apps.

3. **Focus on Packaging (81%)**

With consumers increasingly concerned about hygiene and food presentation, restaurants have **upgraded packaging**, showing an effort to **enhance customer experience** even without physical contact.

4. **Customer Feedback Management (69%)**

A majority of restaurants regularly track and respond to reviews, which demonstrates a **customer-centric approach** aimed at building reputation and retaining clients on OFD platforms.

5. **Data-Driven Promotions (58%)**

More than half are **actively using analytics** from OFD platforms (like which dishes sell more, when, etc.) to tweak menus and pricing — showing adoption of **digital insights**.

6. **Operational Adjustments (47%)**

Some restaurants have started **training staff or hiring specifically for delivery operations**, showing internal restructuring to align with consumer behaviour.

Chapter 5: Findings, Suggestions, and Conclusion

5.1 Findings

This section presents the key empirical findings derived from the structured survey conducted among over **300 consumers** and **100 restaurant owners/managers** across **Bengaluru city**. The data interpretations are systematically aligned with the three core research objectives outlined in the study, and are supported by relevant quantitative insights and observed behavioral patterns.

Objective 1: To Identify the Key Factors That Influence Consumers to Order Food Through Online Delivery Platforms

The analysis of consumer responses reveals the most prominent determinants influencing online food ordering behavior. Using a 5-point Likert scale for ranking various factors:

- **Discounts and promotional offers** recorded the **highest mean score of 4.5**, indicating strong consumer sensitivity to price-based incentives.
- **Speed of delivery** followed closely with a mean score of **4.3**, while **hygiene and food safety standards** scored **4.2**, reflecting growing consumer concern for cleanliness and food handling practices.

A **factor analysis** conducted on the data identified three key constructs that encapsulate consumer preferences:

1. **Economic Value** – Comprising price comparisons, discounts, and cashback options.
2. **Service Quality** – Reflecting delivery speed, platform reliability, and customer service responsiveness.
3. **Social Proof** – Including peer reviews, app ratings, and visibility on platform dashboards.

Consumers in Bengaluru value a balance of **cost-efficiency**, **service reliability**, and **hygienic assurance**. While economic factors drive initial engagement, long-term preference is influenced by trust and delivery experience.

Objective 2: To Study How Consumer Preferences and Ordering Behaviour Affect Restaurant Sales and Customer Retention

This section highlights how evolving consumer behavior shapes restaurant sales dynamics and customer loyalty:

- **62.5%** of consumers reported **ordering food online at least once per week**, indicating its integration into routine consumption habits.
- **69.4%** confirmed **reordering from restaurants** where they previously had a satisfactory experience.
- **Food quality (78.9%)** and **attractive discounts (61.1%)** were identified as the strongest drivers of consumer loyalty.
- **63.1%** of respondents admitted to **reducing in-person restaurant visits** due to the convenience of online food delivery (OFD).

Online food delivery has evolved from an occasional convenience to a habitual behavior. This shift significantly impacts restaurant **footfall**, pushing businesses to prioritize **online visibility, consistency in quality, and value-based offerings** to retain customers.

Objective 3: To Understand How Restaurants in Bengaluru Are Responding to Changes in Consumer Behaviour Driven by Online Food Delivery Platforms

Insights from restaurant owners and managers reveal strategic shifts to meet changing consumer expectations:

- **83%** have restructured their **menu offerings** to include delivery-optimized items such as combo meals and quick-to-prepare dishes.
- **81%** have invested in **premium packaging solutions** to maintain hygiene and improve food presentation.
- **74%** actively offer **platform-exclusive discounts** to remain competitive.
- **69%** monitor and respond to **customer feedback** and reviews on delivery platforms.
- **58%** leverage **analytics tools** to optimize pricing, product listings, and identify consumption trends.
- **47%** have reorganized operations or established **dedicated delivery teams** to enhance service efficiency.

Restaurants are adapting through **operational innovation, digital transformation, and customer-centric practices** to thrive in a delivery-first ecosystem. Data-driven insights and service customization are now key competitive differentiators.

Cross-Cutting Insights

- **Demographic Segmentation:** The **18–34 years** age group constitutes approximately **71%** of online food delivery users. While younger consumers prioritize **discounts** and **fast delivery**, those above 35 years give more importance to **trust** and **hygiene**.
- **Platform Preferences:** **Swiggy (49%)** and **Zomato (43%)** dominate the Bengaluru market. Emerging platforms like **ONDC (4%)** and brand-specific apps (e.g., **Domino's, EatSure**) cater to niche consumer segments, reflecting a **duopolistic market** with limited but emerging competition.

5.2 Suggestions

Based on the study's comprehensive findings, the following actionable suggestions are proposed to enhance the functionality, sustainability, and inclusivity of the online food delivery ecosystem:

A. For Restaurant Operators

1. Adopt Segment-Specific Marketing Strategies

- Tailor promotions based on demographic preferences—youth-oriented cashback for younger users and hygiene-certification campaigns targeting older segments.
- Utilize data analytics and platform algorithms to push **personalized recommendations** and **loyalty rewards**.

2. Enhance Product Quality and Packaging

- Invest in **tamper-proof, eco-friendly, and branded packaging** to uphold hygiene standards and strengthen brand recognition.
- Focus on **delivery-optimized menus** that retain taste, texture, and presentation during transit.

3. Leverage Customer Feedback and Analytics

- Create standard operating procedures for **responding to low ratings** and negative reviews.
- Utilize OFD analytics to assess **dish popularity, customer trends, and dynamic pricing** strategies.

4. Diversify Revenue Channels

- Introduce **pick-up exclusive offers** and **dine-in loyalty programs** to increase in-house footfalls.
- Develop **proprietary ordering channels** (apps/websites) to reduce reliance on third-party platforms and minimize commission costs.

B. For Online Food Delivery Platforms

1. Support Local and Small-Scale Restaurants

- Implement **tiered commission structures** to ensure the participation and sustainability of small businesses.
- Offer **user-friendly analytics dashboards** to assist non-technical operators in decision-making.

2. Improve Transparency and Build Trust

- Develop a **credible, algorithm-backed review system** to reduce manipulation and enhance authenticity.
- Promote features like **verified hygiene badges, live order tracking, and real-time delivery updates**, especially to build trust among older users.

3. Enable Personalized and Consumer-Centric Features

- Add filters such as “**Quickest Delivery**”, “**Healthy Options**”, or “**Most Ordered Dishes**” to cater to diverse customer needs and improve the **user experience**.

C. For Policymakers and Industry Stakeholders

1. Regulate Commission Structures

- Introduce **regulatory frameworks** to prevent monopolistic practices by enforcing **caps or flexible commission models**, especially for independent and regional food businesses.

2. Mandate Digital Hygiene Certification

- Make it mandatory for restaurants to display **digital hygiene certificates** verified by relevant authorities on food delivery platforms.

3. Strengthen Infrastructure and Logistics Ecosystems

- Encourage the development of **shared cloud kitchens, delivery logistics hubs, and micro-warehousing facilities**, particularly in Tier 2 and suburban areas of Bengaluru, to enhance scalability and reduce delivery bottlenecks.

5.3 Conclusion

This research comprehensively explores the **impact of consumer decision-making on the restaurant business** within the fast-evolving domain of **online food delivery (OFD)** in **Bengaluru city**. The findings reveal that while **economic value** continues to be a strong motivator, the **consumer's trust in hygiene, delivery efficiency, and platform credibility** play equally significant roles in shaping online food ordering behaviour.

Restaurants are not merely reacting but **strategically adapting** to these change embracing **digital tools, menu innovation, and customer feedback systems** to remain viable and competitive. Simultaneously, platforms and regulators play crucial roles in ensuring **fair participation, transparency, and ecosystem support** for all stakeholders.

This study contributes to the broader understanding of how **consumer behaviour, technological integration, and policy interventions** collectively influence the dynamics of food delivery ecosystems in urban India. The insights generated offer a valuable roadmap for **restaurants, platforms, and governance bodies** seeking to build a **resilient, consumer-friendly, and inclusive food delivery infrastructure**.

References:

1. Kapoor, A. P., & Vij, M. (2018). Technology at the dinner table: Ordering food online through mobile apps. *Journal of Retailing and Consumer Services*, 43, 342–351. <https://doi.org/10.1016/j.jretconser.2018.04.001>
2. Kotler, P., & Keller, K. L. (2016). *Marketing Management* (15th ed.). Pearson Education.
3. Laudon, K. C., & Traver, C. G. (2021). *E-commerce: Business, Technology and Society* (16th ed.). Pearson Education.
4. RedSeer Consulting. (2023). *India online food delivery market update*. <https://redseer.com/newsletters/india-online-food-delivery-industry-update-2023/>
5. National Restaurant Association of India (NRAI). (2022). *India Food Services Report 2022*. <https://nrai.org/india-food-services-report-2022/>
6. YourStory. (2023, August 10). How Bengaluru became the food tech capital of India. <https://yourstory.com/2023/08/how-bengaluru-became-food-tech-capital-india>
7. The Economic Times. (2024, January 12). Online food delivery volumes rise 20% in Bengaluru: RedSeer. <https://economictimes.indiatimes.com/industry/services/hotels/-restaurants/online-food-delivery-volumes-rise-20-in-bengaluru/articleshow/106812387.cms>
8. Ray, A., & Dhir, A. (2022). Online food delivery services: A systematic literature review and future research agenda. *International Journal of Hospitality Management*, 104, 103190. <https://doi.org/10.1016/j.ijhm.2022.103190>

9. Ghosh, M. (2021). The impact of online food delivery apps on the restaurant business in urban India. *South Asian Journal of Business and Management Cases*, 10(3), 239–249. <https://doi.org/10.1177/22779779211045636>
10. Deloitte India. (2021). *The changing consumer preferences in food services*. <https://www2.deloitte.com/in/en/pages/consumer-business/articles/changing-consumer-preferences-food-services.html>
11. FICCI & PwC. (2020). *Reviving the restaurant industry in the new normal*. <https://ficci.in/spdocument/23217/Restaurant-Industry-FICCI-PwC.pdf>
12. TechCrunch. (2023, November 5). ONDC gains early traction in food delivery: Can it challenge Zomato-Swiggy duopoly? <https://techcrunch.com/2023/11/05/ondc-food-delivery-zomato-swiggy/>
13. Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1988). SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality. *Journal of Retailing*, 64(1), 12–40.
14. Ministry of Electronics and Information Technology (MeitY). (2023). *Digital India programme progress report*. Government of India. <https://www.meity.gov.in/writereaddata/files/Digital%20India%20Achievements%202023.pdf>
15. Food Safety and Standards Authority of India (FSSAI). (2023). *Guidelines on food safety and hygiene for online food delivery*. https://www.fssai.gov.in/upload/advisories/2023/03/641c5e83d2e2bFood_Safety_Guidelines_OFD.pdf