

An Empirical Study on E-Service Quality and E-Loyalty Towards Online Food Delivery Service – Millennials’ Perspective

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Abstract

The headway of the Internet technology has made e-commerce easier and has changed the way the customers and companies behave. Recent data indicates that the food industry has quickly risen to the top of the most popular Internet purchasing categories. Even in the post-pandemic world, the restriction on activities outside the home to purchase essentials incited the technocrat customers to buy meals online. The intense competition and growth present the restaurants with both a chance and a difficulty; thus, to succeed in this difficult climate, having loyal consumers is essential. Past research in the restaurant industry shows that e-service quality has considerable impact on the customer experience. However, there does not seem to be much literature discussing how the e-service quality affects client loyalty online, in the context of OFD services. This study investigates and assesses the direct impact of e-service quality and customer satisfaction and loyalty towards online food delivery (OFD) services. A survey was conducted among the millennials using a structured questionnaire framed with the help of prior studies in this area. Simple correlation and regression were used to analyse the data, and the study confirms that there is a significant positive influence of e-service quality on e-satisfaction and e-loyalty.

Keywords: Online Food Delivery (OFD), E-Service Quality, E-Satisfaction, E-Loyalty

Introduction

The headway of the Internet technology made e-commerce easier; it has changed the way the customers and companies behave (Suhartanto et al., 2018). The

retailer’s adoption of digital transition has prompted them to improve their offerings and elevate customer experience where the rising demands of consumers have served as its foundation (Solanki, 2022). The consumers are now prioritising online platforms over the brick-and-mortar experience, which shows the notable changes in their behaviour. Like everything else, the eating habits of the customers have also changed from offline to online platforms, which is a foundation to the mushrooming of online food delivery (OFD) services. Recent data indicates that the food industry has quickly risen to the top of the most popular Internet purchasing categories, and even in the post-pandemic world, the restrictions on going outside their homes to purchase essentials incited the technocrat customers to buy online (*E-Commerce for the Food & Beverage Industry: 2022 Trends*, n.d.). Online food delivery makes it easy for the customers to place orders and have their favourite foods delivered right to their door, which entails using a website or application to browse, choosing from a large range of foods, and making payments through various modes (Liou et al., 2011). The movement of people has been constrained during the pandemic period, which results in a change in the consumers’ behaviour, since they made fewer visits outside their homes (Pollard, n.d.). Online food delivery has shown an increase in popularity as a result of the coronavirus pandemic, and depicted a 67% growth worldwide between 2019-2020 (*Online Food Delivery – Worldwide | Statista Market Forecast*, n.d.).

The intense competition and growth presents restaurants with both chances and difficulties; thus, to succeed in the difficult climate, having loyal customers is essential (Pee et al., 2019). It is crucial to comprehend this market in terms of its service quality, customer satisfaction, and loyalty of the customer. The consumer’s delight and

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behavioural intent are thought to be crucial factors in online services. Superior service quality is one technique to raise customer happiness. Perceived service quality serves as a tactical instrument for positioning the company in achieving success (Mehta et al., 2000). In literature, there has been much discussion on the value of client loyalty and the factors that affect it. Literature generally agrees that the perceived value, the quality assured of the goods and services, and customer satisfaction and delight are the foundational elements of loyalty (Wirtz & Lovelock, 2016). Prior studies in the context of the restaurant industry showed that e-service quality and meal quality have a significant effect on customer experience (Zulkarnain Kedah et al., 2015). Many of the literatures remarked on the significance of e-service quality on the customer experience. However, there is still an absence in finding the effect of e-service quality trait on loyalty among consumers in online food delivery services. A study conducted by Rakuten Insight in August 2021 on Indian food delivery apps revealed that most respondents are in the age group of 25-40 years and their frequency of ordering is way higher compared to other age groups. The perception on online food ordering by the youth, the most tech-savvy group, is generally analysed. The researcher here is, therefore, trying to investigate the impact of e-service quality on e-loyalty among millennials.

Review of Literature and Hypothesis Development

E-Service Quality

The generally discussed definition of e-service quality propounded by Zeithaml and colleagues is “the extent to which a website facilitates efficient and effective shopping, purchasing, and delivery of products and services” (Zeithaml et al., 2002). The customer’s comprehensive evaluation of electronic service offering constitutes the e-service quality (Zeithaml et al., 2002). Electronic marketing initiatives have received a lot of attention because the online market has been expanding quickly over the past several years, and many businesses were able to gain customer loyalty by raising the standard of their electronic services, that is, e-service quality (Chang et al., 2009). While making purchases online, customers need exceptional service from the websites (Caruana & Ewing, 2010). The analytical outcomes of

the studies which examined the connection between the parameters of e-service excellence and total service quality demonstrated that the aspects of website design, dependability, responsiveness, and trust had an impact on total service quality and client delight (Lee & Lin, 2005). Providing high quality services and enhancing customer value can lead to high customer satisfaction, which can then have an impact on the company’s reputation, ultimately brining about customer retention (Hu et al., 2009). Managers of businesses with a Web presence must realise how customers see and rate online services, to provide excellent customer care (Parasuraman et al., 2016). Despite the fact that there is numerous research on service quality, there are not many that specifically address online food delivery quality and e-satisfaction. Thus, the following hypotheses were formulated to check the factors in the context of online food delivery channels.

H1: E-service quality has a significant effect on e-satisfaction towards online food delivery services among millennials.

E-Loyalty

The key to thriving and surviving in a cutthroat market is to have devoted customers. A customer who routinely repurchases or favours a particular good or service in the future, regardless of outside pressure or marketing strategies, is defined as a loyal customer (Oliver, 1999). Online loyalty or e-loyalty is the commitment of clients to a website, indicating their intention or desire to return, transact, and refer the website to others (Abou-Shouk & Khalifa, 2016). Prior studies in this area revealed that e-loyalty is impacted by technology acceptability, website service excellence, and e-satisfaction (Lin & Sun, 2009). Online loyalty is significantly and favourably influenced by relationship satisfaction, perceived relational involvement, and emotional commitment (Rafiq & Fulford, 2013). Customers who are loyal to the business are more likely to spend more money, pay a higher price, and recommend the business to others and help keep the cost down. Therefore, even if establishing online loyalty costs more than creating traditional loyalty, having online loyal clients must accelerate the profit development (Kim et al., 2009).

H2: E-service quality has a significant effect on e-loyalty towards online food delivery services among millennials.

Methodology

The study focused on the perception of millennials (age group 25-40) towards online food delivery services and the role of e-service quality on e-satisfaction and loyalty. Data was collected from 300 respondents from Kerala, in the category of millennials who order food online, by circulating online questionnaires. To measure the e-service quality of online food delivery, a formal OFD service scale developed by Cheng et al. (2021) is used. The measurement variables for e-satisfaction and e-loyalty are adapted from prior studies. The method of analysis to measure the variables was done using Statistical Package for Social Science (SPSS version 25.0).

Table 1: Demographic Details of the Respondents

Demographic Variables	Category	Frequency	Per cent
Gender	Male	120	40
	Female	180	60
Education	Under-Graduate	20	6.7
	Graduate	106	35.3
	Post-Graduate	174	58

Table 2: Mean, Standard Deviation, and Correlation

Variables	Mean	Standard Deviation	Cronbach's Alpha	1	2	3
E-Service Quality	24.24	2.25	0.832	1		
E-Satisfaction	3.97	.57	0.753	0.638**	1	
E-Loyalty	4.08	.58	0.808	0.574**	0.520**	1

**Correlation is significant at a 0.01 level (2-tailed).

- To determine the relationship between e-service quality and e-satisfaction, Pearson correlation was used. There was a statistically significant positive correlation between e-service quality and e-satisfaction ($r = 0.638$, $N = 300$, $p < 0.000$).
- A positive and significant correlation was also found between e-service quality and e-loyalty ($r = 0.574$, $N = 300$, $p < 0.000$).

Based on the result, hypothesis H1 and H2 were accepted. The regression analysis results are shown in Table 3.

Data Collection

The data was collected from both primary and secondary sources. Primary data was collected by using structured online questionnaires distributed to the millennial respondents in Kerala through an online platform. Secondary data sources for the study includes journals, articles, online publishing websites, and so on.

Measurement

The scale for measurement of e-service quality, e-satisfaction, and e-loyalty are adopted from previously developed scales. The e-service quality measurement was done by analysing six factors, including assurance, system operations, traceability, quality and hygiene of the food, reliability, and security (Cheng et al., 2021). The five-point Likert scale, ranging from strongly agree to disagree, was used to rate the variables.

Results

Pearson correlation analysis results between the dependent and independent variables are shown in Table 2.

Table 3: Influence of E-Service Quality on E-Satisfaction

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.638 ^a	0.407	0.405	0.44324

a. Dependent Variable: E-Satisfaction.

b. Predictors: (Constant): E-Service Quality.

- A simple linear regression was used to see how well e-service quality predicted the e-satisfaction of mil-

lennials towards online food delivery. The R square value is 0.407, which shows that 40.7% of the variance in the dependent variable (e-satisfaction) was explained by the independent variable (e-service quality). For each unit of increase in e-service quality, there will be a .638 unit of increase in e-satisfaction. Thus, the simple linear regression shows a significant relation between e-service quality and e-satisfaction ($p < 0.000$).

Table 4: Influence of E-Service Quality on E-Loyalty

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.574 ^a	0.330	0.328	0.479

a. Dependent Variable: E-Loyalty.

b. Predictors (Constant): E-Service Quality.

- To determine how well the e-service quality predicted the millennials' e-loyalty towards online food delivery, a simple linear regression was used. The R square value was 0.330, which means that 33% of the variance in the dependent variable (e-loyalty) is explained by the independent variable (e-service quality). Thus, the simple linear regression shows a significant relation between e-service quality and e-loyalty ($p < 0.000$).

The above findings confirm the acceptance of the hypothesis. Table 5 shows the hypothesis testing results based on correlation and regression analysis.

Table 5: Result of Hypothesis Testing

Hypothesis	Result
H1: e-service quality has a significant impact on e-satisfaction towards online food delivery among millennials.	Accepted
H2: e-service quality has a significant impact on e-loyalty towards online food delivery among millennials.	Accepted

Conclusion

As the service marketing triangle theory suggests, every service business promises better and quality offerings through external marketing. In the present era, we can witness an upswing in the switching of the platform from offline to online. The deep desire for home delivery of

meals through online orders by the time-pressed technocrat millennials brought a ray of light to the restaurant industry (Cheng, 2018).

The study significantly extended the authors' understanding of e-service quality, satisfaction, and loyalty. The result shows that most of the customers order food through popular mobile food applications and the rest make use of Web browsers. The e-service quality measurement was done by analysing six factors, including assurance, system operations, traceability, quality and hygiene of the food, reliability, and security.

The study established that e-service quality in online food delivery influences the e-satisfaction of millennials. Besides, the findings confirm that the e-service quality has a positive influence on the customer's repurchase of the food through online applications and recommend it. The study does not distinguish each factor of e-service quality based on the importance. Future research can be carried out by analysing each factor of e-service quality separately based on their relative importance, so that a clear managerial implication can be given by providing useful guidelines to the restaurants who provide the online delivery services for improving the e-service quality. The focus group of the study is the millennial group of people who have grown up and experienced the digital world and use online food delivery platforms. The respondents of this important generational group will be a stepping stone to the restaurants that provide online delivery services to make the necessary changes to appeal to the same group and to provide high quality service.

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