Customer Satisfaction through Mobile Applications-A Case Study in India

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Abstract

In the present globalized economic scenario, the usage of Mobile apps has become a common phenomenon both in personal usage as well as business usage. In this modern generation has understood the value and convenience of the usage of mobile applications with the latest technological advancements in India as well as across the globe. The researchers of this paper have put in efforts to understand and analyze Customer Satisfaction through Mobile Applications with an analysis of a Case Study in India so as to assess the impact of these applications with particular emphasis on food industry.

Keywords: Mobile apps, Business applications, Brand promotion, Ethical issues etc

Originality/value: The researchers of this paper have made an earnest attempt to analyze the Customer Satisfaction through Mobile Applications-A Case Study in India

Introduction

In today's revolutionary technological advancements have made the usage of smart phones by the consumers and its mobile apps are more convenient and leveraged various services offered by many industries across the globe. The marketers have devised various strategies to reach the potential as well as regular consumers as these consumers are habitual in using smart phones with latest mobile apps for their general convenience and comfort. This resulted in the development of integrated services from communication, computing and mobile sectors including voice communication, messaging, personal information management applications and wireless communication capability throughout the industry. As the technological advancements in mobile applications increased their functionality beyond traditional functionalities like making phone calls and sending text messages. The mobile apps in today's Smart phones are equipped with the capabilities like displaying photos, play games, play videos, GPS navigation, built-in camera, audio and video playback and recording, send/receive e-mail. Some built in apps for social web sites and surf the web, Wi-Fi and much more. After understanding various features offered by these mobile applications are widely used in educational institutes, hospitals, public places and shopping malls etc. Therefore, the impacts of these mobile applications on diverse sectors of society and finally this study summarized the impacts are phenomenal.

Review of Literature on Customer Satisfaction through Mobile apps

In the second phase of their research, the researchers have analyzed the customer satisfaction through standards tools of research. Customer satisfaction is a term frequently used in marketing. It is a measure of how products and services supplied by a company meet or surpass customer expectation. Customer satisfaction is defined as "the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals. It is seen as a key performance indicator within business and is often part of a Balanced
Scorecard. In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy. Gitman, Lawrence J.; Carl D. McDaniel (2005). Within organizations, customer satisfaction ratings can have powerful effects. They focus employees on the importance of fulfilling customers’ expectations. Furthermore, when these ratings dip, they warn of problems that can affect sales and profitability. These metrics quantify an important dynamic. When a brand has loyal customers, it gains positive word-of-mouth marketing, which is both free and highly effective. Therefore, it is essential for businesses to effectively manage customer satisfaction. To be able to do this, firms need reliable and representative measures of satisfaction. In researching satisfaction, firms generally ask customers whether their product or service has met or exceeded expectations. Thus, expectations are a key factor behind satisfaction. When customers have high expectations and the reality falls short, they will be disappointed and will likely rate their experience as less than satisfying. For this reason, a luxury resort, for example, might receive a lower satisfaction rating than a budget motel even though its facilities and service would be deemed superior in 'absolute' terms.

Customer satisfaction is a term frequently used in marketing. It is a measure of how products and services supplied by a company meet or surpass customer expectation. Customer satisfaction is defined as "the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals." (Farris, Paul W.; Neil T. Bendle; Phillip E. Pfeifer; David J. Reibstein, 2010). "Customer satisfaction is measured at the individual level, but it is almost always reported at an aggregate level. It can be, and often is, measured along various dimensions. A hotel, for example, might ask customers to rate their experience with its front desk and check-in service, with the room, with the amenities in the room, with the restaurants, and so on. Additionally, in a holistic sense, the hotel might ask about overall satisfaction 'with your stay.'" As research on consumption experiences grows, evidence suggests that consumers purchase goods and services for a combination of two types of benefits: hedonic and utilitarian. Hedonic benefits are associated with the sensory and experiential attributes of the product. Utilitarian benefits of a product are associated with the more instrumental and functional attributes of the product (Batra and Athola 1990). Customer satisfaction is an ambiguous and abstract concept and the actual manifestation of the state of satisfaction will vary from person to person and product/service to product/service. The state of satisfaction depends on a number of both psychological and physical variables which correlate with satisfaction behaviors such as return and recommend rate. The level of satisfaction can also vary depending on other options the customer may have and other products against which the customer can compare the organization's products. Work done by Parasuraman, Zeithaml and Berry (Leonard L) between 1985 and 1988 provides the basis for the measurement of customer satisfaction with a service by using the gap between the customer's expectation of performance and their perceived experience of performance. This provides the measurer with a satisfaction "gap" which is objective and quantitative in nature. Work done by Cronin and Taylor propose the "confirmation/disconfirmation" theory of combining the "gap" described by Parasuraman, Zeithaml and Berry as two different measures (perception and expectation of performance) into a single measurement of performance according to expectation. The usual measures of customer satisfaction involve a survey (Kessler, Sheila 2003). Thus, it is relevant that the customer satisfaction would be more important for the companies trying to satisfy the needs of customers by innovative mobile apps in food Industry (Kameswara Rao Poranki,2015).

The Mobile apps usage in Food Industry

The food industry has also increased the usage of mobile applications to enhance the services to the consumers and to get quick profits by many food industries in Hyderabad as well as in India. In today's busy working schedules of both wives and husbands in the urban families are becoming more time consciousness and try to avoid home cooking and eat outside. In this practice of eating outside by the working wives and husbands, they need to visit the hotels or restaurants and there is no guaranty
that they will get a suitable table in the peak hours of lunch time. After understanding this problem of eating by the working couples, many marketing companies have devised strategies to attract these consumers with more convenient and ease of use mobile applications at their finger tips so that the food they are interested would be delivered to their work place so as to avoid moving out of the office and to travel in the jam packed roads of any city in India. Therefore, these mobile applications which are downloaded in their smart phones have given more convenience, saving of fuel by many consumers thus resulted in saving of fuel to the nation as a whole. Parking troubles also could be avoided by the usage of these mobile apps. The consumers can order the dishes as per the choice at their respective workplaces and get them delivered on time. Thus, time saving with average prices made these mobile applications are more attractive and ease of use.

Case analysis of Swiggy - A mobile application based startup

A bright student of BITS-Pilani, India Mr. Sriharsha Majety, and also IIM-C alumnus has started his career as a trader at an investment bank in London who is having entrepreneurial dreams. Another friend of Mr. Sriharsha Majety is Nandan Reddy, another BITS Pilani, India alumnus, has already made his foray into a startup called 'Galla' which is a tablet-based POS for restaurants after heading operations of India’s first rural BPO. These two friends had started a startup together namely a logistics platform called Bundl which was shut down in June 2014. However, as there is no much potential in Bundl, but it has excited both the co-founders the impact of logistics and its profitability made them to understand the potential of hyper-local delivery in Indian metros. These two co-founders of Bundl has started a startup company called Swiggy along with Mr. Rahul Jaimani who was working as a developer at Myntra. Thus, the establishment of Swiggy is a new food ordering and delivery company based out of Bengaluru. Swiggy started operations in August 2014 from Koramangala, Bengaluru’s startup hub in India. After the launch of Swiggy it has secured $2 million funding from Accel Partners and SAIF Partners. We need to understand the meaning of 'Swiggy' according to urban dictionary the meaning of the word ‘swiggy’ as something unbelievably legit and real.

The Concept of Swiggy:

These young entrepreneurs have understood the need and wants of potential customers as many urban customers want quick fix solutions to their food needs. So, Swiggy was founded to get food from the best restaurants in a neighborhood delivered to the customer’s doorstep. This has given immense joy to many consumers in Bangalore, India thereby more profits to Swiggy's promoters. The key in this business is unlike many other food ordering platforms, Swiggy has its own fleet of delivery personnel equipped with Smart phones with an app powered by routing algorithms, who pick-up orders from restaurants and deliver it to customers is a roaring success.

The Problem and Solution

Timely delivery to the customers and real-time tracking of their orders by the customers is the problem. The founders of Swiggy has turned this problem into an opportunity to serve the customers in a better fashion so as to get more customer acceptance and thereby get more profits through word-of-mouth publicity. Swiggy has depended on their own fleet of delivery boys are equipped with Smart phones with an app powered by routing algorithms, who pick-up orders from restaurants and deliver it to customers is a superb success formula.

The business of food and growth

Swiggy takes a percent of order generated for the restaurants as commission. Initially, they were charging a small delivery fee to users for orders below Rs.200 but have discontinued it for the next few months. After raising our first round of funding, they have expanded their coverage and our partnerships and tripled our order numbers over the last month. One of the promoters Mr. Sriharsha
believes that there's no more powerful marketing channel than the word-of-mouth. The company is operating in 11 neighborhoods in Bangalore and plans to serve all over the city in the next two months. Swiggy has tied up with more than 300 restaurants and delivering 1000+ orders daily already. For restaurants, Swiggy generates an additional business without any additional hassles of managing delivery. This, according to Mr. Sriharsha, is the reason why restaurants continue to be committed to a strong partnership with the company.

**Online food market**

According to the report by IBEF, the online food ordering business in India is still in its nascent stage. The share of online food ordering would be in single digits of the overall food ordering business which in 2014 was estimated to be around Rs 5,000-6,000 crore (US$ 800.19-960.12 million) and growing at 20-30 per cent month-on-month. The founder, Mr. Sriharsha says, “The size of the Indian restaurant industry will be worth $30 billion in 2020 and is growing at a very fast pace. The percentage of delivery in this market is also witnessing a steep increase so the opportunity is really massive.” The vibrancy of the sector can be estimated by the fact that more than 65 food-tech companies are operating in India today. Success of the likes of Zomato and FoodPanda has also strengthened the sentiment for the Food & Beverages industry in India. Tinyowl is another online food ordering platform witnessing a massive growth.

**Swiggy Vs Foodpanda: What makes Swiggy different?**

Are you hungry? Even if you aren’t, there are 100 startups out there wishing you were. The food tech scene in India has had the most competition with over 10 to 15 startups every month cropping up in different areas trying to differentiate themselves with various niches like nutrition, gourmet etc. For the sake of this article, we compare two food delivery startups.

**What sets Swiggy and Foodpanda apart?**

Foodpanda is the Rocket Internet backed food delivery startup that was the first few Indian startups in this space. Swiggy is in the same space and was founded in 2014, two years after Foodpanda.

**How do these two compare?**

The researchers surprised the amount of restaurants that Foodpanda has on offer. We self-confessed Swiggy fans, and have seen the options Foodpanda has and it isn’t much. But now, we pleasantly surprised that Foodpanda have all the restaurants that Swiggy has on offer. The one glaring problem the researchers directly see with Foodpanda is the delivery time. It’s ridiculous to wait for 70 minutes. We know it’s the worst-case scenario. But having to wait on average for more than 35 to 40 minutes is not a possible option when our house is literally 2 or 3 kilometers away from most of these restaurants. Foodpanda’s deals section is nice. Which has flat offers. These aren’t some restaurants that nobody orders from.

**Foodpanda app features**

One cool option I noticed in the settings section is the option to switch off the load images option. I think this is pretty cool because of two reasons. If your data is slow and you are getting frustrated, you don’t need to see the pictures, all you want to do is order. With this the options load faster. There are close to 70 restaurants and you don’t always want to see their logos. You eat up on your data unnecessarily and you can cut down on this.
Swiggy App features

Swiggy’s filter option is nothing to boast about. You can filter based on cuisine and budget. Although you don’t know how cheap the most inexpensive restaurant is and how expensive the highest restaurant is. The delivery time is not really a filter people use because most of them know the kind of food they are ordering and the time that’ll take. And Swiggy’s service is so good that most of the deliveries happen in 30 minutes.

Filters in Swiggy App

The below Swiggy app screenshot is to show, how consistent their deliveries are. Every order is expected to be delivered within 45 minutes and it does. 45 minutes is a bit much for Swiggy because it’s done in 30 minutes. The below Swiggy app screenshot is to show, how consistent their deliveries are. Every order is expected to be delivered within 45 minutes and it does. 45 minutes is a bit much for Swiggy because it’s done in 30 minutes.

Swiggy Delivery time

Swiggy’s offers section is a joke because there are no offers almost at any point of time and they need to improve this. But the most important feature that Swiggy needs is a point based discount system for repeat customers. Some customer order around ten times a month with Swiggy and if they are given discounts then they would be even more regular and consistent.
Conclusion

If we want deals then we would choose Foodpanda and if we wanted consistency in service in terms of time and delivery I would choose Swiggy. What would happen in the food delivery space? The Swiggy has an edge over its nearest competitor Foodpanda in many fronts, such as delivery time, Mobile application features, convenience and manifold choices to customers etc have keep the Swiggy on a better positioning. The first time entrepreneurs excited to build a solution for a real problem, but we they captured the opportunity better rather than just getting excited about solving a problem right away. Swiggy is focusing on food delivery for the medium term as there’s still so much left to be accomplished in the domain. However, the founder Mr.Sriharsha doesn’t rule out adding other categories (business verticals) at a later point in time. He signed off with the following comment on the competition in this sector which also reflects the ideology of Swiggy at large. It’s great to have competition in the space, it pushes us all to work even harder and serve better experiences to the customers. May the best service win! Finally, the researchers have concluded that the key for business success is customer satisfaction by the usage of effective mobile apps in the food industry.

References


