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Short Communication

A Case Study on Supply Chain Management System of Food Delivery Apps in Visakhapatnam

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ABSTRACT

Food consumption habits of people are changing dramatically. The home-bound lifestyle of people has changed the way people enjoy the food. Good quality of food and speed of delivery is of utmost significance for the customers. The supply chain management in the food delivery industry plays crucial role the in delivery of quality of food at affordable cost, time plays a vital role. Several partners will be actively involved in delivery of quality food to customers. The study mainly focusses on the supply chain management system of leading food delivery app services *i.e.*, Zomato and Swiggy in Visakhapatnam and various partners in delivery of service. The study also highlights the discounts offered by these apps and how they are shown in app.

Keywords: Food delivery apps; Supply chain management; Consumer behaviour

INTRODUCTION

Food consumption habits of people are changing dramatically. The home-bound lifestyle of people has changed the way people enjoy the food. The online delivery apps, particularly the third-party delivery industry made it easy for the food companies to reach their customers [1].

The supply chain management in the food delivery industry plays crucial role the in delivery of quality of food at affordable cost, time plays a vital role. COVID-19 pandemic has greatly altered the people dine and enjoy food; this gave a huge boost to the food delivery industry. The urbanization of Indian subcontinent and the modern life style of the country's citizens have led to the increased demand for online food supply. Customers huge expectations and look for comfort of having their desired restaurant food in the home itself have given a major place for the food delivery market [2].

Good quality of meals and speed of delivery is of utmost significance for the customers. The high pressure placed on the delivery personnels and the technology providing the best food delivery experience. The main concern of the food delivery industry is to provide service in high volumes with cost effective and safe deliveries [3].

Visakhapatnam also known as Vizag, is the largest and one of the most populous cities of Andhra Pradesh, India with population of 19.595 lakhs, have more use of the food delivery industry considering the heavy traffic and volume of delivery requests it is a challenge to the company to provide timely and quality food to the customers. This makes supply chain management more challenging and to be maintained. Thus, it is very important that the food delivery app, the restaurant and the delivery rider should work in unison with each other to achieve safe, timely, cost effective and quality delivery of the product to the customers [4].

DESCRIPTION

Objectives of study

The major objective of the study is to understand the supply chain management of leading food delivery app services in Visakhapatnam and various partners in delivery of service.

Methodology of the study

The aim of this study is to understand the supply chain management of food delivery app services in Visakhapatnam while investigating the customer behavior towards the same.

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Research gap: The research proposed to study the functionality of food delivery apps in Visakhapatnam and study the customer behavior towards the same. It was found that less research was conducted in this area in the city of Visakhapatnam, Andhra Pradesh. The data was mainly collected through various secondary sources such as research papers, websites and e-articles [5].

Conceptual framework: The study was mainly based on two food delivery leaders in the industry *i.e.*, Zomato and Swiggy operated in Visakhapatnam, Andhra Pradesh.

Functionality: The service provider has a total of 3 apps for the whole service as follows (Figures 1-3)

- Restaurant partner app
- Delivery partner app
- Customer app

Figure 1: Restaurant partner apps.

Figure 2: Delivery partner apps.

Figure 3: Customer apps.

When the customer places an order through the customer app then the restaurant gets a notification on the system through the restaurant partner app. Then the restaurant has the option to accept the order or to reject the order. Usually, the restaurant almost never rejects the order unless the ordered item is completed or the restaurant is about to close in few minutes [6]. When the restaurant accepts the order, the information is sent to the head office of the Zomato or Swiggy where the data center is, there the information is then calculated taking the factors of all the items ordered and their preparation times designated by the restaurant and also the main data center calculate the number of orders the restaurant have accepted, then the preparation time of the customer's order is calculated and that information is sent to the customer through the customer app (Figure 4).

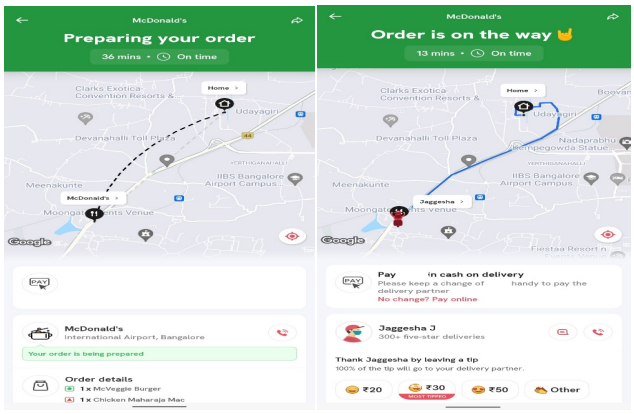

Figure 4: Customer view when they place an order and when the order is picked up by the delivery person.

The main data center then check for the nearest rider and assigns the order to the rider and the details of the restaurant where the order should be picked up. The data center also provides the information like rider details like the Name, number and address of the delivery person through the delivery partner app [7]. The delivery partner app uses the location system in the smart phone of the delivery person send the details to the main office for tracking of the rider whereabouts, the same information then be shared with the customer for the customer to know where their order is and how much time it is going to take to deliver the order (Figure 5).

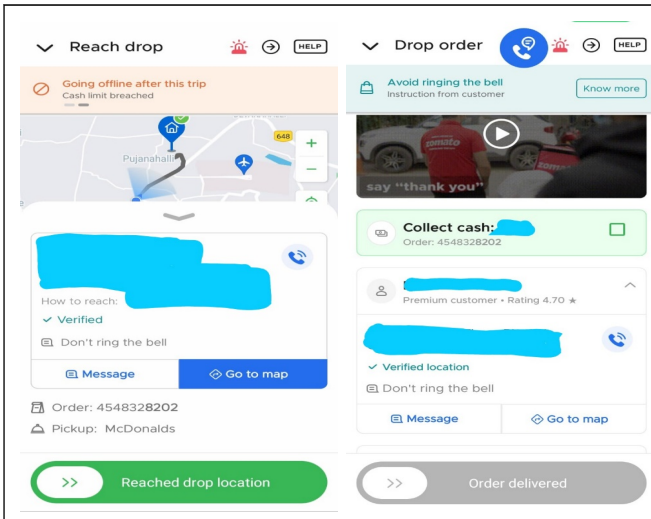

Figure 5: View of the delivery person app when the picked up the order and when reached near to the location of customer.

The delivery persons assigned the delivery of food, all they have to do is to press start to proceed with their duty for the day. When notification is received, the rider's duty is assigned and the rider needs to go to the given location and receive the order the deliver the order to the designated address for the customer [8].

The customers get the details of estimated time of arrival and the details of the delivery rider. Due to COVID situations, the apps

also giving the information of body temperature of the rider and precautions and safety measures followed by the rider during the delivery (Figure 6).

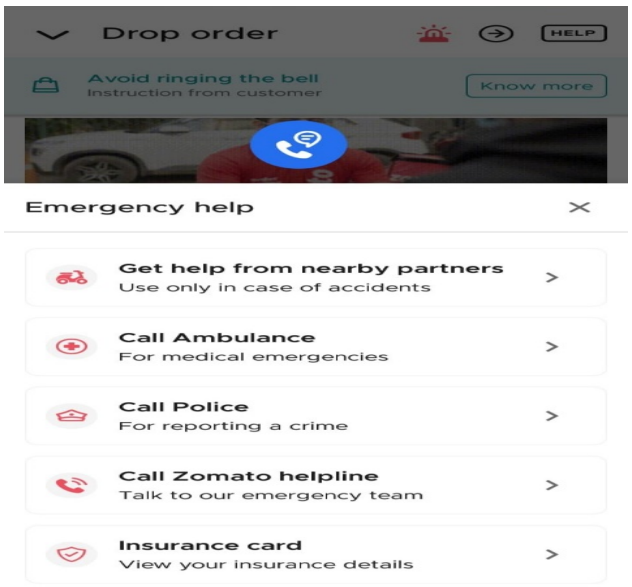

Figure 6: Delivery partner view if the delivery person wants any help.

As soon as the food is delivered the rider sends the information that the order is delivered, and the same will be notified to the customer at the same time. Now from the main data center the customer will receive notification and popups for the feedback. This feedback will help the manager to check the performance of the rider and also the goodwill of the partnered restaurant.

In case of a cash on delivery the cash is paid to the delivery person and that same amount is shown in the rider app as floating cash, each rider has their own limit depending on their performance and the rider then should send that floating cash through UPI to the head office (Figure 7).

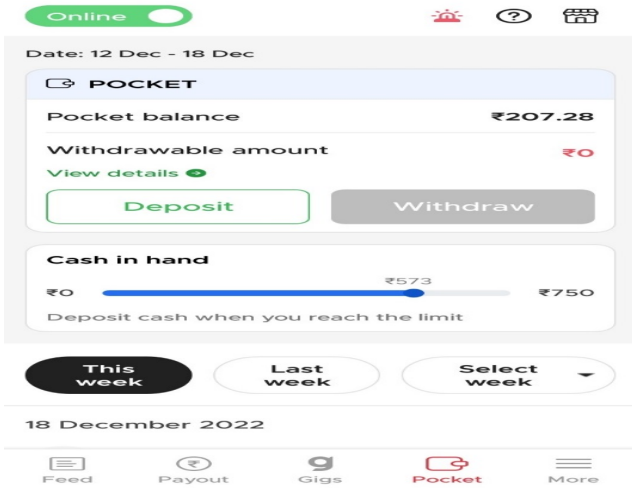

Figure 7: View of delivery partner of his floating cash and other details.

In case of food not delivered to the customer due to the improper location or the customer did not respond the information is sent to the head office and the customer is charged with the full amount while ordering next time (Figure 8).

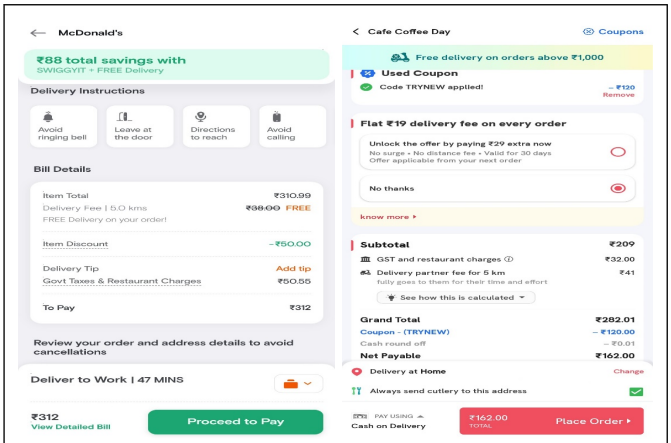

Figure 8: View of customer while placing the order, the discounts are availed.

Both Swiggy and Zomato focus on regular discounts to attract customers and gives a little push for them to order again. In some cases they provide the discounts in the form of free delivery. With premium subscription Swiggy and Zomato provide free deliveries, many offers, and also 'one plus one' offers which makes this kind of subscription best for those who order regularly. This helps the customer loyalty and to gain new customers.

CONCLUSION

Customers have found food delivery apps to provide trusted service and better value for money owing to their unique features. Due to benefits of time saving, convenience and price saving benefits major population were using the food delivery services. The food delivery service providers should have a proper supply chain management to provide their service seamlessly, the service provider should build a proper framework to build an ecosystem such that it can improve customer satisfaction and build customer loyalty to towards the company. The supply chain here is built on the trust of partnered restaurants and the partnered delivery personal, so proper check of the background and reliability is much needed to build the ecosystem that have zero flaws in the supply chain.

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