

# AN ANALYTICAL STUDY OF CONSUMERS ENDURING AND SHARING INTENTION TOWARDS FOOD DELIVERY APPS

**Prof (Dr.) Sangeeta N Pawar<sup>1</sup>**

Professor  
Department of Commerce  
N.U Jain Institute of Career Advancement  
and Education  
University of Mumbai  
Email- sangeetanp@gmail.com

**Mr. Danish Salim Lakdawala<sup>2</sup>**

Research Scholar  
Department of Commerce  
University of Mumbai  
Email- danish.lakdawala@gmail.com

## ABSTRACT

Urban lifestyles, especially in cities like Dubai and Abu Dhabi, have contributed to an increased demand for convenient food delivery services. Consumers appreciate the ease of ordering diverse cuisine options, reflecting the multicultural makeup of the expatriate population in the UAE. Technological innovations, such as user-friendly mobile applications and real-time order tracking, enhance the overall customer experience.

Collaborations with restaurants, strategic promotions, and loyalty programs are key strategies employed by food delivery

platforms to attract and retain customers. The regulatory environment has evolved to ensure the safety and quality of delivered food, emphasizing compliance with food safety standards.

The study identifies challenges, including intense competition and the need to manage customer expectations, but also highlights opportunities for innovation within the industry. Anticipated future trends include the integration of advanced technologies, sustainability initiatives, and the diversification of service offerings.

This comprehensive analysis provides valuable insights for industry stakeholders, shedding light on factors influencing consumer behavior, enduring engagement, and the likelihood of sharing experiences in the context of food delivery apps in the UAE.

**Keywords:** *IPR, legal, laws, protection*

## INTRODUCTION

The food delivery app industry in the United Arab Emirates (UAE) has undergone remarkable growth and transformation. This evolution is propelled by dynamic shifts in consumer preferences, rapid urbanization, and the widespread adoption of smartphones. Some critical facets characterizing the sector in the UAE include:

The market is characterized by a blend of international giants and local contenders, with major players such as Noon, Zomato, Deliveroo, Uber Eats, and Talabat, which is owned by Delivery Hero, dominating the scene.

The bustling urban lifestyle prevalent in cities like Dubai and Abu Dhabi has given rise to a surging demand for convenient food

delivery services. Consumers increasingly value the ease of ordering meals from their favorite restaurants and having them delivered directly to their doorstep.

Reflecting the diverse expatriate population in the country, food delivery apps in the UAE provide an extensive array of cuisine options. Users can effortlessly order anything from traditional local dishes to international culinary delights.

### **Technological Innovations:**

Technological advancements play a pivotal role in the industry's evolution, encompassing user-friendly mobile applications, real-time order tracking, and secure payment options. These innovations collectively contribute to a seamless and efficient ordering experience.

To enhance their offerings, food delivery platforms actively engage in collaborations with various restaurants. These partnerships not only broaden the selection for users but also serve as a strategic means to attract and retain a diverse customer base through exclusive promotions and deals.

The regulatory environment has evolved to ensure the safety and quality of delivered food. Adherence to food safety standards has become a critical aspect for app-based delivery services to maintain consumer trust.

Some food delivery platforms customize their services to align with local preferences and cultural norms. This may involve features such as Arabic language support, localized menus, and a nuanced understanding of local dining habits.

## **Challenges and Opportunities:**

Challenges include navigating intense competition, ensuring timely deliveries, managing customer expectations, and addressing concerns related to food quality and safety. However, these challenges also present opportunities for innovation and improvement within the industry.

Anticipated trends include the integration of advanced technologies like artificial intelligence, an increased focus on sustainability and eco-friendly practices, and the continued diversification of service offerings beyond traditional restaurant deliveries.

## **OBJECTIVES OF THE STUDY**

1. To identify the key determinants of consumers' long-term engagement with food delivery apps.
2. To understand the prime motivation factor behind consumers' willingness to share their experiences with food delivery apps.
3. Examine the influence of incentives on sharing intentions.

## **RESEARCH METHODOLOGY**

Secondary data is collected from different news streams, newspapers, online media, articles especially from the middle east region and other research consultants that have data and evidence pertaining to cloud kitchen and its entire domain.

## **REVIEW OF RELATED LITERATURE**

According to a study by MENA Research Partners, the food sector in the Gulf Cooperation Council (GCC) will grow more than 7 percent

annually. The United Arab Emirates is the second largest market for online food ordering and delivery after Saudi Arabia. This means there is huge potential in this segment. With a high- quality and flexible mobile application for food ordering and delivery, entrepreneurs can generate a lot of revenue and run a profitable business.

According to Statista, revenue in the UAE online food delivery segment is projected to reach US\$2.18bn in 2022 with an expected annual growth rate of 6.33% (CAGR 2022-2026), resulting in a projected market volume of US\$2.79bn by 2026. The number of online food delivery users is expected to amount to 5.5m by 2026 with a user penetration rate of around 44.5% in 2022.

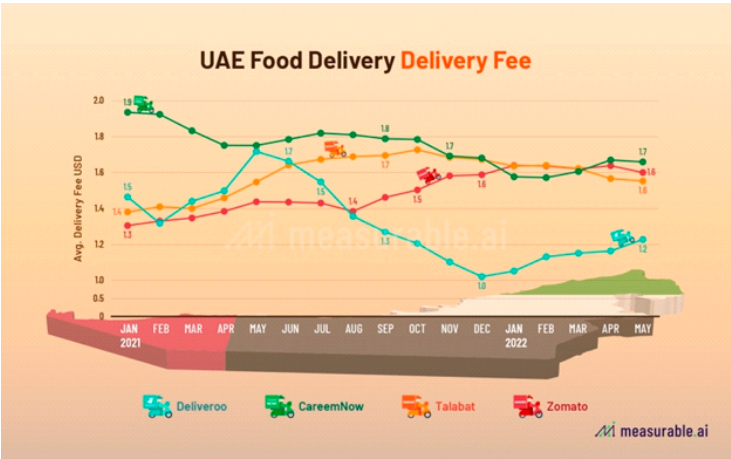
The United Arab Emirates and Saudi Arabia alone accounted for nearly \$2 billion of that total. when third-party startups like Deliveroo and Talabat came on the scene, they bundled the demand for online food delivery and did it on a single screen. Printed menus, phone orders and cash on delivery payments were soon replaced by a single app that offered variety, live tracking of food and the ability to pay online, simplifying the process.

## **OBSERVATION, FINDINGS AND ANALYSIS**

Through secondary research, we obtained the following results based on the objective: According to Redseer Consulting's report, fast delivery is one of the most important decision factors in the UAE that lead to online food ordering. Since the country is so fast-paced in terms of lifestyle and about 85% of the residents are from abroad, this research is only logical and true. The patience of people living here is

diminishing thanks to rapid urbanization, competitive work environment, and availability and accessibility of resources. People are used to getting things done faster, whether it's offline shopping, grocery delivery to the door by phone, or even house cleaning. This research was conducted for middle to high income groups in tier 1 and 2 cities in the United Arab Emirates, namely Abu Dhabi, Dubai and Sharjah. Now let us move on to another important decision factor. Recent research by Mediallia shows that customers' choice of third-party delivery is mostly led by cost. Also, 28 percent of customers choose an aggregator to order from the restaurant they already know and would order directly if there were such an option.

Loyalty programs which are subscription based like Noon One (for Noon), with a price tag of AED 19 per month invite users to review and rate their food orders by offering them free delivery on minimum order criteria. Figure below represents that the delivery fee for the platforms in UAE is competitive and hence the subscription model aids in customer retention.



Value for money pricing, discounts and promotions add to an effective customer experience.

According to the Reedseer Consultings report, convenience is the second most important reason why people in the UAE's Tier 1 and Tier 2 cities choose to order groceries online. Again, busy schedules and efficient time management make it extremely convenient to order rather than eat at a restaurant. Naji Haddad, managing director of Mena Deliverect (AE), says, "28 percent of Asians expect their food delivery to take between 10 and 20 minutes, while 41 percent expect a delivery time of 20 to 30 minutes, which is acceptable.

Providing discounts, complimentary items, and reward points with each order enhances users' sense of value and appreciation, fostering a stronger connection to the app and boosting the probability of them returning for subsequent orders.

Given the intense competition in the food delivery industry, retaining customers poses a considerable challenge. However, by implementing loyalty rewards and incentives, businesses can strategically enhance customer retention, offering a compelling approach to keep users engaged and loyal amid the competitive landscape.

## **CONCULSION**

It can be concluded that customers not only expect their food to be delivered on time, but also want fresh food. Convenience is one of the most important factors for online food delivery. Manhal Nasser, CEO of AWJ Investments in the UAE, said, "As far as delivery options are concerned, due to rapid technological change, widespread use of the

Internet, and ever-changing consumer behavior in terms of convenience, simplicity, and security, innovative solutions are sure to remain and experience an upward trend in the long run."

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