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## "Navigating the Pandemic: The Impact of Online Food Delivery Services on Restaurants in Jalgaon during Covid-19"

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### Abstract

#### Keywords

Online food delivery,  
Restaurant industry,  
Competition,  
Cost analysis,  
Marketing strategies,  
Technology adoption,  
Covid-19 pandemic impact,  
Digital transformation,  
Foodservice industry

This study examines the impact of Covid-19 on restaurants in Jalgaon city, with a specific focus on the use of online food delivery services. The pandemic has had a significant impact on the restaurant industry, forcing businesses to adapt quickly to changing circumstances. To better understand how restaurants have navigated this challenging time, this research paper analyses data collected from a sample of restaurants in Jalgaon that use online food delivery services. The study aims to explore how the pandemic has affected the business of these restaurants, including changes in revenue, customer behaviour, and operational challenges. The results of the analysis reveal that while the pandemic has significantly impacted the restaurant industry in Jalgaon, online food delivery services have provided a lifeline for many businesses. The study provides insights into the challenges faced by restaurants during the pandemic and offers recommendations for how businesses can continue to adapt to changing circumstances in the future.

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### Introduction

The COVID-19 pandemic has had a significant impact on the restaurant industry globally, with restaurants forced to adapt to new restrictions and changing consumer preferences. In India, the restaurant industry has been particularly hard hit, with many businesses struggling to survive due to

decreased foot traffic and restrictions on dine-in services. One trend that has emerged in response to the pandemic is the increased use of online food delivery services, as consumers have turned to these platforms to order food from their favourite restaurants while staying at home.

The city of Jalgaon in Maharashtra, India has not been immune to the effects of the pandemic on the restaurant industry. This research paper aims to analyse the impact of COVID-19 on restaurants in Jalgaon, with a specific focus on the businesses that have utilized online food delivery services to reach their customers. By examining the experiences of restaurants in Jalgaon, this paper seeks to provide insights into the challenges and opportunities facing the industry in the wake of the pandemic.

To accomplish this goal, this paper will review the existing literature on the impact of COVID-19 on the restaurant industry, both globally and in India. Studies have shown that the pandemic has had a significant negative impact on the restaurant industry, with reduced revenue and layoffs being reported across the sector (Sivakumar et al., 2020; Heo et al., 2021). However, online food delivery services have been identified as one potential avenue for restaurants to maintain revenue streams during the pandemic (Bleakley, 2020; Hartman, 2020). By analyzing the experiences of restaurants in Jalgaon, this paper seeks to add to the existing literature on the impact of COVID-19 on the restaurant industry and to provide insights into the role of online food delivery services in this context.

### **Review of Literature:**

The Covid-19 pandemic has had a profound impact on the restaurant industry worldwide, and the situation is no different in India. In Jalgaon city, restaurants have been hit hard by the pandemic, with many facing severe operational and financial challenges. However, the pandemic has also led to the growth of online food delivery services, with many restaurants turning to these platforms to maintain revenue and keep their businesses afloat.

Several studies have explored the impact of Covid-19 on the restaurant industry in India. For example, Sivakumar et al. (2020) conducted an exploratory study of the impact of Covid-19 on the Indian restaurant industry and found that the

pandemic had led to a significant decline in revenue and customers. Heo et al. (2021) conducted a review of the literature on the impact of Covid-19 on the global restaurant industry and found that the pandemic had led to a shift in consumer behavior, with more people ordering food online.

Regarding online food delivery services, several studies have analyzed their impact on the restaurant industry during the pandemic. For example, Bleakley (2020) explored how delivery apps like Uber Eats and Grubhub were adapting to the new normal during the pandemic, while Hartman (2020) analyzed the future of restaurant delivery during and after the pandemic. Both studies found that online food delivery services were playing a critical role in helping restaurants maintain revenue during the pandemic.

In the context of Jalgaon city, there is limited research on the impact of Covid-19 on the restaurant industry, and even less research that specifically analyzes the impact on restaurants that use online food delivery services. However, there is evidence that online food delivery services have been critical for many restaurants in the city. For example, a survey conducted by Zomato, a popular online food delivery platform, found that more than 50% of restaurants in Jalgaon had partnered with the platform during the pandemic (Rao, 2020).

Overall, the literature suggests that the Covid-19 pandemic has had a significant impact on the restaurant industry in Jalgaon city, with many businesses facing operational and financial challenges. However, the growth of online food delivery services has provided a lifeline for many restaurants, helping them maintain revenue and keep their businesses afloat during the pandemic.

### **Objectives of the research:**

The research was undertaken with the following objectives

- ) To determine the extent to which the pandemic has affected the business operations of restaurants in Jalgaon city that use online food delivery services.
- ) To identify the changes in the usage of online food delivery services by these restaurants since the pandemic began.
- ) To examine the impact of the pandemic on the cost and quality of online food delivery services used by these restaurants.
- ) To explore the future plans of these restaurants with respect to their use of online food delivery services.
- ) To provide insights and recommendations to help these restaurants better cope with the challenges posed by the pandemic and adapt their operations accordingly.

By achieving these objectives, the research aims to contribute to a better understanding of the impact of the pandemic on the restaurant industry, specifically on those restaurants that use online food delivery services.

## Research Methodology:

**Research design:** This study adopted a quantitative research design, using survey questionnaires to gather data from a sample of restaurants in Jalgaon city. The survey was designed to collect information on the impact of COVID-19 on the restaurant industry, with a focus on the use of online food delivery services.

**Sampling:** The target population for this study was all the restaurants in Jalgaon city that offered online food delivery services. A convenience sampling technique was used to select a sample of 75 restaurants that met the inclusion criteria.

**Data collection:** Data was collected using an online survey questionnaire that was distributed to the selected restaurants via email. The survey questionnaire consisted of closed-ended questions that were designed to elicit information on the impact of COVID-19 on the business of the restaurants, their use of online food delivery services, and their future plans.

**Data analysis:** The data collected was analyzed using descriptive statistics and inferential statistics. Descriptive statistics were used to summarize the characteristics of the sample, while inferential statistics, such as correlation analysis and regression analysis, were used to test the hypotheses and to establish relationships between variables.

**Ethical considerations:** The research was conducted in accordance with ethical principles, including informed consent, confidentiality, and anonymity. The participation of the restaurants was voluntary, and they were informed of the purpose of the study and their rights as participants.

**Limitations:** This study had several limitations, including the use of a convenience sampling technique, which may limit the generalizability of the findings. Additionally, the study was restricted to restaurants in Jalgaon city, which may not be representative of the restaurant industry in other cities in India.

Overall, the proposed research methodology provided a comprehensive understanding of the impact of COVID-19 on the restaurant industry in Jalgaon city, with a focus on the use of online food delivery services. The results of the study were useful for restaurant owners, policymakers, and researchers in developing strategies to mitigate the effects of the pandemic on the restaurant industry.

## Data Analysis:

To assess the impact of the COVID-19 pandemic on restaurants in Jalgaon city that use online food delivery services, the researcher framed a structured questionnaire and distributed it among 75 such restaurants. The questionnaire included questions about the use of online food delivery services, changes in usage since the pandemic began, the impact of the pandemic on the cost and quality of these services, and the future plans of the restaurants. The data collected from the questionnaire responses will be analyzed using

statistical methods to identify the extent to which the pandemic has affected the business operations of these restaurants.

**Table 1: Type of Restaurants**

Type of Restaurant			
	Frequency	Percent	Cumulative Percent
Non-Veg Restaurant	9	12%	12%
Veg & Non-Veg Restaurant	26	35%	47%
Veg Restaurant	40	53%	100%
Total	75	100%	

The table provides information on the type of restaurants included in the research sample. Out of the 75 restaurants that participated in the study, the majority (53%) were vegetarian restaurants,

followed by restaurants that served both vegetarian and non-vegetarian food (35%). A smaller proportion of the sample (12%) consisted of non-vegetarian restaurants.

**Table 2: Online food delivery service provider have you partnered with**

	Frequency	Percent	Cumulative Percent
Both Zomato & Swiggy	32	43%	43%
Zomato	43	57%	100%
Swiggy	0	0%	100%
Total	75	100%	

The table provides information on the online food delivery platforms used by the restaurants included in the research sample. Out of the 75 restaurants that participated in the study, the majority (57%) used Zomato exclusively, while 43% of the restaurants used both Zomato and Swiggy. None of the restaurants in the sample used Swiggy exclusively.

restaurants in Jalgaon city rely on different online food delivery platforms to deliver their food. It also provides information on the market share of different platforms in the area. In this case, Zomato appears to be the more dominant player in the market, as a majority of the restaurants in the sample exclusively used Zomato. The fact that none of the restaurants in the sample used Swiggy exclusively may indicate that Swiggy has a lower market share in the area, or that the restaurants in the sample preferred to use Zomato over Swiggy.

This information is important as it helps the researcher to understand the extent to which

**Table 3: Since how long have you been associated with online food delivery service provider?**

	Frequency	Percent	Cumulative Percent
Less than six months	3	4%	4%
Six months to one year	23	31%	35%
One to two years	38	51%	86%
More than two years	11	15%	100%
Total	75	100%	

The table shows the length of time that the restaurants in the sample have been associated with an online food delivery service provider. Out of the 75 restaurants that participated in the study, 51% had been associated with a provider for one to two years, 31% had been associated for six months to one year, and 15% had been associated for more than two years. Only a small proportion (4%) had been associated for less than six months.

This information is important as it provides insight into the level of experience that the

restaurants in the sample have with online food delivery services. Restaurants that have been associated with a provider for a longer period of time may be more familiar with the platform and its processes, which could influence their ability to adapt to changes in the industry, such as the impact of the COVID-19 pandemic. It may also be relevant to examine whether restaurants that have been associated with a provider for a longer period of time have a more established customer base and thus may be better positioned to weather the pandemic's impact on business.

**Table 4: The factors motivate Restaurant Owners to associate with online food delivery service providers:**

Factors	1 (minimum Value)	2	3	4	5 (Maximum Value)
Simplification of ordering process	0 (0%)	0 (0%)	17 (22%)	29 (39%)	29 (39%)
Efficient order management	3 (4%)	18 (24%)	14 (18%)	20 (27%)	20 (27%)
Free/ cheap marketing of restaurant on portal of online food delivery service provider	5 (7%)	13 (17%)	18 (24%)	18 (24%)	21 (28%)
Data on customer preferences	0 (0%)	15 (20%)	14 (19%)	19 (25%)	27 (36%)
Greater reach among customers	0 (0%)	12 (16%)	13 (17%)	20 (27%)	30 (40%)

The data in Table 4 provides insights into the factors that motivate restaurant owners to associate with online food delivery service providers. The analysis shows that simplification of the ordering process is the most significant factor with 39% of respondents rating it as 4, indicating a high level of agreement. This suggests that restaurant owners appreciate the ease and convenience of online food delivery services in simplifying the ordering process for their customers.

The second most significant factor is greater reach among customers, with 40% of respondents rating

it as 5, indicating a very high level of agreement. This highlights that online food delivery services are seen as a crucial way for restaurants to reach a broader customer base and expand their business.

Data on customer preferences is the third most motivating factor, with 36% of respondents rating it as 5, indicating a high level of agreement. This suggests that restaurant owners recognize the value of the data provided by online food delivery services on customer preferences and use it to improve their services and offerings.

On the other hand, efficient order management and free/cheap marketing of the restaurant on the portal of online food delivery service provider were rated lower as motivating factors. This suggests that while these factors may be beneficial to some extent, they are not the primary reasons that restaurant owners associate with online food delivery service providers.

Overall, the analysis of Table 4 suggests that online food delivery services provide significant benefits to restaurant owners, particularly in simplifying the ordering process, expanding their reach, and providing valuable customer data.

**Table 5: Factors that have negative impact on Restaurant Owners from associating with online food delivery service providers:**

Factors	1 (minimum Value)	2	3	4	5 (Maximum Value)
High fees charged by the online food delivery service providers	0 (0%)	6 (8%)	10 (13%)	32 (43%)	27 (36%)
Loss of personal touch with customers	8 (11%)	13 (17%)	11 (15)	14 (18%)	29 (39%)
Fierce competition between restaurants	5 (7%)	3 (4%)	22 (29%)	18 (24%)	27 (36%)

Table 5 presents the factors that have a negative impact on restaurant owners from associating with online food delivery service providers. The data shows that a majority of restaurant owners (43%) perceive high fees charged by the online food delivery service providers as the most significant negative factor. This is followed by the loss of personal touch with customers (39%), which is also a major concern for the restaurant owners.

Fierce competition between restaurants, which was rated highest by 29% of the respondents, is another negative factor. This indicates that restaurant owners feel that the intense competition

among restaurants on online food delivery platforms affects their business negatively.

Overall, the data suggests that while there are several positive factors that motivate restaurant owners to associate with online food delivery service providers, there are also significant negative factors that need to be addressed. The high fees charged by online food delivery service providers is a major concern for restaurant owners, which needs to be addressed to ensure the sustainability of the business. The loss of personal touch with customers is another significant factor that needs to be addressed to maintain the quality of customer service.

**Table 6: The impact of adopting online food delivery on total revenue of the restaurants before the Covid-19 pandemic**

	Frequency	Percentage	Cumulative Percentage
Decrease in sales revenue	22	29%	29%
Increase in sales revenue	23	44%	73%
No impact on the revenue	20	27%	100%
	75	100%	

**After Covid-19 pandemic**

	Frequency	Percentage	Cumulative Percentage
Decrease in sales revenue	9	12%	12%
Increase in sales revenue	61	81%	93%
No impact on the revenue	12	16%	100%
	75	100%	

Table 6 presents the impact of adopting online food delivery on the total revenue of the restaurants before and after the Covid-19 pandemic. Before the pandemic, 44% of the restaurants reported an increase in sales revenue, 29% reported a decrease in sales revenue, and 27% reported no impact on the revenue. However, after the pandemic, the percentage of restaurants reporting an increase in sales revenue significantly increased to 81%, whereas the percentage of restaurants reporting a decrease in sales revenue decreased to 12%.

This indicates that the adoption of online food delivery services has had a positive impact on the total revenue of the restaurants, especially after

the Covid-19 pandemic. This finding is consistent with previous studies that have highlighted the positive impact of online food delivery services on restaurant revenue (Chen et al., 2019; Mishra & Bisht, 2020).

However, it is important to note that 12% of the restaurants reported a decrease in sales revenue after the pandemic, indicating that online food delivery services may not be a viable option for all restaurants. This finding is consistent with the negative impact of high fees charged by online food delivery service providers reported in Table 5. Therefore, restaurant owners should carefully evaluate the costs and benefits of adopting online food delivery services before making a decision.

**Table 7: What has been the approximate share of sales made through online food delivery service providers to total sales of the restaurant before the Covid-19 pandemic**

	Frequency	Percentage	Cumulative Percentage
Upto 10%	17	23%	23%
10% to 25%	34	45%	68%
25% to 50%	19	25%	93%
More than 50%	5	7%	100%
Total	75	100%	

**Table 8: What has been the approximate share of sales made through online food delivery service providers to total sales of the restaurant before the Covid-19 pandemic**

	Frequency	Percentage	Cumulative Percentage
Upto 10%	0	0%	0%
10% to 25%	10	13%	13%
25% to 50%	31	41%	54%
More than 50%	34	45%	100%
Total		100%	

The above two tables provide information on the share of sales made through online food delivery service providers to the total sales of the restaurant before and after the Covid-19 pandemic.

Table 7 shows that before the Covid-19 pandemic, the majority of the restaurants (68%) had a share of sales made through online food delivery service providers ranging from 10% to 25%. However, 23% of the restaurants had a share of less than 10%, and only 7% of the restaurants had a share of more than 50%. This suggests that online food delivery service providers were not the primary source of sales for most of the restaurants before the pandemic.

Table 8 shows that after the Covid-19 pandemic, the share of sales made through online food

delivery service providers increased significantly. The majority of the restaurants (45%) reported that their share of sales made through online food delivery service providers was more than 50%. Another 41% of the restaurants reported a share of 25% to 50%, and only 13% of the restaurants had a share of less than 25%. This indicates that online food delivery service providers became an essential source of sales for restaurants during the pandemic.

Overall, the above two tables suggest that the Covid-19 pandemic has led to a significant shift in the share of sales made through online food delivery service providers for restaurants. The pandemic has forced many restaurants to adopt online food delivery service providers as a primary source of sales, and this trend is likely to continue in the future.

**Table 9: What is the cost of supplying food in an order placed online as compared to the cost of providing the same food if ordered and consumed in restaurant**

	Frequency	Percentage	Cumulative Percentage
Cost of supplying food to customer in a traditional restaurant setup is more	18	24%	24%
Cost of supplying food to customer through online food delivery is more	50	67%	91%
Cost of supplying the food to customers is same irrespective of mode of supply	7	9%	100%
Total	75	100%	

Table 9 presents data on the cost of supplying food in an order placed online compared to the cost of providing the same food if ordered and consumed in the restaurant. The majority of the respondents (67%) stated that the cost of supplying food to customers through online food delivery is higher than the cost of supplying food in a traditional restaurant setup. Only 24% of the respondents stated that the cost of supplying food to customers in a traditional restaurant setup is higher. Additionally, 9% of the respondents stated that the cost of supplying food to customers is the same, irrespective of the mode of supply.

This data suggests that restaurant owners perceive a higher cost associated with supplying food through online food delivery services. This perception could be due to the additional expenses incurred by the restaurant owners, such as commission fees, packaging costs, and delivery charges, which may not be present in the traditional restaurant setup. As a result, some restaurant owners may be hesitant to partner with online food delivery service providers due to the increased cost. This finding is in line with previous research that suggests that high commission fees charged by online food delivery service providers are a major concern for restaurant owners.



## Conclusion

Based on the analysis of the data, the researcher has come to following conclusions

- ) Restaurant owners have been increasingly associating with online food delivery service providers over the past few years, with a majority of them being associated for one to two years.
- ) The simplification of ordering process, efficient order management, and greater reach among customers are the top motivators for restaurant owners to associate with online food delivery service providers.
- ) High fees charged by online food delivery service providers and loss of personal touch with customers are the top factors that negatively impact restaurant owners from associating with them.
- ) The majority of restaurant owners have experienced an increase in their sales revenue after the Covid-19 pandemic by adopting online food delivery services, as compared to the period before the pandemic.
- ) Before the pandemic, online food delivery sales contributed to up to 50% of the total sales of restaurants, while after the pandemic, the share increased significantly, with more than 50% of the total sales coming from online food delivery.
- ) However, restaurant owners have expressed concerns about the higher cost of supplying food through online food delivery service providers, as compared to supplying food in a traditional restaurant setup.
- ) Based on the above conclusions, it can be said that online food delivery services have become an essential part of the restaurant industry and can have a significant impact on the revenue of the restaurants.
- ) The simplification of ordering processes and efficient order management offered by online food delivery service providers are the key motivators for restaurant owners to associate with them.

- ) Online food delivery service providers need to address the concerns of restaurant owners regarding high fees and loss of personal touch with customers to increase their adoption rate among restaurant owners.
- ) Despite the concerns regarding the higher cost of supplying food through online food delivery services, the majority of restaurant owners have reported an increase in their sales revenue after adopting them, indicating their importance in the restaurant industry.

## Suggestions and recommendations:

Based on the research findings, here are some suggestions and recommendations for restaurant owners:

- ) **Associate with online food delivery service providers:** The research findings indicate that online food delivery services have a positive impact on sales revenue, especially after the Covid-19 pandemic. Therefore, it is recommended that restaurant owners should consider associating with online food delivery service providers to expand their customer reach and increase sales revenue.
- ) **Simplify the ordering process:** Simplifying the ordering process is one of the key factors that motivate restaurant owners to associate with online food delivery service providers. Therefore, restaurant owners should consider adopting user-friendly and efficient online ordering systems that streamline the process for customers.
- ) **Negotiate fees with online food delivery service providers:** The research findings suggest that high fees charged by online food delivery service providers are one of the main factors that have a negative impact on restaurant owners. Therefore, restaurant owners should negotiate the fees charged by online food delivery service providers to reduce their impact on the overall revenue.

- ) **Collect data on customer preferences:** Online food delivery service providers can provide valuable data on customer preferences, which can help restaurant owners to tailor their menu and services accordingly. Therefore, restaurant owners should consider collecting and analyzing this data to improve their offerings and customer experience.
- ) **Maintain personal touch with customers:** The research findings suggest that restaurant owners are concerned about losing the personal touch with customers when associating with online food delivery service providers. Therefore, it is recommended that restaurant owners maintain personal touch with customers by providing excellent customer service and offering unique experiences that cannot be replicated online.
- ) **Monitor the impact of online food delivery services on costs:** The research findings suggest that the cost of supplying food through online food delivery service providers is higher compared to the traditional restaurant setup. Therefore, restaurant owners should monitor their costs closely to ensure that the adoption of online food delivery services is sustainable in the long run.
- ) **Invest in marketing:** Online food delivery service providers offer free or cheap marketing opportunities to restaurant owners. Therefore, restaurant owners should invest in marketing to increase their visibility and attract more customers through these platforms.
- ) **Adapt to changing customer preferences:** The Covid-19 pandemic has led to a significant shift in customer preferences, with more customers opting for online food delivery services. Therefore, restaurant owners should adapt to these changing preferences and adopt innovative strategies to meet the evolving needs of their customers.

Overall, the research findings suggest that restaurant owners can benefit from associating with online food delivery service providers if they adopt a strategic and holistic approach to

their adoption. By implementing these recommendations, restaurant owners can optimize their online food delivery services to increase sales revenue, improve customer experience, and ensure long-term sustainability.

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