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Consequence of Marketing Mix (7P) on the Business Success of Web Based Food Delivery Services: Customer Viewpoint

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Abstract

The online food delivery service has become a very popular service nowadays to the consumers of Bangladesh. People are using this service and becoming loyal of it. Due to the outbreak of COVID-19, now people prefer to order more food using online food delivery apps. Considering brand loyalty to the customers, this study was basically aiming to analyze the impact of marketing mix elements. A Cross-sectional causal questionnaire survey was done from 5th August 2021 to 25th September 2021. There were two types of variables: one is independent variable; another is dependent variable. In this study, brand loyalty was dependent variable and marketing mix elements such as product, price, place, promotion, physical evidence, people and process were independent variables. To fulfil this strategy, potential respondents who deal with daily online deliver apps were asked to answer some open ended and closed ended questions. The total sample size was 130. Only the people who use online food delivery service/apps were the study population in this study. People from different sex, age and income were selected as respondents. After collecting the data, it was found that only place and physical evidence have impact on brand loyalty. No multicollinearity has been found between the independent variable and therefore the model was statistically significant. To vet more reliability and consistency, this research would demand further works.

Keywords: Multicollinearity, Variance, Brand loyalty, Correlation, E-commerce etc.

INTRODUCTION

Penetration of increasing broadband and the growth of economy are driving global expansion of electronic commerce which is in short called e-commerce. The methodology of marketing in e-commerce field is a new concept in developing intuitively. The authors analyze and expedite the theoretical as well as the methodological work on marketing in e-business. D. Tapscott (1999), K. Kelly (1999), I.D. Kotlyarov (2012), D. Chaffey (2007), and also other researchers explained the stable transmission trends in web environment of consumer behavior [1–4].

Nowadays, consumers are using online services at an increasing rate as the disposable income of the consumers has increased, the methods of electronic payments has become easier and trustworthy. The supplier's range and the size of their delivery networks expand [5].

In e-commerce, there is a form called Online to offline (O2O) in which the consumers are attracted

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to a service or a product in online and induced to complete in an offline setting transaction. The O2O commerce area which is rapidly expanding is the use of virtual or online food delivery platforms which is in short called online FD [6].

The online FD growth has transformed the way many food suppliers and customers are engaged in all over the world, as well as the sustainability implication of the industry understanding the scope for further developments that has not been yet assessed [7].

In Bangladesh, the environment and demand for using online food delivery services has been increased a lot. Although previously there was low popularity and demand, the popularity has increased a lot after the outbreak of COVID-19. Now people prefer to order more food using online food delivery apps.

So the aim of this study is to analyze the impact of marketing mix elements on the business success of online food delivery apps/services & this study has been done based on customer perspective.

MATERIALS AND METHODS

Study Design

The cross-sectional survey with relevant questionnaire has been done to conduct this research. There were two types of variables: one is independent variable, another is dependent variable. In this study, brand loyalty was dependent variable and marketing mix elements such as product, price, place, promotion, physical evidence, people and process were independent variables.

Study Period

This period of this study has been directed from 5th August 2021 to 25th September 2021.

Study Population

Only the people who use online food delivery service/apps were the study population in this study. People from different sex, age and income were selected as respondents. The total sample size was 130.

Sampling Method

Potential respondents were considered for conducting this research where the purposive sampling technique was applied to collect the data.

Data Collection

Potential respondents who deal with daily online deliver apps were asked to answer some open ended and closed ended questions and hence, the answers have been collected accordingly [8].

Statistics

For the analysis of data, the software entitled IBM SPSS 22 was used. In this research, standard regression analysis was performed by IBM SPSS version 22 [9].

Informed Consent

The details about this research was orally informed to each of the respondents. After getting consent from the respondents, the questionnaire was surveyed.

RESULTS AND DISCUSSIONS

Correlations

Table 1 shows that, the independent variables Place and Physical Evidence had correlation substantially with the dependent variable Brand Loyalty (.374 and 356 respectively). Process had little correlation with brand loyalty. All these three were above 0.3. But the other independent variables did

not have any correlation with Brand Loyalty. Also the correlation between each independent variables was not too high. The score above 0.7 indicates the presence of multicollinearity between independent variables. As this study achieves the result where all the values are less than 0.7 implies that there was no multicollinearity between the independent variables.

Table 1. (Correlations)

		Brand loyalty	**Product**	**Price**	**Place**	**Promotion**	**People**	**Process**	**Physical evidence**
Pearson	***Brand Loyalty***	1.000	.130	.172	.374	.210	.178	.322	.356
Correlation	Product	.130	1.000	.343	.101	.020	.331	.399	.126
	Price	.172	.343	1.000	.202	.194	.405	-.004	.213
	Place	.374	.101	.202	1.000	.113	.446	.353	.271
	Promotion	.210	.020	.194	.113	1.000	.196	.073	.293
	People	.178	.331	.405	.446	.196	1.000	.310	.423
	Process	.322	.399	-.004	.353	.073	.310	1.000	.368
	Physical Evidence	.356	.126	.213	.271	.293	.423	.368	1.000

From Table 2, it is shown that there was no multicollinearity in the independent variables in this study. Here less than .10 tolerance value of collinearity indicates the multicollinearity possibility where the multiple correlation is high with other variables. All the collinearity tolerance value of independent variables were above .10 in our study. Also VIF is another indicator of the presence of multicollinearity as the value of VIF above 10 indicates multicollinearity. But in our study, all the VIF values were less than 10 which corroborates the absence of multicollinearity in our study. A significance contribution were made by the two variables as physical evidence and place for predicting dependent variable. Above .05 significant value means that the variable is not creating a significant unique contribution to the prediction of dependent variable. The sig. values of product, price, promotion, process and people were above .05. Since it is more than .05, an unique significant contribution were not being made by those variables for predicting the dependent variable. Place explained 29.3% of the variance and physical evidence explained 23.00% of the variance in brand loyalty when the all other variables were in control. In contrast place had 6.20% impact and physical evidence had 3.68% impact on brand loyalty in any situation ignoring the other variables. The consumers get food staying at home in their hand within 20–30 minutes after ordering. Quick delivery can be a reason behind this impact on brand loyalty. Also the food delivery apps is very well designed which can be the reason behind the correlation between physical evidence and brand loyalty.

Table 2. Coefficients.

		Coefficients			
	Standardized coefficients (Beta)	***Significance***	***Part***	***Collinearity tolerance***	***Statistics VIF***
Constant		.002			
Product	.022	.825	.018	.673	1.486
Price	.106	.271	.089	.701	1.426
Place	.293	.003	.249	.722	1.385
Promotion	.110	.200	.104	.889	1.124
People	-.175	.096	-.135	.593	1.685
Process	.173	.094	.136	.619	1.614
Physical Evidence	.230	.019	.192	.698	1.432

Figure 1 suggesting no significant deviations occurred from normality. Also indicates no outliers present. In the above figure, we can see almost a straight line indicating very few outliers which can be acceptable.

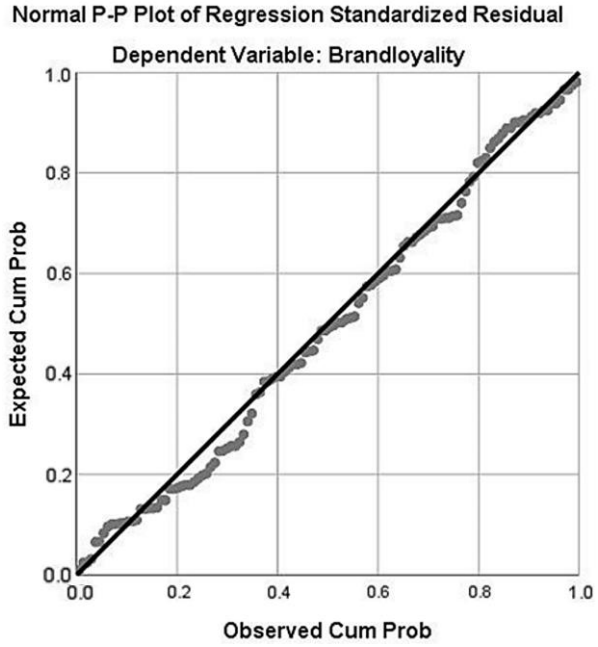

Figure 1. Normal Probability Plot.

In our study, we can see in Figure 2, this type of rectangular distribution with most of the scores concentrated in the center. The Scatterplot also detects the presence of outliers as well. According to the study of Tabachnick and Fidell, (2001), the outliers have been described as the cases that have a above 3.3 or below –3.3 standardized residual [10]. It is not uncommon to find several outlying residuals while considering large samples. It might not be necessary to be taken any action if only a few is found. In our study, very few outliers were seen in the above figure which can be also acceptable.

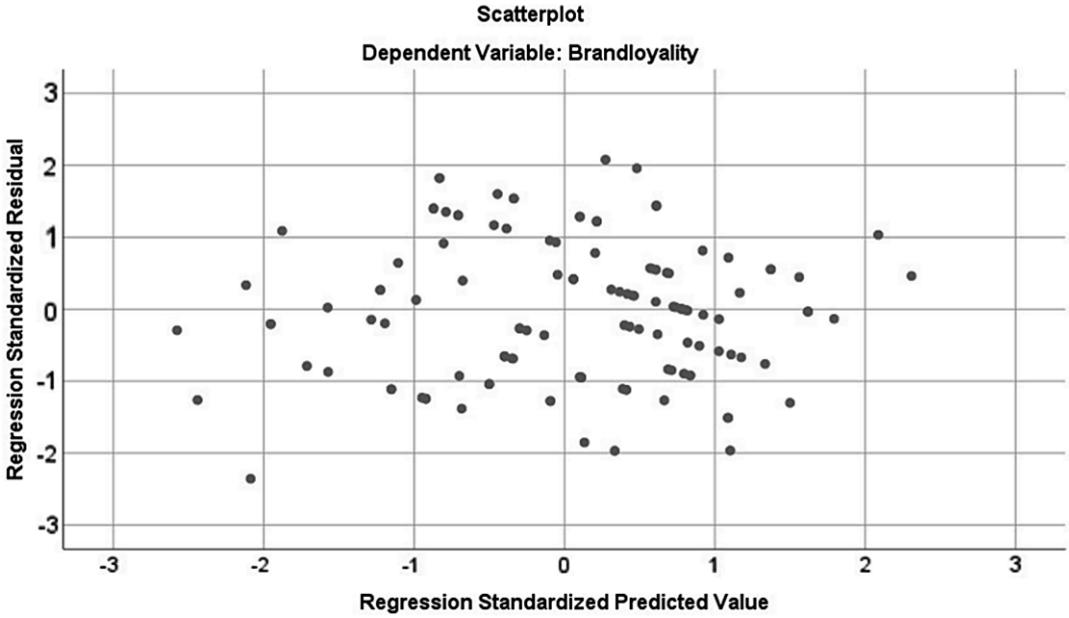

Figure 2. Scatterplot.

According to Tabachnick and Fidell (2001, p. 69), the cook's distance maximum values larger than 1 are a potential problem. But in our study, the maximum value for Cook's Distance was .089 showed in Table 3 which is less than 1, suggesting no major problems [4].

Table 3. Residuals Statistics

		Residuals statistics			
	Minimum	***Maximum***	***Mean***	***Std. deviation***	***N***
Cook's Distance	.000	.089	.010	.017	122

Model Summary[b]

As the value of R Square in this study was .260 showed in Table 4, expressing as a percentage (multiply by 100, by shifting the decimal point two places to the right), this means that this study model (which includes product, price, place, promotion, physical evidence, people, process) explains 26% of the variance in brand loyalty. So there must be some other variables behind brand loyalty.

Table 4. Model Summary

Model	R	R square	Adjusted R square	Std. error of the estimate
1	.510[a]	.260	.215	.37401

a. Predictors: (Constant), Physical evidence, Product, Place, Promotion, Price, Process, People
b. Dependent Variable: Brand loyalty

ANOVA[a]

Our study model reaches statistical significance (Sig = .000, this really means p<.0005) which can be seen in the above Table 5.

Table 5. Anova

Model		Sum of squares	df	Mean square	F	Sig.
1	Regression	5.608	7	.801	5.727	.000[b]
	Residual	15.947	114	.140		
	Total	*21.555*	*121*			

a. Dependent Variable: Brand loyalty
b. Predictors: (Constant), Physical evidence, Product, Place, Promotion, Price, Process, People

CONCLUSION

We know that time is big factor to run any research to be accomplished in comprehensive manner. But particularly in this research, less sample size was taken due to time constraint. After conducting this research, it can be concluded that place and physical evidence have high impact on brand loyalty using online food delivery service/apps. Therefore, further research need to be performed to validate and make reliable this study onwards,

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