

A Study on factors Influencing Customer Preferences And Expectations In Service-Based Industries

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Abstract- Customer preferences and expectations play a crucial role in shaping the success of service-based industries. This study explores the key factors influencing customer choices, including service quality, digitalization, personalization, brand reputation, pricing strategies, and cultural influences. The research examines how evolving consumer expectations, driven by technological advancements and competitive market dynamics, impact service delivery and customer satisfaction. By analysing existing literature and industry trends, this study provides insights into customer behaviour and suggests strategies for businesses to enhance service experiences and customer loyalty. The findings contribute to a deeper understanding of customer-centric approaches essential for service industry growth.

Keywords- Customer Preferences, Service Expectations, Service Quality, Personalization, Digitalization, Brand Reputation, Customer Satisfaction, Consumer Behaviour, Pricing Strategies, Service-Based Industries

I. INTRODUCTION

Customer preferences and expectations in service-based industries are influenced by various factors, including service quality, pricing, and personalization, convenience, and brand reputation. With the rise of digitalization, consumers now demand seamless, efficient, and personalized experiences, making technology a crucial determinant of customer satisfaction. Additionally, cultural differences, economic conditions, and social influences shape customer choices and expectations across different service sectors such as hospitality, healthcare, and finance. Businesses that fail to adapt to these evolving demands risk losing their competitive edge. This study aims to explore the key factors driving customer preferences and expectations, providing insights that can help service providers enhance their offerings, improve customer experiences, and foster long-term customer relationships in an increasingly dynamic market.

OBJECTIVE OF THE STUDY

Factors influencing customer preferences and expectations in service-based industries

HYPOTHESIS

A null hypothesis has been framed to test the significance of socio economic and factors influencing customer preferences and expectations in service-based industries

Ho: There is no significant relationship between social economic profile and factors influencing customer preferences and expectations in service-based industries.

II. REVIEW OF LITERATURE

Brown, J., & Wilson, P. (2022) “The Influence of Brand Trust and Reputation on Customer Preferences” This study examines key factors that shape customer preferences, such as service quality, pricing, brand reputation, and convenience. It highlights that customers prioritize reliability and personalized services when choosing service providers. The study also finds that digital transformation and technology integration significantly impact customer choices. It concludes that businesses need to focus on customer-centric strategies to stay competitive.

Kumar, V., & Singh, R. (2022) “The Role of Service Quality in Shaping Customer Expectations and Preferences” This paper explores the impact of brand image, trust, and reputation on customer decision-making in service industries. It finds that customers prefer brands with strong credibility and positive word-of-mouth recommendations. Transparency, ethical business practices, and consistency in service delivery contribute to building long-term customer loyalty. The study suggests that businesses should actively manage their reputation to align with customer expectations.

Nguyen, H., & Tran, L. (2021) “Determinants of Customer Preferences in Service-Based Industries” This research explores the SERVQUAL model to understand how service quality dimensions (tangibility, reliability, responsiveness, assurance, and empathy) influence customer expectations. The

findings indicate that customers prefer businesses that deliver consistent and high-quality services. The study also emphasizes that customer satisfaction is directly linked to how well expectations are met. Companies that exceed expectations tend to retain customers longer.

Patel, S., & Mehta, A. (2021) “Price Sensitivity and Customer Expectations in Service-Based Markets”This study examines how pricing strategies impact customer preferences and expectations in service-based industries. It finds that while affordability is a major factor, customers also associate price with perceived quality. Discounts, promotional offers, and flexible pricing models influence purchasing decisions. The research suggests that businesses must strike a balance between competitive pricing and maintaining service excellence to retain customers

III. RESEARCH METHODOLOGY

This study employs a quantitative research methodology to analyse the factors influencing customer satisfaction in online food ordering platforms. Primary data was collected through structured surveys, focusing on key socioeconomic variables such as age, gender, income, education, and marital status. The chi-square test was applied to examine the statistical significance of relationships between these factors and customer satisfaction levels. Data was organized into contingency tables, allowing for the comparison of observed and expected frequencies. By evaluating these correlations, the study provides insights into consumer behaviour, enabling service-based industries to refine their offerings and enhance overall customer experience.

TOOLS AND TECHNIQUES USED

- Simple percentage analysis
- Chi-square analysis

SIMPLE PERCENTAGE ANALYSIS

This study employs a quantitative research methodology to analyse the factors influencing customer satisfaction in online food ordering platforms. Primary data was collected through structured surveys, focusing on key socioeconomic variables such as age, gender, income, education, and marital status. The chi-square test was applied to examine the statistical significance of relationships between these factors and customer satisfaction levels. Data was organized into contingency tables, allowing for the comparison of observed and expected frequencies. By evaluating these correlations, the study provides insights into

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$$\text{Simple percentage analysis} = \frac{\text{Number of Respondents}}{\text{Total number of Respondents}} \times 100$$

CHI-SQUARE ANALYSIS

The chi-square test is used in this study to determine whether there is a significant relationship between socioeconomic factors (such as age, gender, income, education, marital status, employment status, food delivery usage, and preferred platform) and customer satisfaction in online food ordering platforms. The test compares observed frequencies with expected frequencies to evaluate statistical independence.

$$\chi^2 = \sum \frac{(O - E)^2}{E}$$

χ^2 - the test statistic \sum - the sum of
 O = Observed Frequencies E = Expected Frequencies

LIMITATION OF THE STUDY

There are certain limitations to this study on the variables affecting consumer satisfaction on food delivery platforms like Swiggy and Zomato. It mostly targets metropolitan consumers, leaving out rural ones whose tastes can be different. Convenience sampling has the potential to create bias, and the small sample size might not accurately reflect the wide range of customers. Subjective answers could also result from depending too much on self-reported survey data. Additionally, the analysis ignores other competitors and market trends in favour of focusing solely on Swiggy and Zomato. Since the food delivery market is constantly evolving, the findings may require updates to reflect changing customer expectations and technological advancements.

IV. ANALYSIS & INTERPRETATION

FACTORS	LEVEL OF PREFERENCE		TOTAL
	LOW LEVEL OF PREFERENCE	HIGH LEVEL OF PREFERENCE	
AGE			
Below 18 years	8	28	36
18 years-24years	13	50	63
25 years-35years	3	26	29
Above-	6	17	23

35years			
Total	30	121	151
GENDER			
Male	18	60	78
Female	12	61	73
Total	30	121	151
EDUCATIONAL QUALIFICATION			
Upto school level	7	28	35
Diploma	5	26	31
Graduate	12	39	51
Post graduate	6	28	34
Total	30	121	151
MARITAL STATUS			
Single	18	67	85
Married	11	44	54
Divorced	1	10	11
Total	30	121	151

Delivery speed	6	37	43
Discounts and offers	7	36	43
Availability of preferred restaurants	9	37	46
Customer support experience	8	11	19
Total	30	121	151
MOST PREFERRED PLATFORM FOR ORDERING FOOD			
Swiggy	14	36	50
Zomato	11	50	61
Uber Eats	4	18	22
Eat club	1	17	18
Total	30	121	151
THE MODE OF PAYMENT			
UPI	14	72	86
Credit/Debit card	8	14	22
Cash on delivery	8	35	43
Total	30	121	151

OCCUPATION			
Private Employee	19	48	67
Government Employee	5	25	30
Self-employed	3	33	35
Retired	3	32	19
Total	30	121	151
ANNUAL INCOME			
Rs 1,00,000-Rs 3,00,000	9	50	59
Rs 3,00,000-Rs 6,00,000	8	30	38
Rs 6,00,000-Rs 9,00,000	9	24	33
Rs 9,00,000-Rs 12,00,000	4	17	10
Total	30	121	151
USAGE OF FOOD DELIVERY SERVICE			
Daily	7	28	35
Frequently	8	40	48
Weekly	15	53	68
Total	30	121	151
IMPORTANT FACTOR OF FOOD DELIVERY SERVICES			

This study highlights the impact of socioeconomic factors on customer satisfaction in online food ordering services, revealing key trends. Younger individuals (18–35 years) show the highest preference due to digital literacy and convenience-seeking behaviour, while gender differences are minimal, with female's slightly favouring variety and nutrition. Higher education levels correlate with increased usage, especially among diploma holders (84%) and postgraduates (82%). Marital status influences preferences, with divorced (91%) and married (81%) individuals favouring food delivery for convenience. Self-employed (94%) and retirees (84%) engage most due to flexible schedules, while lower and middle-income groups (85%) prioritize affordability. Frequent (83%) and weekly users (78%) dominate, indicating food delivery is more of a convenience than a necessity. Key service factors include delivery speed (86%) and restaurant availability (80%), with customer support (58%) being less prioritized. Zomato (82%) and Swiggy (72%) lead, while niche platforms like Eat Club (94%) and Uber Eats (92%) maintain strong loyalty. UPI (84%) dominates digital payments, though cash on delivery (81%) remains relevant. These findings stress the importance of tailoring services to demographic and economic preferences for better engagement and long-term loyalty.

PEARSON'S CHI-SQUARE				
Factors	Value	df	Significance	Result
Age	2.359 ^a	3	.501	Accepted
Gender	1.044 ^a	1	.307	Accepted
Education Qualification	.807 ^a	3	.848	Accepted
Marital status	.895 ^a	2	.639	Accepted
Occupation	6.231 ^a	3	.101	Accepted
Annual Income	1.968 ^a	3	.579	Accepted
Usage of food delivery service	.514 ^a	2	.773	Accepted
Important factor of food delivery services	7.917 ^a	3	0.48	Accepted
The Most preferred platform for ordering food	4.561 ^a	3	.207	Accepted
The Mode of payment	.980 ^a	2	.612	Accepted

The Pearson's Chi-Square test results indicate no statistically significant relationship between socioeconomic factors and customer satisfaction in online food ordering, as all p-values exceed 0.05. This suggests that age, gender, education, marital status, occupation, income, food delivery usage, preferred platform, and payment method do not independently influence satisfaction. For example, age ($p = 0.501$) and gender ($p = 0.307$) show no substantial effect, while income ($p = 0.579$) and occupation ($p = 0.101$) do not significantly affect satisfaction levels. Similarly, platform preference ($p = 0.207$) and payment mode ($p = 0.612$) do not affect user contentment. Even key service factors like delivery speed, discounts, and restaurant availability ($p = 0.48$) lack a significant influence. These findings suggest that food delivery platforms should prioritize overall service quality and user experience rather than targeting specific demographic

groups, as satisfaction is broadly distributed across all segments.

V. FINDINGS

- **Minimal Impact of Demographics** – Age, gender, education, and income do not significantly affect customer satisfaction.
- **Service Quality Matters** – Delivery speed, restaurant availability, and offers drive customer preferences.
- **Digital Payments Preferred** – UPI is the most commonly used payment method.
- **Swiggy & Zomato Lead** – These platforms dominate, with niche services maintaining loyal users.

VI. SUGGESTIONS

- **Improve Delivery Efficiency:** Optimize route planning and increase delivery personnel to ensure faster service.
- **Personalize Customer Experience:** Use AI-driven recommendations and offer tailored discounts to enhance engagement.
- **Strengthen Customer Support:** Implement 24/7 chat assistance and faster complaint resolution for better service.
- **Expand Restaurant Options:** Partner with diverse restaurants to offer a wider variety of cuisines and meal choices.

VII. CONCLUSION

The study on factors influencing customer preferences and expectations in service-based industries highlights the key aspects that drive consumer satisfaction and decision-making. Elements such as service quality, pricing, delivery speed, platform usability, promotional offers, and customer support play a crucial role in shaping customer preferences. While demographic factors like age, gender, and income do not have a statistically significant impact, consumer expectations are primarily influenced by convenience, affordability, and reliability. The findings indicate that younger customers prioritize cost-effectiveness and fast service, whereas older consumers focus more on trust and consistency. To remain competitive, service-based industries must continuously enhance their offerings, improve operational efficiency, and introduce personalized services to cater to evolving consumer needs. By addressing these factors, businesses can boost customer satisfaction, increase brand loyalty, and maintain long-term success in the dynamic service industry market.

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