



An Analytical Study of Digital Advertising, Online Reviews, and Customer Loyalty in Food Delivery Applications

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DOI: doi.org/10.34293/3108-1436.vimarsha.v1i2.001

Abstract

This paper investigates the influence of digital advertising, online reviews, and their combined effect on customer loyalty in food delivery applications within the Indian market. Drawing on primary data collected from 62 respondents via a structured Likert-scale questionnaire, and supported by a review of established marketing literature, the study employs a descriptive analytical design to examine four core objectives: the impact of digital marketing on purchase decisions, the role of online reviews in building customer trust, customer preferences and service expectations, and the relationship between digital promotions and repeat purchase behaviour. Findings reveal that approximately 80% of respondents affirm the persuasive effect of digital advertisements, 83.9% acknowledge the influence of customer comments on restaurant selection, and 79.1% indicate that attractive digital offers increase reorder likelihood. The study concludes that while digital marketing effectively attracts customers, sustainable loyalty is contingent upon consistent service quality, transparent pricing, and positive online reputation management.

Keywords: *Digital Advertising, Online Reviews, Customer Loyalty, Food Delivery Applications, Electronic Word-of-Mouth (e-WOM), Digital Marketing, Consumer Behaviour, Customer Satisfaction*

Introduction

The rapid proliferation of smartphones, affordable broadband connectivity, and integrated digital payment systems has fundamentally transformed consumer purchasing behaviour in India. Platforms such as Zomato, Swiggy, EatSure, and Dunzo have capitalised on this infrastructure shift to establish a highly competitive online food delivery ecosystem. Customers today can browse restaurants, compare prices, read peer reviews, apply promotional coupons, and complete transactions entirely within a mobile

interface, a paradigm shift from the traditional model of telephone orders or in-person dining.

In this environment, firms compete not merely on food variety or delivery speed, but on the sophistication of their digital marketing strategies and the credibility of their online review ecosystems. Investments span social media advertising, influencer collaborations, push notification campaigns, email marketing, and cashback schemes. Concurrently, user-generated ratings and reviews function as a form of electronic word-of-mouth (e-WOM), shaping prospective customers' perceptions of



quality and reliability before any transaction occurs.

Despite substantial marketing expenditure, a critical gap persists: food delivery companies often struggle to convert promotional engagement into durable customer loyalty. This study addresses that gap by systematically examining how digital marketing activities and online reviews interact to influence purchase decisions, trust formation, and loyalty behaviour among food delivery application users.

Review of Literature

- **Kotler, P. & Keller, K. L. (2016)** – Marketing Management. The authors establish that personalised digital communication and data-driven advertising significantly enhance consumer engagement and purchase intention, forming the theoretical backbone for this study's treatment of digital advertising.
- **Chevalier, J. & Mayzlin, D. (2006)**. An empirical study of online book reviews confirmed that positive reviews increase sales while negative ones reduce purchase intent, providing foundational evidence for the e-WOM mechanism examined here.
- **Dellarocas, C. (2003)**. Introduced the concept of electronic word-of-mouth and demonstrated how digital feedback systems reduce information asymmetry between buyers and sellers, building trust and credibility in online commerce.
- **Hennig-Thurau, T. et al. (2004)**. Analysed consumer motivations for writing online reviews and found that such reviews materially shape brand perception and increase purchase confidence prior to a transaction.
- **Chaffey, D. & Ellis-Chadwick, F. (2019)** – Digital Marketing. Affirmed that online advertising, social media, and email campaigns directly drive customer engagement and brand loyalty, and are more measurable than traditional channels.
- **Kaplan, A. M. & Haenlein, M. (2010)**. Argued that user-generated content, including social media reviews, exerts stronger influence on purchase behaviour than corporate advertising, because consumers inherently trust peer opinions.
- **Filieri, R. & McLeay, F. (2014)**. Demonstrated that review quality, quantity, and credibility significantly affect consumer trust and booking intention, with particular relevance to service-sector platforms.
- **Erkan, I. & Evans, C. (2016)**. Confirmed that the credibility, quality, and usefulness of e-WOM on social media positively and significantly impacts consumer purchase intention.
- **Kim, W. G., Lim, H., & Brymer, R. A. (2015)**. Found that higher restaurant ratings correlate directly with increased customer traffic and sales, establishing rating valence and volume as critical success factors on digital platforms.



- **Kannan, P. K. & Li, H. (2017).** Highlighted how digital marketing analytics enable firms to personalise promotional strategies, improving customer retention and lifetime value.

Research Gap

Existing literature extensively documents the independent effects of digital marketing or online reviews on consumer behaviour in general e-commerce settings. However, several dimensions remain insufficiently addressed, particularly in the context of Indian food delivery applications.

First, most studies treat digital marketing and online reviews as separate constructs, neglecting their interactive and combined influence on a single consumer decision episode. Second, the relative weight consumers assign to monetary promotions versus peer reviews in shaping repeat purchase behaviour and loyalty remains empirically underexplored. Third, the role of app usability and service transparency as moderating variables in the marketing-loyalty relationship is absent from the reviewed literature. This study addresses these gaps through primary data collection specifically targeting users of Indian food delivery platforms.

Research Methodology

Problem Statement

Despite heavy investment in digital marketing, food delivery platforms frequently fail to convert first-time users into loyal customers. While promotional discounts may

generate short-term order spikes, their long-term impact on brand loyalty is unclear. Simultaneously, negative reviews and low ratings can rapidly damage platform reputation and deter potential customers. A rigorous understanding of the relative and combined influence of digital marketing and online reviews on customer purchase behaviour is therefore essential for strategic resource allocation and sustainable growth.

Objective of the Study

- To study the impact of digital marketing on customer purchase decisions in food delivery applications.
- To analyse the influence of online reviews and ratings on customer trust and restaurant selection.
- To identify customer preferences and expectations while using food delivery platforms.
- To examine how digital promotions and online reviews affect repeat purchases and customer loyalty.

Limitations of the Study

- The sample size of 62 respondents limits generalisation to the broader population.
- Convenience sampling introduces selection bias, as participation was voluntary.
- Geographic scope is restricted to urban respondents, limiting cross-regional applicability.



- The study is descriptive and does not establish causal relationships through experimental design.
- Self-reported data is subject to social desirability bias and individual perception variance.

Scope of the Study

- Coverage of digital marketing tools: social media advertising, push notifications, discount campaigns, and email marketing.
- Analysis of online reviews and ratings as trust-building and purchase-influencing mechanisms.
- Examination of app usability, delivery speed, and pricing transparency as service expectation variables.
- Investigation of repeat purchase and loyalty behaviour in relation to promotions and reviews.

Research Design

This study employs a descriptive research design with a quantitative approach. A structured questionnaire comprising 20 items distributed across four objective-aligned

sections was administered via Google Forms. Responses were recorded on a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). Data was analysed using percentage analysis and presented through tabular and graphical representations.

The sampling technique applied was convenience sampling, targeting regular users of food delivery applications including students, working professionals, and general urban consumers. The total sample comprised 62 respondents. Secondary data were sourced from marketing textbooks, peer-reviewed journals, and industry reports to support the theoretical framework and literature review.

Data Analysis and Interpretation

The data collected through 62 structured questionnaire responses was analysed using percentage analysis across all four research objectives. Each question was measured on a five-point Likert scale. The combined Agree + Strongly Agree percentage is highlighted as the primary indicator of consensus for each variable. The following tables present the complete response distributions for all 20 survey items.

Objective 1: Impact of Digital Marketing on Customer Purchase Decisions

Table 1 Digital Marketing Influence on Purchase Decisions (n = 62)

Question	SD%	D%	N%	A%	SA%	Agree + SA%
Q1. Digital advertisements influence my decision to place an order.	1.6	4.8	12.9	35.5	45.2	80.7



Q2. Discount offers and promo codes encourage me to order food online more often.	1.6	12.9	8.1	38.7	38.7	77.4
Q3. Push notifications from food delivery apps remind me to place orders.	1.6	6.5	16.1	33.9	41.9	75.8
Q4. Social media advertisements affect my choice of food delivery app.	1.6	9.7	9.7	43.5	35.5	79.0
Q5. Online marketing campaigns make food delivery apps more attractive to me.	1.6	6.5	12.9	38.7	40.3	79.0

The data in Table 1 confirms that digital marketing exerts a consistently strong influence on purchase decisions. Q1 records the highest agreement rate (80.7%), indicating that digital advertisements are the most persuasive touchpoint. Discount offers (Q2: 77.4%) emerge as a critical motivator for increased order frequency, reflecting high price sensitivity among app users. Push

notifications (Q3: 75.8%) function as effective behavioural triggers, while social media advertising (Q4: 79.0%) and integrated marketing campaigns (Q5: 79.0%) demonstrate comparable influence. Collectively, these results affirm that a multi-channel digital marketing strategy is necessary to sustain customer engagement across the purchase journey.

Objective 2: Influence of Online Reviews and Ratings on Customer Trust

Table 2 Online Reviews and Ratings Influence on Trust (n = 62)

Question	SD%	D%	N%	A%	SA%	Agree+SA%
Q6. I check restaurant ratings before placing a food order.	1.6	8.1	16.1	29.0	45.2	74.2
Q7. Positive customer reviews increase my trust in a restaurant.	1.6	4.8	16.1	37.1	40.3	77.4
Q8. I avoid restaurants that have low ratings on food delivery apps.	1.6	9.7	11.3	35.5	41.9	77.4
Q9. Customer comments and feedback influence my choice of restaurant.	1.6	1.6	12.9	35.5	48.4	83.9
Q10. Online reviews help me feel confident ordering from a new restaurant.	1.6	8.1	16.1	38.7	35.5	74.2



Table 2 reveals that online reviews and ratings are powerful determinants of restaurant selection. Q9 records the highest agreement (83.9%), demonstrating that detailed written comments are more decisive than star ratings alone — customers use narratives to evaluate food quality, hygiene, portion size, and delivery reliability. The symmetric agreement rates for Q7 and Q8 (both 77.4%) reveal an important asymmetry in practice: while

positive reviews build trust, negative ratings carry an equally strong deterrent effect, consistent with the negativity bias in information processing. Pre-purchase rating checks (Q6: 74.2%) and confidence for new restaurants (Q10: 74.2%) confirm that e-WOM effectively substitutes for direct product inspection in an online purchase environment.

Objective 3: Customer Preferences and Service Expectations

Table 3 Customer Preferences and Expectations (n = 62)

Question	SD%	D%	N%	A%	SA%	Agree + SA%
Q11. I prefer food delivery apps that are easy to use and navigate.	1.6	3.2	12.9	38.7	43.5	82.2
Q12. Fast delivery is an important factor when I choose a food delivery app.	11.3	4.8	8.1	40.3	35.5	75.8
Q13. I expect accurate order tracking from food delivery apps.	1.6	8.1	12.9	41.9	35.5	77.4
Q14. I prefer apps that provide clear menu details and pricing.	1.6	6.5	12.9	30.6	48.4	79.0
Q15. I expect food delivery apps to offer regular deals and discounts.	3.2	4.8	11.3	35.5	45.2	80.7

Table 3 identifies app usability (Q11: 82.2%) as the highest-ranked service expectation, underscoring that intuitive navigation and frictionless checkout are foundational retention drivers. Transparent menu details and pricing (Q14) record a notably high 'Strongly Agree' component (48.4%), suggesting that pricing ambiguity and hidden charges are particularly damaging to consumer trust. The expectation of regular

deals and discounts (Q15: 80.7%) indicates that promotions have transitioned from differentiation tools to baseline customer expectations, intensifying competitive pricing pressure across the category. Accurate order tracking (Q13: 77.4%) and fast delivery (Q12: 75.8%) further confirm that operational transparency and logistics efficiency are core determinants of platform satisfaction.



Objective 4: Digital Promotions, Reviews, and Customer Loyalty

Table 4 Impact of Promotions and Reviews on Repeat Purchase and Loyalty (n = 62)

Question	SD%	D%	N%	A%	SA%	Agree + SA%
Q16. I am more likely to reorder from an app that provides attractive digital offers.	1.6	8.1	11.3	32.3	46.8	79.1
Q17. Positive reviews make me order repeatedly from the same restaurant.	11.3	4.8	9.7	33.9	40.3	74.2
Q18. I prefer to continue using a food delivery app that gives good deals and reliable service.	1.6	9.7	12.9	30.6	45.2	75.8
Q19. Good online ratings encourage me to stay loyal to a food delivery app.	1.6	9.7	8.1	30.6	48.4	79.0
Q20. Digital promotions and reviews influence my decision to recommend the app to others.	3.2	8.1	14.5	27.4	46.8	74.2

Table 4 establishes that customer loyalty in food delivery applications is co-determined by promotional value and online reputation. Attractive digital offers (Q16: 79.1%) are the strongest driver of reordering intent, confirming that economic incentives remain a primary retention lever. Good online ratings (Q19: 79.0%) are equally important for sustained platform loyalty, with the high 'Strongly Agree' component (48.4%) indicating that reputation is a deep rather than superficial loyalty driver. The combination of

good deals and reliable service (Q18: 75.8%) underscores that loyalty requires both economic and experiential satisfaction simultaneously. Positive reviews also reinforce restaurant-level loyalty (Q17: 74.2%). Crucially, Q20 (74.2%) demonstrates that satisfied customers become brand advocates, confirming that the digital marketing and review ecosystem drives word-of-mouth referrals, extending its influence beyond direct purchase decisions.



Table 5 Consolidated Agreement Rates by Objective

Objective	Key Variable	Highest Agree%	Lowest Agree%	Avg Agree%
Objective 1	Digital Marketing & Purchase Decisions	80.7% (Advertisements)	75.8% (Push Notifications)	78.4%
Objective 2	Online Reviews & Customer Trust	83.9% (Customer Comments)	74.2% (Rating Checks)	77.4%
Objective 3	Customer Preferences & Expectations	82.2% (App Usability)	75.8% (Fast Delivery)	79.0%
Objective 4	Promotions, Reviews & Loyalty	79.1% (Digital Offers)	74.2% (Review-based Loyalty)	76.5%

Table 5 reveals that Objective 3 (Customer Preferences) yields the highest average agreement rate (79.0%), suggesting that service quality expectations are deeply ingrained and broadly shared. Objective 2 (Online Reviews) produces the single highest individual agreement (83.9% for customer comments), confirming the dominant role of qualitative peer feedback. All four objectives sustain average agreement rates between 76–79%, indicating consistent and strong consumer responsiveness across all dimensions of the study.

Findings, Suggestions & Conclusion

Summary of Findings

The analysis yields five principal findings. First, digital marketing strategies, particularly discount campaigns and social media advertising, are highly effective in generating

initial customer engagement and stimulating purchase intent, with average agreement rates exceeding 78% across all marketing variables. Second, online reviews and ratings constitute a powerful and asymmetric trust mechanism: customer comments are the single most influential factor in the study (83.9%), while negative ratings deter customers as strongly as positive ratings attract them. Third, customer service expectations have escalated to the point where app usability (82.2%), transparent pricing (79.0%), and regular promotional offers (80.7%) are treated as baseline standards rather than differentiators. Fourth, sustainable repeat purchase behaviour requires the simultaneous satisfaction of economic incentives (attractive offers) and relational trust (positive reviews and high ratings). Fifth, digital marketing and review satisfaction together drive advocacy behaviour, with 74.2% of respondents



indicating they recommend applications based on these combined experiences.

Suggestions

- Rebalance promotional strategy toward quality-led value propositions. Over-reliance on discount-driven acquisition erodes margins and cultivates price-sensitive segments. Platforms should complement monetary offers with personalised recommendations and loyalty programmes anchored to order history.
- Strengthen proactive review monitoring and reputation management. Platforms should implement rapid complaint resolution systems, encourage authentic feedback from satisfied customers, and deploy algorithmic filters to detect manipulative reviews.
- Invest in personalised digital marketing through data analytics. Behavioural data should be leveraged to deliver contextually relevant offers and time-sensitive notifications aligned with individual consumption patterns.
- Optimise delivery logistics and real-time tracking capabilities. Continuous investment in route optimisation, delivery partner performance management, and transparent communication systems is essential to meet rising service expectations.
- Eliminate pricing opacity and simplify checkout flows. Clear menu information, transparent delivery charges, and streamlined payment experiences

directly address the most frequently cited service dissatisfiers.

- Develop structured customer engagement and loyalty programmes. Tiered membership benefits, referral incentives, and periodic satisfaction surveys will foster long-term relational commitment beyond transactional interactions.

Conclusion

This study has demonstrated that digital advertising and online reviews are interdependent and complementary forces shaping consumer behaviour in Indian food delivery applications. Digital marketing strategies are highly effective in generating initial engagement and stimulating purchase intent; however, the findings reveal a critical caveat: promotions may attract customers but cannot independently sustain loyalty. Online reviews, functioning as electronic word-of-mouth, play an equally consequential role in trust formation, restaurant selection, and repeat purchasing. The negative asymmetry effect — whereby poor ratings deter customers more strongly than equivalent positive ratings attract them — underscores the strategic imperative of proactive reputation management.

Customer loyalty in its sustainable form emerges from the convergence of three conditions: compelling promotional value, consistent service quality, and credible online reputation. Platforms that successfully engineer this convergence, while maintaining intuitive user experiences and transparent



pricing, will achieve durable competitive advantage in India's rapidly expanding digital food economy. Future research should expand the sample geographically, incorporate longitudinal designs to track loyalty evolution over time, and examine the emerging roles of AI-driven personalisation and influencer marketing within this ecosystem.

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