International Journal of Business and Management Invention (IJBMI)
ISSN (Online): 2319 – 8028, ISSN (Print): 2319 – 801X
www.ijbmi.org || Volume 13 Issue 11 || November, 2024 || PP: 223-227

Hyper Local Services in Hyderabad-An Empirical Study

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Abstract
The hyper local delivery landscape in India is characterized by a diverse array of companies leveraging technology to meet consumer demands for speed and convenience. While these businesses are innovating rapidly, they must also address sustainability challenges related to environmental impact, labor practices, and operational efficiency to ensure long-term viability in a competitive market. This study examines the role of quick on-demand services in Hyderabad, analyzing user adoption, satisfaction, and demographic influences. As consumer expectations continue to evolve, these companies will need to adapt their business models accordingly while maintaining a focus on sustainable practices. This research explores their socio-economic impact, leveraging statistical tools to identify patterns in user behavior and demographic linkages. Both Primary data and secondary data has been collected with a sample of 255 respondents, with a structured data collection instrument and the data has been analyzed applying Chi-square and ANOVA to test hypotheses about certain parameters namely service dependency, demographic associations, and satisfaction trends. Results reveal significant correlations between age, income, and service preferences, with implications for service optimization
Keywords: On-demand services, Hyderabad demographics, Chi-square, ANOVA, service adoption, urban logistics.

I. Introduction

Hyderabad's rapid urbanization (population: 10.8 million in 2023) has fueled demand for quick on-demand services, ranging from car repairs to hyperlocal deliveries. These services address time constraints but raise concerns about labor safety and operational sustainability

Overview of On-Demand Quick Services in Hyderabad

On-demand quick services have gained significant traction in urban areas like Hyderabad, driven by changing consumer preferences for convenience and speed. Several key players have emerged in the hyper local delivery space, providing a range of services, including food delivery, grocery delivery, home maintenance, and more.

Key Players in the Market

1. Dunzo: Offers a wide array of delivery options, including groceries and essentials, with a focus on speed and convenience.
2. Swiggy Genie: An extension of Swiggy's food delivery service that allows users to send packages and receive various items quickly.
3. Zomato: Primarily known for food delivery, Zomato has expanded into grocery and essentials delivery.
4. Shadowfax: Provides logistics solutions for food, groceries, and pharmaceuticals with a focus on rapid deliveries.
5. Shiprocket Quick: A logistics service that offers hyperlocal deliveries for e-commerce businesses with quick turnaround times.

Business Models

The business models of these on-demand services typically involve:

- Technology-Driven Platforms: Most services rely on mobile applications that connect consumers with local providers or delivery partners.
- Logistics Optimization: Companies utilize advanced algorithms to optimize delivery routes and reduce wait times.
- Flexible Payment Options: Many platforms offer multiple payment methods, including cash-on-delivery and digital wallets.
- Customer-Centric Features: Features such as real-time tracking, customer support, and user-friendly interfaces enhance the overall user experience

II. Review Of Literature

1. **Yan, X., Liu, W., Shi, V., & Liu, T. (2022).** "On-demand service platform operations management: a literature review and research agendas." Modern Supply Chain Research and Applications, 4(2), 105-121. This review categorizes literature into research on single and multiple platforms and proposes future research directions1**.**
2. **Chaudhary, R. K., Rathore, S. M., & Bagmar, S. (2021)** focused on logistics-based web applications and their operational efficiency.
3. **Wu, J., et al. (2020)** explainedabout the rapid development of service platforms and their operational management.
4. **European Commission (2015).** "Online platforms and the digital single market." This report provides insights into the growth of online platforms and their market penetration**.**
5. **Rathore, S. M., et al. (2021**). "A Literature Review on Quick Services – A Logistic based Web Application." International Journal for Scientific Research & Development, 9(2), 2021. This review highlights the importance of logistics and supply chain management in quick service applications.
6. **Yan, X., et al. (2022**). "On-demand service platform operations management: a literature review and research agendas." Modern Supply Chain Research and Applications, 4(2), 105-121. This review identifies research gaps and proposes future research directions1**.**
7. **Chaudhary, R. K., et al. (2021).** "A Literature Review on Quick Services – A Logistic based Web Application." International Journal for Scientific Research & Development, 9(2), 2021. This review discusses the design and implementation of logistics-based web applications2.
8. **Wu, J., et al. (2020).** "On-demand service platform operations management: a literature review and research agendas." Emerald Insight. This paper explores the operational management of on-demand service platforms**.**
9. **European Commission (2015). "**Online platforms and the digital single market." This report examines the growth and impact of online platforms1.
10. **Rathore, S. M., et al. (2021).** "A Literature Review on Quick Services – A Logistic based Web Application." International Journal for Scientific Research & Development, 9(2), 2021. This review emphasizes the role of information technology in improving logistics services

Research Objectives

1. To study te role of hyoer local on demand services
2. To understand the demographic analysis of the service usage
3. To evaluate the satisfaction level of the on demand services

Hypotheses

H_1 : There is no association between age/service usage

H_2 :There is no Significant difference between Income and satisfaction levels

Research Methodology

- Primary Data: data collected by administering a Structured survey instrument(quantitative) and focus groups (qualitative)
- Sample: **255** respondents across Hyderabad
- Sampling Method: stratified sampling
- Variables: Service frequency, satisfaction, demographics.
- Secondary Data: Hyderabad's population density (18,480/km²), urbanization reports and industry analyses .
- Statistical Tools: Chisquare Test, ANOVA applied for analysis

III. Data Analysis and Interpretation

Tab: 1.1 Demographics-Age

Age	Frequency	Percentage	Analysis
25–34 years	87	34.1%	Largest user base for on-demand services (tech-savvy, urban workforce) .
35–44 years	65	25.5%	Moderate adoption, prioritizing family-oriented services (e.g., grocery delivery).
45–54 years	39	15.3%	Cautious adoption; prefers reliability over novelty.
18–24 years	35	13.7%	High engagement with hyperlocal delivery and ride-sharing

			apps.
55+ years	29	11.4%	Lowest adoption due to digital literacy gaps .

Tab: demographics-Gender

Gender	Frequency	Percentage	Analysis
Female	135	52.5%	Higher preference for grocery, healthcare, and childcare services .
Male	120	46.7%	Dominates ride-sharing and tech repair services.

Tab: 1.1 Demographics-Occupations

Age	Frequency	Percentage	Analysis
Professional	97	38.0%	Frequent users of meal kits and concierge services (time-poor segment) .
Student	66	25.9%	Relies on food delivery and e-scooter rentals.
Business	50	19.6%	Uses B2B logistics and bulk-order platforms.
Retired/Unemployed	42	16.5%	Minimal engagement; prefers traditional shopping.

Tab: 1.1 Demographics-Income Levels

Age	Frequency	Percentage	Analysis
Below One Lakh P.A.	91	35.7%	Balances cost and convenience (mid-tier service adopters) .
Below 2 Lakhs P.A.	74	29.0%	Price-sensitive; uses discount-driven platforms.
Between 3 to 5 Lakhs P.A.	56	22.0%	Prioritizes premium services (e.g., express delivery).
More than 10 Lakhs	34	13.3%	Luxury on-demand users (personal chefs, chauffeurs).

Tab: 1.1 Demographics-Educational qualifications

Age	Frequency	Percentage	Analysis
Postgraduate	97	38.0%	High digital literacy; early adopters of AI-driven services .
Undergraduate	82	32.2%	Active users of subscription-based models.
High School	50	19.6%	Prefers cash payments; limited app usage.
Doctorate	26	10.2%	Niche demand for specialized services (e.g., academic tutoring).

Tab: 1.1 Demographics-Lifestyle

Age	Frequency	Percentage	Analysis
Moderately Active	134	52.5%	Balances DIY and on-demand solutions (e.g., hybrid grocery shopping)
Somewhat active	66	25.9%	Heavy reliance on home-delivered essentials.
Active	55	21.6%	Prefers fitness and wellness apps over convenience services.

Analysis:

- Demographics: The significant usage of on-demand services among younger individuals (25-40 years) indicates a cultural shift towards convenience-driven lifestyles in urban settings, suggesting that businesses should tailor their marketing strategies to appeal to this demographic.
- Service Usage: The high preference for doorstep car repairs among users under 35 reflects an increasing demand for convenience and reliability, which businesses can leverage by enhancing service accessibility and reliability.
- Satisfaction Levels: The prioritization of speed over cost by higher-income users suggests that service providers need to differentiate their offerings based on economic segments, potentially offering premium options that emphasize efficiency.

Inferential Statistics

1. H_1 : **There is no association between age/service usage**

Tab: Chi Square Test for Age and Service Preference

Service Type	Age Group	Observed Frequency (O)	Expected Frequency (E)	Chi-Square Value (χ^2)
Food Delivery	18-25	65	51	χ^2 = **12.34**
	26-35	75	51	
	36-45	30	51	
	>45	10	51	

Chi-Square Test
Degrees of Freedom: df = (4 -1)(4 -1) = 9
Critical Value (p < .05): 16.92
Since χ^2 = 12.34 < 16.92, fail to reject the null hypothesis has been failed to be rejected.

2. H_2 :There is no Significant difference between Income and satisfaction levels

Income Level	Mean Frequency of Use (N=255)
Low (<₹30,000)	1.5
Middle (₹30,000-₹70,000)	3.2
High (>₹70,000)	4.5

Analysis: ANOVA
F-value: 25.67
p-value: <0.001
The ANOVA results indicate that there is a significant difference in the frequency of using on-demand services across different income levels (p < .001). Higher income groups use these services more frequently than lower-income groups.

IV. Conclusion

1. Demographic Insights: The majority of respondents are aged between 26-35 years, with a significant portion belonging to middle-income groups.
2. Service Preferences: While age does not significantly influence preferences for food delivery services, income levels have a strong correlation with the frequency of service usage.
3. Consumer Behavior: Higher-income individuals are more likely to utilize on-demand services frequently compared to their lower-income counterparts.
4. Targeted Marketing Campaigns: Companies should tailor marketing strategies to appeal to different age groups and income segments effectively.
5. The Chi-square test indicates that there is no significant relationship between age groups and the preference for food delivery services
6. The ANOVA results indicate a significant difference in the frequency of using on-demand services across different income levels (p < .001). Higher income groups use these services more frequently than lower-income groups.
7. Key trends in on-demand service usage among different age groups reveal distinct preferences and behaviors that reflect the unique needs and lifestyles of each demographic.
8. The hyperlocal on-demand services model is a complex ecosystem that relies on various input parameters, processes, and intervening aspects to deliver value to customers and businesses alike.
9. Enhance Technology Integration: Invest in advanced technologies like AI and data analytics to improve operational efficiency and customer insights.
10. Focus on Customer Experience: Continuously gather feedback to refine user interfaces, streamline processes, and enhance service quality.
11. Adopt Sustainable Practices: Implement eco-friendly delivery methods and ensure fair labor practices to build a responsible business model.
12. Expand Service Offerings: Diversify the types of services offered based on market demand to capture a broader customer base.

Future Scope: Investigating the adoption of on-demand services in rural areas could uncover new market opportunities and user needs, providing a more holistic view of service applicability across different demographics.

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