Factors Affecting Customers’ Perceptions and Firms’ Decisions Concerning Online Fast Food Ordering

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ABSTRACT

This study aims to research issues such as e-commerce potentials in the fast food industries, the acceptance of e-commerce alternatives by the consumers and the collaboration between businesses and customers. The purpose of this paper is to examine firstly the industries’ use of electronic ordering and their experiences on the deployment of e-commerce technologies. Secondly, the current study investigates consumers’ views about and factors affecting the use of those distribution channels. The paper’s aim is accomplished through an empirical investigation of a sample of 767 students, examining buyers’ attitudes and perception levels towards online fast food ordering and 260 Greek fast food firms, examining their use of electronic ordering and their experiences. Cluster analysis was first employed for profiling online users in Greece and for grouping the firms based on their characteristics. Secondly, factor analysis was utilized in order to examine the critical factors affecting students’ decision towards online fast food ordering and to examine the factors influences industries’ use of electronic ordering. The findings indicate that Greek consumers seem to pay more attention in cost issues and in special offers and Greek firms are more interested in their reputation and the appeal online orders have on their customers.

Keywords: Attitudes, Business to Consumer (B2C), E-Commerce, Fast Food, Online Ordering, Perceptions

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1. INTRODUCTION

Despite the global economic slowdown, worldwide use of the Internet continues unabated. There were an estimated 2,405,518,376 internet users worldwide for mid-year 2012 (June 30, 2012), according to Internet World Stats. This represented about 34.3% of the population worldwide and a 566.4% growth compared to 2000 (Internet World Stats, October 2012). Over 2.7 billion people were using the Internet in the first quarter of 2013, according to ITU. The growing popularity of Internet produced a number of benefits for companies and consumers. The basic reasons for this popularity, are i) the fact that the sites of internet have become highly friendly to the users and ii) of course that the internet can provide better and more satisfactory information in short time, things that make internet reliable and time saving (Tsekouropoulos, 2009). While e-commerce is rapidly spreading around the world, in Greece it is still in the first stages of development. However, according to data presented by the Hellenic Association of Electronic Commerce (GRECA), € 3.5 billion is expected to touch the turnover of online shopping consumers for 2013.

Fast-food industry began to experience the innovation of technology in order to upload its service quality. Pizza Hut, which recently crossed the $1 billion benchmark in online sales, the Domino’s brand generates over $2 billion in global digital sales per year. Moreover, a number of the nation’s biggest fast-food chains are beginning to embrace text and iPhone ordering facilities, at least as tests. Moreover, fast food industry can offer on-line ordering through restaurant’s website or application, through a multi-restaurant site or through Facebook.

Online ordering has been associated with increased revenue, improved capacity management, improved productivity, and improved transactional marketing and customer relationship management (Kimes & Laque, 2011).

The fast food industry in Greece showed a decrease of 7% in accordance with relevant sectoral study by ICAP (2010). Greek fast food market revenue declined due to the long recession which implies a lower disposable income with Greek consumers. Furthermore, the new entries of Asian fast food and Middle Eastern fast food outlets, in recent years, has also affected the profitability of the incumbent fast food outlets in Greece.

Despite the uncertainty that has characterised Greece’s economic policy, a quite number of fast food companies have adapted to the competitive demands of the times. These companies have adopted e-commerce strategies aiming at improving their customers’ support which has a significantly positive impact on customer satisfaction and customer behavioural intention when patronizing with a restaurant (Su, 2011). Moreover, it could, in turn, expand the restaurant’s market share and improve performance in service (Huber et al., 2010).

Nevertheless, because e-commerce applications in fast food industry is still in its infancy in Greece, research issues such as e-commerce potentials in the fast food industries, the acceptance of e-commerce alternatives by the consumers and the collaboration between businesses and customers need to be investigated. This study aims to investigate firstly the industries’ use of electronic ordering and their experiences on the deployment of e-commerce technologies. Secondly, the current study investigates consumers’ views about and factors affecting the use of those distribution channels.

In order to fulfil the aim of the study a research approach was used. The rest of the paper is structured as follows: The next section briefly reviews some of the more recent e-commerce studies concerning the food industry. We then proceed to our research methodology followed by the results of the empirical analysis. The conclusions are drawn in the final section and managerial implications and limitations are presented in the end of the current study.

2. LITERATURE REVIEW

2.1. e-Commerce

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