Customer Satisfaction with Online Food Ordering Portals in Qatar

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ABSTRACT

The recent boom in online food ordering and delivery in Qatar has led to increased competition among service providers within the industry. Identifying the gap in research in the context of Qatar’s online food industry, this study aims to determine the key success factors that lead to customer satisfaction and loyalty, as well as customers’ satisfaction levels with their respective service providers. 263 surveys were randomly collected through an online questionnaire and analyzed to test the hypotheses of the research model and answer the research questions. By applying path analysis to assess the proposed model, this study confirms that while restaurant quality has no direct effect on customer satisfaction and loyalty, service provider quality does. Moreover, this study sheds light on the mediation role of customer satisfaction on the relationship between service provider quality and loyalty. Overall, the study provides valuable insights for the successful operation of online food ordering services in Qatar.

KEYWORDS

Customer Loyalty, Food M-Commerce, Online Food Delivery Service, Online Food Ordering, Qatar, Restaurant Quality, Satisfaction, Service Provider Quality

1. INTRODUCTION

The emergence of a relatively economical and user-friendly digital infrastructure over the past few decades has led to the development of several trends in technology. The lifestyle of individuals and the working culture of organizations have been transformed by new digital infrastructure (Fichman, Santos & Zheng, 2014). The coupling of mobile communication and the Internet induced a plethora of potential opportunities in wireless data communication and significantly changed the way that human beings communicate and work (Scornavacca, Barnes & Huff, 2006; Balasubramanian, Peterson & Jarvenpaa, 2002).

Over the years, businesses have used mobile services as a key medium for interacting with their customers and are briskly strategizing their business goals by incorporating the technology of mobile services. Businesses can benefit from an online environment as it provides a platform for personalized and interactive marketing channel (Burke, 2002). Customers can bolster their purchase decisions by collecting inputs from friends and other e-customers through social networking channels (Herring et al., 2005) and compare a company’s products with those of its competitors in order to meet their expectations and desires (Singh, 2002).

Like many other countries, Qatar is also experiencing a rapid increase in online shopping; a paradigm shift created due to availability of mobile services. Consumers in the country are eagerly embracing the online culture that includes an increasing preference of e-services, simply because it is
easier and faster. An example is the food and beverages industry in Qatar that has seen a tremendous rise in m-commerce activities, which is the focus of this research paper.

Online food ordering satisfies the needs of individuals living in urban areas who are busy and require their meals to be delivered to their respective location. This has been possible by the Internet, which acts as an impetuous channel for everyday shopping activities. Moreover, the ability of consumers to conveniently search and compare prices of food online, through either websites or apps of restaurants or service providers, has been greatly boosted by the evolution in Internet technology (Kitsikoglou et al., 2014).

In the online food ordering business, restaurant quality and service provider quality are two significant factors that influence the purchase decision of a customer. The restaurant is defined as an entity that prepares/makes the food as per the online order, while the service provider is defined as the entity that provides a platform for placing an online order and in some cases delivers the order to the customer’s location.

Qatar has experienced a boom in online food ordering over the past year. Although this is already widely practiced in other parts of the world, a slow start to the Qatar market has turned into rapid growth for such services. Through online ordering, people get to choose their food items from a plethora of options and do not have to worry about traveling to a restaurant or preparing food themselves. This rapid growth has led to new entrants in the market and the level of competition is ever increasing. It is critical for a service provider to ensure satisfaction of all of its customers, else in this kind of industry it is very easy to lose a customer to a competitor. Being frequent users of online food ordering services themselves, the authors believe this research will shed some light on key factors that influence a customer’s satisfaction and loyalty towards a particular service provider.

The literature review identified a research gap in the context of mobile food ordering services in Qatar, where no research investigated the relationship between customer satisfaction and the combination of both restaurant quality as well as service-provider quality. Therefore, this study posits that restaurant quality together with service-provider quality are critical for satisfying customers and increase their loyalty towards the online ordering operator. By understanding these factors, service providers can work on their respective strengths and weaknesses and devise strategies to improve their businesses and sustain a competitive advantage. Moreover, policy makers can understand the perceptions of customers and bring in new regulations to control the food delivery sector.

This research intends to identify the key success factors that lead to customer satisfaction and loyalty in the online food ordering and delivery business in Qatar, and capture the satisfaction levels of customers with their respective service providers. Focusing on the online food ordering and delivery business in Qatar, this study tried to answer the following two research questions:

1. What are the key success factors that lead to customer satisfaction and loyalty in the online food ordering and delivery business?
2. What are customers’ satisfaction levels with their respective service providers for online ordering and delivery of food?

Based on the previously mentioned rationales, this study formulated and tested a conceptual model with three hypotheses. The following sections of the paper present the literature review (section 2), followed by the methodology undertaken to perform this study including the conceptual model and hypotheses developed (section 3), data analysis and discussion (section 4) and finally conclusion and future work (section 5).