Since January 2020 Elsevier has created a COVID-19 resource centre with free information in English and Mandarin on the novel coronavirus COVID-19. The COVID-19 resource centre is hosted on Elsevier Connect, the company's public news and information website.

Elsevier hereby grants permission to make all its COVID-19-related research that is available on the COVID-19 resource centre - including this research content - immediately available in PubMed Central and other publicly funded repositories, such as the WHO COVID database with rights for unrestricted research re-use and analyses in any form or by any means with acknowledgement of the original source. These permissions are granted for free by Elsevier for as long as the COVID-19 resource centre remains active.
To survive or to thrive? China’s luxury hotel restaurants entering O2O food delivery platforms amid the COVID-19 crisis

Fiona X. Yang, Xiangping Li, Virginia Meng-Chan Lau, Victor Z. Zhu

1. Introduction

The luxury segment in the restaurant industry has expanded steadily over the past two decades, including the burgeoning of the luxury restaurants within hotel properties (Hyun and Kang, 2014; Han and Hyun, 2017). China has experienced the same trend in the sector of luxury hotel restaurants. Hotel restaurants have been one of the core revenue contributors to five-star hotels, accounting for 35.42% of their total revenue in 2019 (Ministry of Culture and Tourism, 2020). However, due to fierce competition, declining spending per customer, and increasing costs, hotel restaurants have been under pressure to obtain and retain customers. This situation has been compounded by the unprecedented shock of a worldwide public health emergency. With the outbreak of COVID-19, non-essential human movements and economic activities were paused from late January to April 2020 in China (Liang, 2020). As a consequence, all hotels, including luxury brands, have almost ceased their operations, leading to a cliff-like drop in their occupancy rates, and hence their revenues (Yiu et al., 2020). Survival has become the first priority for luxury hotels and their restaurants in the pandemic. One of the strategies implemented by luxury hotel restaurants in China to stay afloat has been to offer an ordering and home delivery service with online-to-offline (O2O) food delivery companies such as Meituan and Eleme—two O2O services giants in China (Parulis-Cook, 2020). Although such efforts have been attempted by a handful of luxury restaurants, the pandemic has pushed more to the frontier. Will this contingency measure make or break the beleaguered five-star hotel restaurants that have been brought to a shuddering halt amid the COVID-19 crisis?

Unlike a physical product, luxury restaurant services are largely an experiential product. The evaluation of experience-based consumption needs to consider not only cognitive attributes (e.g., food quality and value), but also affective attributes (e.g., atmosphere and brand) (Hwang and Ok, 2013). The luxury dining experience is typically characterized by exquisite food, refined table service, professionally trained servers, and sophisticated décor and ambience (Han and Hyun, 2017; Ma and Hsiao, 2020). The integration of O2O platforms in the service process has introduced third-agent factors that are beyond the control of the restaurants. For example, the attitude of delivery staff could influence customer evaluations and behaviors (Elvandari et al., 2018; Ray et al., 2019). Another side effect of using O2O food delivery services lies in the fact...
that many customers are drawn to O2O by lower prices, as the platforms make it easier for price comparison (Yeo et al., 2017; Ray et al., 2019), which is not a boon for luxury restaurants. This makes people wonder whether luxury hotel restaurants and O2O food delivery platforms can have a happy marriage. Other issues contribute to this, such as whether luxury restaurants target the wrong customers on O2O platforms and whether the problems caused by the platforms have a negative spill-over effect on the restaurants, which then tarnishes the reputation of the hotels.

Previous literature has extensive investigations of dining experiences in luxury restaurants (Meng and Elliott, 2008; Han and Hyun, 2017; Kiatkawisn and Han, 2019), and O2O-related studies mainly focus on their evaluations of the platforms and behavioral intentions (Kapoor and Vij, 2018; Cho et al., 2019). To the best of our knowledge, no study has explored luxury dining experiences placed in the O2O context. Furthermore, the outbreak of COVID-19 has changed the way people think and behave (Polizzi et al., 2020). With all these questions raised, it is necessary to examine O2O dining experiences with luxury hotel restaurants during the pandemic. This research has adopted a multimethod approach that combines different sources of data from two qualitative studies. Such an approach is postulated to produce more robust results that are “far more compelling than single method outcomes” (Stewart, 2009, p. 382), which is appropriate for the current research that involves multiple stakeholders, including both customers and F&B professionals.

In Study 1, a content analysis has been performed on customer reviews from the largest O2O food delivery platform in China during the COVID-19 pandemic; key factors regarding O2O dining experiences with five-star hotel restaurants have been identified. To triangulate the results and provide a more comprehensive understanding, in-depth interviews have been conducted in Study 2 with 16 F&B professionals from different five-star hotels. The insights from the industry’s perspective have validated and enriched the findings. The findings of both studies will shed light on the key factors that are important for both offline and online channels, as well as highlight some special elements amid the public health emergency.

2. Literature review

2.1. O2O food delivery

O2O refers to the consumption of products or services from brick-and-mortar businesses through online purchase (Cho et al., 2019; Kang and Namkung, 2019). It has been an emerging e-commerce model, combining online marketing, sales, and evaluation with offline consumption of goods and service. O2O platforms have been playing an essential role in different scenarios of consumer life, especially for localized life service products such as food delivery, tickets, and car rentals (Xiao et al., 2019). In particular, O2O food marketing has been booming in China over the last decade. Its market scale has seen a dramatic increase from CNY 166.3 billion in 2016 to CNY 577.9 billion in 2019, with the number of listing restaurants rocketing from 4.4 million to 11.1 million (iMedia Research Group, 2020). The very rapid growth of O2O food delivery is mainly attributed to the convenience brought to both merchants and consumers (Goh et al., 2017; Cho et al., 2019).

The research on O2O food delivery to date is limited and sporadic. Three main streams stem from the existing studies. The first stream of research primarily explores the factors that influence customers’ evaluations toward food delivery apps. It has been substantiated that app attributes, such as convenience, design, trustworthiness, and food choice variety, greatly affect the perceived value of a food delivery app, and, in turn, enhance the intention to use it (Kapoor and Vij, 2018; Cho et al., 2019). Another significant determinant is the customers’ information processing path measured by the quality of information and source credibility (Kang and Namkung, 2019). Additionally, customers’ cognitive processes have been investigated in which their performance expectancy, congruity with self-image, habit, mindfulness and social influence positively shape intentions to use the apps (Lee et al., 2019; Gunden et al., 2020).

The second research stream investigates the factors influencing the sales of restaurants on O2O platforms. For high-sales restaurants, the number of reviews and overall ratings are found to be particularly crucial to increase sales volume, while the delivery service effect is more significant for low-sales restaurants (Zhang et al., 2019). The adaptive behaviors of restaurants have also been studied through an agent-based approach, revealing that the timely adjustment of food quality to accommodate customers’ preference changes is a key factor to increase sales volume (He et al., 2019).

The third school of research has scrutinized O2O food consumption experiences and the determinants that go into the selection of service providers. Customer loyalty is greatly affected by food quality—for example, taste, presentation, variety, and availability of healthy options (Suhartanto et al., 2019), attitude of the delivery staff, order conformity, condition of packaging and food when received, as well as delivery cost (Elvandari et al., 2018). In addition, perceived hedonism derived from online food ordering, price/time saving, prior online purchase experiences, convenience, and post-purchase usefulness are also positively related to their attitudes toward O2O food delivery experiences (Yeo et al., 2017). The research in this stream remains limited and no study to date has investigated full-service restaurants in five-star hotels.

2.2. Factors that shape luxury dining experiences

A review of the literature reveals that several factors are important antecedents of luxury dining experiences, including service quality, brand credibility, and value for money (Hyun and Kang, 2014; Jin et al., 2015b; Erkmen and Hancer, 2019).

2.2.1. Service quality

Prior studies have stressed the importance of service quality in shaping the luxury restaurant dining experience (Erkmen and Hancer, 2019). Brady and Cronin (2001) demonstrated that service quality is a multidimensional, hierarchical construct composed of three dimensions—interaction, physical environment, and outcome quality. First, interaction quality refers to customer’s perceptions of how the service is delivered or the interactions with employees during the service delivery (Grönroos, 1984; Brady and Cronin, 2001). When applied to studying the upscale restaurant dining experience, Clemes et al. (2018) delineated interpersonal skills, professional skills, and problem-solving skills as the set of sub-dimensions of interaction quality. Hwang and Ok (2013), on the other hand, used SERVQUAL (Parasuraman et al., 1988) to gauge employees’ reliability, responsiveness, empathy, assurances, and tangibles as the sub-dimensions. Other relevant literature has identified certain salient attributes expected from service employees, including willingness to help, friendliness, knowledge, attention to specific needs, accuracy of service provided, prompt service, reliable service, and professional service (Meng and Elliott, 2008; Ryu et al., 2012; Hyun and Kang, 2014; Erkmen and Hancer, 2019).

Second, the physical environment is described as “the built environment (i.e., the manmade, physical surroundings as opposed to the natural or social environment)” (Bitner, 1992, p. 58). These environmental cues are of particular importance to luxury restaurants, as they are conducive to customer’s positive emotions and also have a stronger impact on customers’ behavioral intentions (Hyun and Kang, 2014; Ma and Hsiao, 2020). Researchers generally agree that sub-dimensions of physical environment quality include ambient conditions, facility aesthetics, spatial layout, and seating comfort (Hwang and Ok, 2013; Hyun and Kang, 2014; Han and Hyun, 2017; Ma and Hsiao, 2020).

Third, outcome quality measures what the consumer receives when the service is rendered (Grönroos, 1984; Brady and Cronin, 2001). In a restaurant context, food quality has been deemed as the most critical factor in understanding the customer’s overall dining experience (Ryu...
While many attributes have been used to measure food quality, there are some prominent ones, including taste, nutrition, freshness, portion size, presentation, temperature, smell, and menu variety, among other factors (Hwang and Ok, 2013; Erkmen and Hancer, 2019).

2.2.2. Brand credibility

Brand credibility is defined as the perceived believability of whether a brand has the ability (expertise) and willingness (trustworthiness) to continuously deliver what has been promised (Erdem and Swait, 1998, 2004). A credible brand can be used as a signal of quality, which helps reduce consumer uncertainty and increase the purchase intention of the brand (Erdem and Swait, 2004). It has been confirmed that credible brands are associated with higher perceived quality and lower information costs and risks, which can increase consumer trust and purchase intentions as well as positive evaluations of brands in multiple product and service categories (Baek et al., 2010), including the luxury restaurant segment (Jin et al., 2015a, b). Brand credibility, in the context of a luxury restaurant, can be described as the consumer’s perceptions that the brand has both the expertise and trustworthiness to provide a satisfactory dining experience as promised (Jin et al., 2015a, b).

2.2.3. Value for money

Like brand credibility, price is another signal of quality (Rao and Monroe, 1989). As the five-star hotel restaurants are near the highest end of the market, one of the reasons that those restaurants can command a high price is that they are trusted to be able to deliver food and service of superior quality (Lee and Hwang, 2011; Kiatkawasin and Han, 2019). It is also suggested that a premium price is not just a cue of good quality but also an indicator of prestige, which makes highly priced products and services more sought after, including luxury restaurants (Parasuraman et al., 1988; Wiedmann et al., 2009). Although expensive prices are expected, customers still appreciate fair prices or expect great value, be it symbolic, hedonic, or utilitarian (Wiedmann et al., 2009; Kiatkawasin and Han, 2019). It is found that customers’ positive evaluation of their dining experiences can be a result of fair price and high value (Meng and Elliott, 2008; Hyun and Kang, 2014).

3. Study 1: consumer reviews on O2O food delivery platforms

3.1. Methodology

3.1.1. Sample

This study analyzed user-generated content on O2O food delivery platforms to investigate the performance of full-service restaurants in China’s five-star hotels after the outbreak of COVID-19. Text data were collected in May 2020 from customers’ comments on the mobile app of Meituan, the O2O food delivery giant with the largest market share in China (BigData Research, 2019). Four cities were selected, including Beijing, Shanghai, Guangzhou, and Chengdu, representing the major cities in Northern, Eastern, Southern, and Western China. For each of the cities, the research team first identified all the hotels in the food delivery sector on Meituan and filtered the five-star hotels. Reviews of full-service restaurants in March and April were extracted for analysis, as a large number of five-star hotels started their partnership with O2O food delivery platforms in March (Parulis-Cook, 2020). A hotel was excluded if no user-generated comment was provided. We also considered possible manipulation by restaurant operators and identified no obvious blip in the data. Ultimately, 754 reviews were collected from 19 hotels, with their ratings on Meituan ranging between 3.7 and 4.9 out of 5. Three English reviews were first translated into Chinese, and the Chinese versions of all the reviews were content analyzed afterwards.

3.1.2. Content analysis procedure

Content analysis was used to code the data (Strauss and Corbin, 1990). The content analysis sought to obtain the top talked-about factors in customers’ positive and negative comments. A codebook was developed based on previous literature, regarding factors influencing the fine dining experience, including service quality, brand credibility, value for money, and food delivery service (Hyun and Kang, 2014; Jin et al., 2015b; Han and Hyun, 2017; Elvandari et al., 2018). Two training sessions were held prior to the coding. In the first session, 50 reviews were selected for a pre-test. After a briefing of the coding protocol, the researchers performed the coding and discussed the issues they encountered during the process. In the second session, the coding criteria were revised given the discrepancies identified in the first stage; new themes were also added, based on the pre-test findings.

After the two training sessions, the coders analyzed the reviews based on the revised code criteria. Following the first round of independent coding, the coders discussed disagreements and made a final coding decision; if a resolution could not be reached in the second round, the incident counted against the reliability assessment (Kassarjian, 1977). To assess the inter-rater reliability between different coders, Cohen’s Kappa was calculated (Cohen, 1968). The values of the Kappa coefficient were 0.82 and 0.89 for the first and second rounds, respectively, comfortably exceeding the suggested threshold of 0.70.

3.1.3. Coding criteria

A list of coding criteria was identified through previous literature. The components of restaurant experiences included outcome quality (taste, portion size, freshness, temperature, presentation, and menu variety), interaction quality (reliability, responsiveness, assurance, and empathy), and value for money. Physical environment quality was excluded as it was not applicable in the O2O context. For delivery service, the components included timeliness, service attitude, and spillage. Brand credibility was used to capture customers’ perceptions of the expertise and trustworthiness of the restaurant brand. Finally, customers’ overall evaluation included quality of experience, satisfaction, and loyalty (recommendation and repurchase intentions).

In the second training session, a new theme—food packaging—was added to the codebook, including solid packaging, premium packaging, eco-packaging, hygienic packaging, and overall packaging quality. A sub-theme—service failure recovery—was added to interaction quality. In addition, hygiene emerged as an important theme in the training session, although it was not mentioned in previous literature on luxury restaurant experiences.

3.2. Findings

A total of 2448 comments were coded from customer reviews (Table 1). The positively-valenced comments (N = 1823) outweighed the negative ones (N = 625). The positive attribute factors that may contribute to overall experiences, satisfaction and loyalty were analyzed first. Outcome quality emerged as the most discussed theme (N = 834), followed by food packaging (N = 169), and brand credibility (N = 111). For the negative comments, the top three attributes were outcome quality (N = 329), interaction quality (N = 43), and food packaging (N = 41). It is worth noting that the themes are bestowed with new meanings in the context of fine dining O2O delivery, especially during the COVID-19 pandemic. The details are elaborated in the following sections.

3.2.1. Outcome quality

3.2.1.1. Taste and portion size. Customers placed great importance on the taste and portion size in both positive and negative comments. In comparison with sit-in diners’ pursuit as in a plethora of previous literature (Hwang and Ok, 2013; Ma et al., 2014; Erkmen and Hancer, 2019), O2O diners are more critical of taste, and have placed excessive emphasis on portion size. In particular, the negative reviews were quite scorching due to high expectations. In addition to the common criticisms of any taste that did not satisfy their taste buds, they complained about...
the ordinariness of the food, noting that the taste was fairly normal but not distinctive. These complaints became frequent, especially for discounted items such as bento box lunches or special offers. An example of the negative comments is provided below:

“The Sichuan double-cooked pork is nothing special. The taste is not bad...But does it taste different from any other 10 to 20-dollar double-cooked pork?”

Due to the absence of ambiance/ servers, online purchases made the issue of portion size more prominent as it would be difficult for customers to order extra food if the portion size was too small. A sample comment to express customers’ negative emotions about portion size is provided below:

“I didn’t have enough. The portion size was skimpy and the rice was not enough for men. The portion size was even too small for women, not mentioning men.”

### 3.2.2. Interaction quality

Although O2O food delivery only allows the suppliers to render limited customer-employee interactions, interaction quality still impressed the customers by different means. The positive comments (N = 85) were mainly pertaining to empathy and assurance, while the negative comments (N = 43) centered on responsiveness and reliability.

#### 3.2.2.1. Empathy

Empathy surfaced as a key dimension of interaction quality for O2O service. Ten out of the 19 restaurants received a total of 36 complimentary remarks about the caring and individualized attention, especially during the anti-epidemic period of COVID-19. Their detail-oriented service and extra complimentary items were appreciated by the customers. As sanitation and hygiene became one of the top considerations, some hotels attached an assurance card, alcohol wipes, or fresh juice with the food delivery. Examples of the positive comments are provided below:

“It is good that your hotel provides a food delivery service during the special period...An assurance card was attached on the package, with a record of everyone’s body temperature, the contact number of the restaurant manager, as well as a handwritten note. It’s so warm.”

“I can feel your heart from the free orange juice, an immune system booster you’ve sent during COVID-19.”

Their empathy was also extended to flowers on special holidays. One customer commented: “Thank you for the carnation and no-rinse sanitiser sent on Women’s Day. So thoughtful!”

#### 3.2.2.2. Assurance, responsiveness, and reliability

In an O2O food delivery context, customers may occasionally contact the restaurant for after-sale service or to confirm, change, or cancel their order. There were 21 comments that spoke highly of the assurance—the politeness, friendliness, and patience of the service employees. For example, one customer commented that: “The hotel (restaurant) employee was very patient and called back to confirm my order.” Their comments on responsiveness were split. Nine comments were satisfied with the prompt service and the employees’ readiness to address customers’ questions. Another eight, however, complained about their time wasting

### Table 1: Items and frequencies of customer O2O food consumption reviews.

| Themes                | Items                        | Frequency | Positive | Subtotal | Negative | Subtotal |
|-----------------------|-----------------------------|-----------|----------|----------|----------|----------|
| Outcome quality       | Taste                       | 587 (23.96%) | 186 (7.60%) | 93 (3.80%) | 329 (13.44%) |
|                       | Portion                     | 151 (6.17%)  | 834 (34.07%) | 10 (0.41%) | 4 (0.16%) | 31 (1.27%) |
|                       | Freshness                   | 43 (1.76%)   | 21 (0.86%)  |          | 31 (1.27%) | 31 (1.27%) |
|                       | Temperature                 | 27 (1.10%)   | 10 (0.41%)  |          | 4 (0.16%) | 4 (0.16%) |
|                       | Presentation                | 22 (0.90%)   | 4 (0.16%)   |          |          |          |
|                       | Menu variety                | 4 (0.16%)    | 15 (0.61%)  |          |          |          |
| Interaction quality   | Empathy                     | 56 (2.17%)   | 0 (0.00%)   |          |          |          |
|                       | Assurance                   | 21 (0.86%)   | 0 (0.00%)   |          |          |          |
|                       | Responsiveness              | 9 (0.37%)    | 8 (0.33%)   |          | 43 (1.76%) |          |
|                       | Reliability                 | 5 (0.20%)    | 3 (0.12%)   |          | 21 (0.86%) |          |
|                       | Service failure recovery    | 14 (0.57%)   | 4 (0.16%)   |          |          |          |
| Food packaging        | Solid packaging             | 37 (1.51%)   | 17 (0.69%)  |          |          |          |
|                       | Premium packaging           | 32 (1.31%)   | 9 (0.37%)   |          |          |          |
|                       | Eco-packaging               | 11 (0.45%)   | 4 (0.16%)   |          | 41 (1.67%) |          |
|                       | Hygienic packaging          | 9 (0.37%)    | 0 (0.00%)   |          |          |          |
|                       | Overall packaging quality   | 80 (3.27%)   | 11 (0.45%)  |          |          |          |
| Brand credibility     | Delivery                    | 111 (4.53%)  | 31 (1.27%)  |          |          |          |
|                       | Timeliness                  | 45 (1.84%)   | 2 (0.08%)   |          |          |          |
|                       | Attitude                    | 2 (0.08%)    | 3 (0.12%)   |          | 21 (0.86%) |          |
|                       | Spillage                    | 1 (0.04%)    | 16 (0.65%)  |          |          |          |
| Hygiene               | Value for money             | 86 (3.51%)   | 13 (0.53%)  |          |          |          |
|                       | Quality of experience       | 191 (7.80%)  | 35 (1.43%)  |          |          |          |
| Satisfaction          | Recommendation             | 103 (4.21%)  | 30 (1.23%)  |          |          |          |
| Loyalty               | Repurchase intention        | 34 (1.39%)   | 3 (0.12%)   |          |          |          |
| Total                 |                             | 1823 (74.47%)| 625 (25.53%)|          |          |          |
during the interaction. For example, one customer commented that: “It took me 20 min on the phone to communicate with the restaurant.” Finally, as for reliability, five customers expressed that the restaurants were able to accurately deliver the services. Thirty-one comments mentioned service failure pertaining to missing disposable tableware, missing food items, and incorrect orders, which were considered to be rookie mistakes that are not supposed to happen in five-star hotel restaurants.

3.2.2.3. Service failure recovery. Service failure recovery emerged as a new theme in the O2O context accompanied by more service mistakes. Fourteen positive comments expressed recovery satisfaction with the restaurants’ responses to service failure, appreciating that the problem was promptly and properly handled, and that their recommendations were well adopted. Some customers also mentioned the compensation they received from the restaurants, for example, “Last week they missed the miso soup in my Japanese bento and offered me a free cheesecake today as compensation after communication... I will revisit to try other sets.” In addition, four comments mentioned that the restaurants failed to fix the problem promptly and effectively.

3.2.3. Food packaging

Although not a salient factor in traditional dining literature, food packaging emerged as a top-mentioned theme in O2O businesses. With the absence of traditional atmospheric factors that reflect the physical environment quality, packaging functions as a new environmental cue to exhibit the brand value and superb quality of the restaurant.

3.2.3.1. Solid packaging. Well wrapped and leak-free packaging is crucial to prevent spillage and assure the preservation and delivery of food until consumption. Satisfied customers appreciated the leak-free measures such as airtight leak-proof seals, mess-free and individually packed sauces, and spill-free containers for liquid products. Spillage may occur otherwise. For example, one customer complained that: “The container was not tightly closed and the box was not sealed. Half of the food spilled! It was so bad.”

3.2.3.2. Premium packaging. Comments on premium packaging implied customers’ high expectations on packaging as a differentiator. The positive comments complimented the artistic design and exquisiteness of the food packaging, applauding that it was classy and high quality. Some customers, however, were not satisfied with the design and quality of the packaging. For example, customers commented that: “It was just a plastic bag, I think the restaurant should use a logo bag” and that “The design is not high-class enough.” Another customer was unsparing in their criticism, pointing out that: “The packaging is a disgrace.”

3.2.3.3. Eco-packaging. A total of 11 positive comments pertained to eco-packaging, for example, paper food containers and environmentally friendly disposable tableware. One customer commented that: “All the boxes and tableware are made with eco-friendly materials! The packaging itself deserves a five-star review!” The eco-packaging was also considered aesthetically pleasing and high end. Despite the packaging sustainability, eco-packaging still received criticisms about protection and durability (N = 4)—for example, “The food was packed in a paper box and got moldy when it arrived”.

3.2.3.4. Hygienic packaging. Finally, eight positive comments about packaging referred to the hygienic aspect. The customers were satisfied that the food was stored in hygienic containers, neatly packed, and provided with clean tableware.

3.2.4. Brand credibility

In the O2O context, the coveted five-star rating is a symbol of excellence and an assurance of quality to customers. In the positive comments, the customers acknowledged the trustworthiness of the brand, believing that the dining experiences exceeded their expectations, and that the five-star rating was a guarantee of excellence. Many customers commented that: “A five-star hotel restaurant is indeed five-star” and “Five-star ensures quality.” In particular, some customers implied that branding would be their primary concern during COVID-19—stating, for example, “Though the price is slightly higher than other restaurants, I will only choose a restaurant with a solid brand name under the current situation (of COVID-19). It provides quality assurance.”

By contrast, some customers complained that the quality was mediocre, incompatible with the five-star rating, and tarnished the reputation. They questioned whether five-star hotel restaurants could indeed outperform ordinary restaurants. The loss of brand credibility also spilled over to the entire hotel brand—for example, “It made xxx (the hotel brand) fall into disrepute,” and “Even for the take-aways, you should continuously deliver what has been promised by xxx (hotel brand).”

3.2.5. Delivery

As an essential element in O2O service, the delivery of food encompasses the manner and attitude in the service process. Most of the positive comments were related to the timeliness of delivery. Quick delivery helped to retain the freshness and taste of the food for best consumption, which was mostly appreciated in bad weather or in times of adversities with dining-out restrictions. The negative comments were mostly related to spillage. Customers were unable to identify the party responsible for spillages or damaged food items in delivery. As they pointed out, “The food is spilling all over; it is messy and I need to clean up... Not sure if this is due to the poor packaging or the delivery process.” The negative comments also involved the poor attitude of courier services and the lack of timeliness. Most customers did not distinguish food preparation time and delivery time, putting hotels at risk for outsourcing their delivery services to third parties.

3.2.6. Hygiene

Hygiene is another distinguished theme emerging in the O2O context especially during the pandemic. Among the positive comments, the customers appreciated that the restaurants and their outputs were “hygienic,” “clean,” “safe,” and “hassle-free.” The customers implied that they would turn to upscale restaurants during a pandemic to guarantee proper food processing practices and sanitation standards. Some comments specifically highlighted the trust of hotels’ hygienic measures—for example, “Hygiene is my No. 1 concern now... I have to say that 5-star is exactly what it is after all... It is hygienic and reassuring.”

Perceptions of hygiene are also derived from the way the food was packaged, for example:

“The food is professionally packaged. Different kinds of food are separated, sealed with plastic wrap, and firmly packed in enclosed lunch boxes... I feel assured regarding the food hygiene.”

Customers’ high expectations led to great disappointment when the sanitation standards were not met: “The way that ketchup packets were placed in the lunch box might contaminate the French fries... I am very disappointed at your sanitation standard.”

3.2.7. Value for money

A variety of opinions about value for money were generated. Value for money pertaining to O2O experiences is more intricate than in a dine-in context in previous research (Lee and Hwang, 2011; Hyun and Kang, 2014; Kiatkawisin and Han, 2019), subject to the expansion to a mass market accustomed to lower-end food experiences, and competition with restaurants with no brand halo. The paramount benchmark for value-for-money is the quality of food. Some comments explicitly derided the price for the given quality, stating, for example: “How can they charge 58 dollars for the quality of a 20-dollar meal.”

Five-star hotel restaurants also enhanced value-for-money by offering a fine-dining opportunity at home and inducing sensual pleasure in
the context of the pandemic’s dining-out restrictions. Satisfied customers called it “a modest price for the five-star value”. The dining experiences were considered novel and valuable, as indicated in comments: “The dishes from Michelin chefs are just flawless” and “It is totally worth it to experience the five-star hotel dining at home.”

3.2.8. Quality of experience, satisfaction, and loyalty

Although the positive comments outnumbered the negative comments, it is worth noting that the majority of the negative comments about perceived quality of dining experience vented negative feelings with respect to expectation confirmation, criticizing instances where the quality failed to meet their expectations. The dissatisfied customers did not explicitly reveal their recommendation or repurchase decisions. Conversely, the satisfied customers who had remarkable experiences were happy to recommend the restaurant and indicated willingness to order again or try different items. Some customers suggested that: “The restaurant should keep the O2O food delivery channel post-COVID-19,” and some confirmed that the pleasant experience encouraged them to dine at the restaurant after the pandemic. Their loyalty intentions also extended from the restaurant to the hotel—for example, “I will continue to support xxx hotel in the future!”

3.2.9. Visualized results

To understand the relationships among the key attributes and factors of quality of experience, satisfaction, and loyalty, co-occurrence network analyses were performed with the Gephi software. The first analysis produced Fig. 1, which suggests that taste shows strong connections to all three factors. However, taste is so dominant in the network that it dwarfs the contributions of other key attributes. Therefore, the second analysis was conducted by removing taste (Fig. 2). The result shows that quality of experience, portion, brand credibility, overall packaging quality, premium packing, and temperature are clustered into the same community. In addition, the association between portion and quality is the strongest, followed by brand credibility and overall packaging quality. Loyalty, hygiene, empathy, and solid packaging are clustered together, while satisfaction is identified with the third community along with value for money, timeliness, presentation, freshness, assurance, and responsiveness.

4. Study 2: interviews with restaurant managers

4.1. Methodology

Study 1 has identified key factors that emerge in O2O dining experiences from the customers’ perspective, while more insights are needed from the industry’s perspective. It still remains unclear as to what has induced the strategic decision to enter the O2O market, and how this new business mode puts forward a high request to restaurant practitioners. In particular, two research questions await further investigation:

Research Question 1. Why do five-star hotel restaurants provide/not provide food delivery services via O2O platforms?

Research Question 2. What are the differences between O2O and dine-in services and why do such discrepancies exist?

Toward this end, Study 2 was conducted to deepen the understanding of O2O food delivery services provided by luxury restaurants. This study is expected to triangulate the results from Study 1. It also adds new dimensions to our analysis and enriches the implications by investigating the benefits and costs of providing O2O services. The research team conducted in-depth interviews with F&B professionals by convenience sampling in August and September 2020. A semi-structured interview protocol was designed to explore the aforementioned two research questions. Additional questions were also asked regarding the

---

**Fig. 1.** Network visualization of customer reviews (with taste).
platform(s) they use, special practices for O2O food delivery during COVID-19, and consumer feedback about their O2O services. A total of 16 F&B professionals from different five-star hotels were approached via personal contact. Their profiles are presented in Table 2. Phone interviews were conducted in Chinese and recorded upon the permission of the informants. The interviews lasted 30–60 min. The recordings were then transcribed verbatim and translated into English. Open coding was used to identify important concepts derived from the interviews and similar codes were grouped together.

4.2. Findings

4.2.1. Reasons for providing/not providing food delivery via O2O platforms

Table 3 summarizes the reasons for providing or not providing O2O food delivery. For the 16 hotels interviewed, nine provided food delivery

| No. | Gender | Age | City       | Occupational status     | Tenure in the F&B industry |
|-----|--------|-----|------------|-------------------------|---------------------------|
| 1   | Male   | 57  | Zhangjiagang | Director of F&B          | 35                        |
| 2   | Male   | 32  | Sanya      | F&B manager             | 11                        |
| 3   | Male   | 42  | Beijing    | Restaurant manager       | 11                        |
| 4   | Male   | 39  | Beijing    | Restaurant manager       | 15                        |
| 5   | Female | 29  | Zhuhai     | F&B manager             | 6                         |
| 6   | Female | 30  | Guangzhou  | Restaurant manager       | 10                        |
| 7   | Male   | 29  | Xiamen     | Restaurant manager       | 7                         |
| 8   | Female | 33  | Xiamen     | Executive chief chef     | 10                        |
| 9   | Male   | 40  | Zhongshan  | Executive chief chef     | 20                        |
| 10  | Male   | 32  | Zhuhai     | F&B manager             | 6                         |
| 11  | Male   | 39  | Zhuhai     | Chief chef               | 20                        |
| 12  | Male   | 26  | Guangzhou  | F&B associate manager    | 5                         |
| 13  | Male   | 31  | Guangzhou  | Restaurant manager       | 6                         |
| 14  | Male   | 35  | Zhoushan   | F&B manager             | 10                        |
| 15  | Male   | 30  | Nanjing    | Restaurant manager       | 11                        |
| 16  | Male   | 43  | Guilin     | F&B manager             | 17                        |

Fig. 2. Network visualization of customer reviews (without taste).

Table 3

Summary of reasons to provide/not provide O2O food delivery services.

| Provide O2O food delivery services | Not provide O2O food delivery services | Food delivery service via hotel-exclusive channels | Dine-in service only |
|----------------------------------|--------------------------------------|-----------------------------------------------|--------------------|
| Economic motivation              | Brand concerns                       | Economic concerns (extra charge by O2O partners) | Brand concerns     |
| Customer-oriented motivation     | Economic concerns                    | Economic concerns (extra charge by O2O partners) | Brand concerns     |
| Contribution to the hotel group   | Collaboration concerns                | Collaboration concerns                         | Hygiene concerns   |

| Trend-oriented motivation        | Collaboration concerns                | Outcome quality concerns                      | Location concerns  |
|----------------------------------|--------------------------------------|-----------------------------------------------|--------------------|
| Overall quality                  |                                     |                                               |                    |
| Freshness                        |                                     |                                               |                    |
| Delivery speed                    |                                     |                                               |                    |
| Brand credibility                |                                     |                                               |                    |
| Value for money                  |                                     |                                               |                    |
| Hygiene                          |                                     |                                               |                    |
| Solid packaging                  |                                     |                                               |                    |
| Premium packaging                |                                     |                                               |                    |
| Presentation                     |                                     |                                               |                    |
| Assurance                        |                                     |                                               |                    |
| Responsiveness                   |                                     |                                               |                    |
via O2O partners; only one hotel revealed that the O2O service was merely a makeshift solution during COVID-19, while others all implied long-term plans with this new business mode. Data analysis discerned four reasons to provide O2O services: economic motivation, customer-oriented motivation, trend-oriented motivation, and a centralized decision of the hotel group. Economic motivation was implied by all the professionals interviewed, which encompassed restaurants' eagerness to cushion the blow of COVID-19. Another factor was their customer-centricity ethos that motivated them to continue their services for existing customers during COVID-19, when dine-in options were not allowed or encouraged. The third reason was pertaining to hotels' efforts to align themselves with rising trends of e-commerce and mobile shopping. Lastly, some restaurants also revealed that the partnership was subject to the strategic decision of the parent company.

There were two possibilities if a hotel did not provide O2O food delivery services—to provide food delivery services via hotel-exclusive channels, such as the hotel website or official WeChat account, or to provide a dine-in option only. The former involved major concerns about (a) a downgraded brand name due to the incongruity between food delivery and luxury dining, deteriorated food quality, and the invitation of wrong customer segments, (b) extra charges by O2O platforms (which could be as high as 20% of the revenue), and (c) unwanted collaboration conditions such as the strict timeliness of delivery and unfavorable profit sharing. The latter had more concerns. In addition to the brand name, they were also concerned about food quality during delivery, as well as the hygiene issues. As for their economic concerns, the cost of food delivery such as extra investment in packaging, personnel, and logistics, emerged as a major reason. The informants also revealed that luxury hotels would be at a disadvantage in price competition, and that the profit margins of O2O food delivery business can be quite thin. Furthermore, some hotels were restricted by location, which made it difficult to deliver food to densely populated areas.

4.2.2. Differences between O2O food delivery and dine-in services

Overall, the informants whose hotel provided food delivery via O2O partners were optimistic about the future expansion of their O2O services. They all agreed that the new mode not only cushioned the blow of COVID-19 but also helped to retain loyal customers and expand their business by reaching out to a broader customer base. Several key differences between O2O and dine-in services were underscored to better understand omnichannel commerce in luxury restaurants.

4.2.2.1. Value for money. Customers who ordered through O2O platforms were considered to be more price-sensitive and were likely to spend less. Informant 13 commented that “A dine-in customer will spend CNY130 to CNY150 for a lunch, while those who order through O2O platforms typically spend CNY30 to CNY40.” To cater to these new customers, hotels usually provided a special set lunch/dinner menu with good value for money or lowered prices of selected items. However, some informants also admitted that the food portions were reduced accordingly, which might be a cause for complaint.

4.2.2.2. Outcome and interaction quality. Most of the respondents admitted that the delivery process would inevitably influence the taste, presentation, and temperature of the food; full table service is also absent. For the hotels that insisted on dine-in options, this became one of the major reasons that they avoided food delivery. Respondents 2, 7, 9, and 10 implied that their hotels would not opt in by sacrificing food quality and superb service—the core value of luxury dining. In addition, some informants also noticed that online customers might complain about the portion of food. On the one hand, this was due to the lack of information provided on the platforms; on the other hand, they also admitted that the reduction of portion size was an expedient choice to compensate for the higher cost involved in O2O food delivery.

4.2.2.3. Packaging. Another key factor that made O2O services different from dine-in services was the hotels' effort on food packaging. The interviewed restaurants devoted significant time to test different containers and means of packaging, aiming at ensuring the quality of food until consumption. For example, Informant 4 emphasized the following:

“We are always investigating food packaging that can better preserve the temperature and taste, which in turn could optimize customer experience. We find that foil packets seal the flavor, which is perfect for the delivery of steaks and sausages. We also use sealed glass bottles for our homemade beers. The cost is higher though.”

Most of the Informants also mentioned the necessity of having leak-free measures to avoid spillages. In addition, Informants 1 and 3 mentioned the use of eco-packaging, which also increased the cost.

4.2.2.4. Hygiene. The informants also expressed major concern about hygiene issues with O2O services when third-party delivery and extreme weather might carry risks for food safety. This was particularly important during COVID-19, and luxury restaurants should “pay special attention to ensure a hygienic process during food delivery and avoid food from being contaminated” (Informant 11). All the restaurants reinforced hygienic practices for their O2O business, including a detailed record of all the restaurant and delivery staff involved and strengthened sanitation measures. Some hotels emphasized contactless delivery to reduce interactions between restaurant staff and delivery service employees (Informants 12 and 14) or introduced a special area for the delivery service employees to sanitize their hands before food pick-up (Informant 4).

4.2.2.5. Service failure and delivery speed. Restaurants might encounter more service failure cases with O2O food delivery for three reasons. First, the new business mode puts pressure on staff in the kitchen, who did not have such experiences before. Informants 1 and 11 revealed that they made handover mistakes in the first few weeks, as the coordination with the O2O partner, in particular the delivery employees, was not clearly articulated and understood. Second, different from traditional dine-in services, O2O services required extra employees for food packing and the lack of manpower might induce mistakes. Third, speedy delivery was urged by customers and the O2O platforms, under which service failures, such as incorrect delivery or missing tableware, were more likely to happen.

However, it was also noted that not all the hotels would provide a timely remedy for their service failure. Informants 6 and 12 implied that they would immediately contact the customers who left a negative comment and provide compensation. Informant 14 mentioned that the public relation team of his hotel was committed to a 24-h service failure recovery. The hotels of Informants 1, 3, 4, 11, and 15 would improve their food and procedures accordingly, while Informant 14 frankly admitted that they did not pay much attention to customer comments on O2O platforms. The disparities of hotels' attitudes toward service failure may greatly influence the valence of online customer reviews and future loyalty intentions.

5. Conclusion and implications

While five-star hotel restaurants have endeavored to survive during the COVID-19 pandemic by going digital with O2O food delivery services, whether they can replicate the luxurious sit-in experience and maintain a solid reputation is questionable. With the goal of exploring the O2O dining experience provided by luxury hotel restaurants, this study has content analyzed customer reviews on the largest O2O food delivery platform in China and has conducted in-depth interviews with F&B professionals. It has bridged the gap in previous research that has never scrutinized luxury dining in the O2O context. The findings of the
research have underscored areas that are important for both offline and online channels, revealed key factors that emerge in O2O consumption, and highlighted special remarks amid the public health emergency. The results have also paved the way for hotel operators to employ tactics for more fulfilling outcomes on O2O platforms.

5.1. Theoretical implications

In comparison with factors influencing the luxury dine-in experience that emerge from previous literature (Hyun and Kang, 2014; Jin et al., 2015a; Ma and Hsiao, 2020), the results from both studies illustrate that service quality, brand credibility, and value for money remain salient in the O2O setting. However, with the further examination of themes under each dimension of service quality, there are some interesting digressions (Table 4). First, for outcome quality themes, while attributes such as food taste, freshness, and temperature are still relevant, as in the extant literature on in-person services (Hwang and Ok, 2013; Erkmen and Hancer, 2019), portion size and hygiene become more prominent with O2O dining experiences. Second, interestingly, interaction quality between restaurant staff and customers still plays a significant role with the online channel. Although physical encounters are impossible, virtual contacts still render the moments of truth crucial. In particular, the theme of empathy is bestowed with new meaning due to the pandemic. Moreover, interaction with delivery staff comes into play in the evaluative process. Third, as customers are not able to patronize the restaurants in person, the traditional environmental cues of luxury restaurants, such as ambience and décor, are absent. Food packaging functions as an environmental cue that has been mentioned frequently in the reviews.

5.1.1. O2O-induced factors

The O2O food delivery service allows delivery staff to become a part of the dining experience. Research has shown that customers expect convenience, speed, and accuracy with O2O food delivery to avoid potential hassles and save time (Yeo et al., 2017); hence, delivery quality is considered a hygiene factor that results in dissatisfaction if expectations are not met. However, delivery quality control is totally out of the restaurants’ hands. Outsourcing delivery transportation to online food delivery service providers has been one of the major concerns for restaurants (Goh et al., 2017), leaving room for restaurant operators to mull over the benefits and risks of this strategic decision and devise follow-up plans accordingly.

Packaging has surfaced in O2O food consumption as one of the most discussed factors and functions as an environmental cue of the luxury restaurants (Hyun and Kang, 2014). From a marketing perspective, food delivery packaging serves as a means of communication, providing information about the company and reflecting brand values and quality. Thus, packaging, such as the materials of the bags and containers, the textual and graphic design, and the brand logo, can be considered as an environmental cue that evokes customers’ emotional and behavioral responses. First, premium packaging has the capacity to communicate superb quality and luxury (Van Rompay et al., 2012). This visual cue evokes the brand symbolism of the five-star hotel restaurant and fosters perceptions of brand prestige. Second, food consumers use packaging to draw inferences about food hygiene, believing that the foods are more hygienically handled if the packaging looks neat and clean (Venter et al., 2011). Hygienic packaging thus induces perceived product safety and longevity of the products, as well as a belief in food safety and quality. Third, in parallel with the increasing O2O food order volumes, there are also growing ecological concerns about the impact of food packaging on environmental sustainability. Eco-packaging lends credence to the brand’s environmental and social responsibility, thus evoking positive responses. This is particularly true for high-income customers who have more environmental concerns (Li and Chen, 2018).

Food packaging is also designed to protect the food. Among the four dimensions, solid packaging was the primary concern as it ensures the good condition of food upon receipt. These findings have echoed the primary function of food packaging for secure delivery and preservation (Han, 2014) and reinforce the results in previous O2O research that food quality and the condition of packaging are salient in affecting customers’ O2O food consumption experiences (Elvandari et al., 2018; Suhartanto et al., 2019).

5.1.2. O2O-modified factors

Among the six factors of outcome quality, portion size was the second most frequently mentioned topic. While portion is not a major consideration in previous studies on luxury dining (Hwang and Ok, 2013; Ma et al., 2014), this is not the case in the O2O context. The results have also filled the void in previous O2O studies that did not research with sufficient depth about the significance of reasonably sized portions (e.g., Yeo et al., 2017; Elvandari et al., 2018; Suhartanto et al., 2019). This finding has signaled the surge of customers’ basic physiological needs in the absence of full table service. On the one hand, the importance of food itself has been intensified without the backdrop of sophisticated décor, extraordinary ambience, and professionally trained servers. This is particularly true when O2O platforms enable a business expansion to customers whose consumption experiences are largely influenced by utilitarian value (Paridon et al., 2006). On the other hand, insufficient food portions evoke criticism if the customers do not have opportunities to seek recommendations from servers prior to food ordering.

By contrast, the once critical attribute of food quality—presentation—becomes less conspicuous in O2O reviews. While they value meticulous food plating and artistic presentation for their dining experiences in sit-in restaurants (Hwang and Ok, 2013; Hyun and Kang, 2014), customers may be fully aware of possible damage to the food during the delivery process, and thus may not attach significant

Table 4

| Outcome comparison in different contexts. | | |
|---|---|---|---|---|---|
| Dine-in themes | O2O themes | Dine-in themes | O2O themes | Dine-in themes | O2O themes |
| Taste | Taste | Empathy | Empathy (COVID-related) | Ambience | Food packaging |
| Presentation | Portion size | Assurance | Assurance | Décor and interior design | Solid packaging |
| Freshness | Freshness | Responsiveness | Responsiveness | Service failure recovery | Premium |
| Temperature | Temperature | Reliability | Reliability | Delivery (interaction with delivery staff) | Packaging |
| Menu variety | Presentation | | Service failure recovery | | Eco-packaging |
| Nutrition | Menu variety | | Delivery (interaction with delivery staff) | | Hygienic |
| Portion size | Smell | | | | packaging |

Note: those italicized are themes induced by O2O.
expectations to presentation. However, it should be noted that customers still desire their food to be delivered in good condition (Elvandari et al., 2018; Suhartanto et al., 2019)—albeit less exquisitely presented.

Although O2O food delivery services remove the physical interactions between service staff and customers, surprisingly, dimensions of reliability, responsiveness, assurance, and empathy still manage to impress the customers during virtual contacts. For example, customers feel assured when their special requests are carefully attended to (Chen et al., 2015). It is particularly noteworthy that the dimension of reliability received the most negative comments. When restaurant employees failed to be reliable and responsive, customers became upset and indicated their dissatisfaction, mostly revolving around employees’ failure to honor their special requirements or their forgetfulness in providing tableware. This could be explained by Herzberg’s two-factor theory (Herzberg et al., 1993) that providing tableware is a minimum requirement for luxury restaurants, without which dissatisfaction occurs (Sweeney et al., 2016). Prompt and appropriate service failure recovery therefore becomes necessary. The efforts would be more appreciated if compensation were to be provided, which could effectively enhance customers’ recovery satisfaction, and in turn foster reciprocal customer behaviors (Roscik and Gelbich, 2017).

5.1.3. COVID-19 related factors

The government’s stay-at-home restrictions and social distancing orders during the COVID-19 pandemic have confined people’s activities and interactions. O2O food ordering becomes necessary when sit-in dining is not advisable (Wen et al., 2020). This study is pioneering in identifying the concerns of customers when they turn to O2O food delivery services during the COVID-19 pandemic. Above and beyond the common considerations for luxury dining and O2O food delivery, hygiene and service empathy are two distinguished elements noted during the pandemic.

Hygiene and sanitation are regarded as top priorities by customers who seek for assurance and risk-free food consumption. COVID-19 has led to great caution regarding hygiene and cleanliness, so as to avoid the risk of infection (Wen et al., 2020). Small restaurants have long been criticized as having possible hygiene risks, including the use of stale food, reused oil, and unhygienic environments that cause cross-contamination and breeding of bacteria (Mortlock et al., 1999). Food offered by five-star hotel restaurants, by contrast, is perceived to be prepared in guaranteed sanitary conditions. The aforementioned food freshness and meticulous packaging are interpreted as signs of professional sanitation.

The act of providing food delivery during the emergency symbolizes empathy. On top of this, empathy was embodied by the restaurants, showing that they have the customers’ best interests at heart (Meng and Elliott, 2008; Hyun and Kang, 2014)—for example, by attaching sticky notes with warm words along with alcoholic pads, orange juice, or vitamin C tablets. The results have also reinforced studies stressing the importance of tending to emotional needs during a pandemic. COVID-19 has hit the world severely, and people in general are experiencing hardship to varying extents (Polizzi et al., 2020). Such adversity creates feelings of uncertainty and a loss of control, exacerbates fear and worry, and eventually leads to increased anxiety and heightened stress. It is in these circumstances that customers particularly appreciate kind words and gestures accompanying the food delivery, and feel touched by how the restaurants are attentive to their emotional needs.

5.1.4. Dominant factors across contexts

This research also shows certain factors are of great significance across different contexts: sit-in dining and O2O food delivery service. For example, food taste, freshness, temperature and brand credibility are frequently mentioned, mostly in the positive comments as those are the core attributes determining overall luxury dining experiences in previous literature (Hwang and Ok, 2013; Erkmen and Hancer, 2019). However, further examination of the negative comments regarding these attributes has disclosed problems and concerns about the positioning of luxury restaurants.

A positioning paradox emerged with the introduction of O2O services. Many customers complained about the ordinariness of the food, noting that the taste was just “too normal and not distinctive enough.” Some comments also revealed that when the restaurants failed to deliver as expected, their brand credibility was damaged. These complaints became more intense for discounted items or special offers. A plausible explanation is that because high price is one distinguishing characteristic of luxury restaurants, lowering the price is considered as a problematic promotion (Kiatkawsin and Han, 2019). Discounted prices invite customers of lower incomes, who tend to have undue expectations of luxury and unfavorable attitudes toward luxury restaurants (Lee and Hwang, 2011). This is also relevant to the theme of value for money identified in the study. Perceived value-for-money is a multifaceted assessment, taking into account different references bound by personal expectations and experience. Customers with lower incomes are novice experiencers of luxury dining; they are accustomed to falling back on the lower-end dining experiences as a reference point for the evaluation. These issues were also verified in the interviews, especially by the restaurants that were reluctant to enter the O2O market.

5.2. Managerial implications

The far-reaching impact of COVID-19 is reflected in the “new normal” standard of the way people live, work and interact (Papageorgiou, 2020). O2O food delivery services will continue to thrive post COVID-19 in response to customers’ adaptations to technology and new ways of living. Upscale hotels may need to incorporate this business model into their long-term strategy. This study provides some important practical implications for five-star hotel restaurants that aspire to provide luxury dining experiences to their customers via O2O platforms.

First and foremost, high-end restaurants need to stand firm in the luxury market segment and reach the right audience even with O2O platforms. Food quality and premium prices are two important cues to foster the perception of luxury (Kiatkawsin and Han, 2019). Therefore, high on the agenda for luxury restaurants is to continually improve the quality of food by ensuring that the taste is superb and that the ingredients are fresh. It is as equally important for them to refrain from engaging in price competitions so that the image of luxury will not be undermined. To compensate for the lack of a full dine-in experience, restaurants can create an ultimate sensory experience by detailing the food culture and ingredients, demonstrating how the food is prepared, providing pieces of advice in terms of setup at home, and suggesting the best way of consumption.

In an O2O context, customers’ impressions of the restaurant and evaluation of the consumption experiences could be reached based on the cues of packaging and the courier. The packaging should invoke a sense of excellence through high-quality materials, meticulous design, exquisiteness, and visibility of the brand logo to distinguish food offered by five-star hotels. As hygienic concerns will continue to linger and spillages are loathed, hotels need to be mindful to pack the food separately and firmly in appropriate containers. All these efforts seek to avoid spillage and maintain the presentation and hygiene of food. In addition, restaurants can communicate their values of environmental conservation by using eco-friendly, compostable and durable materials.

Delivery is another integral component of the O2O process. Hotels need to reinforce their partnership with O2O platforms to exert more control over how food is delivered. Despite outsourcing delivery to the O2O companies, hotels need to take a proactive approach to scrutinize customers’ comments, render true attention to their feedback, and follow up with the O2O companies accordingly. When necessary, hotels could recruit and train a group of employees dedicated to those matters. Together, the partnership could work on a standard protocol on hygiene practices, estimated time for delivery, and the best attitude of the courier team to provide a better delivery service.
Unlike regular dine-in service where customers’ requests are attended to immediately, O2O food deliveries face challenges in extending the appropriate services to individual customers. It is essential for hotels to set up a customer service team dedicated to taking online orders, handling customer enquiries, and coping with complaints. Comprehensive standard operating procedures (SOP) and training are much needed. Hotels are encouraged to proactively embed the customer-centric tenet into their employees’ minds, which can be expressed, for example, by personalized greeting cards and small gifts as tokens of caring.

6. Limitations and future research

The study has some limitations that suggest avenues for future research. First, the current research only focuses on food consumption through O2O food delivery companies. While many hotels have resorted to the available convenience of third-party delivery, others may prefer to recruit an in-house delivery fleet and have their own exclusive platforms for order-taking. The difference between customer reviews of these two stages of this new mode of consumption. As customers mature over time and more upscale hotels enter the O2O market, future research could further explore longitudinal changes in customers’ responses. More qualitative studies could also be conducted to corroborate the findings and add depths to the investigation. Future research could also be conducted with different customer segments, as well as hotels that participated in this O2O initiative before, during, and after the pandemic to develop a more comprehensive understanding of this business practice.

References

Bark, T.H., Kim, J., Yu, J.H., 2010. The differential roles of brand credibility and brand prestige in consumer brand choice. Psychol. Mark. 27 (7), 662-678.

BigDataResearch, 2019. China Internet Food Delivery Market Report (2019 Quarter 3).

Elvandari, C.D.R., Sukartiko, A.C., Nugrahini, A.D., 2018. Identification of technical challenges in O2O hotel services in Indonesia. J. Hosp. Manage. Mark. 11 (4), 189-198.

F.X. Yang et al. 2020. Coronavirus and Marketing: 6 Lessons From Hotel Brands in China. https://www.hospitalityintelligencenews.com/2020/04/30/china-going-back-to-normal-coronavirus-2019/
Venter, K., Van der Merwe, D., De Beer, H., Kempen, E., Bosman, M., 2011. Consumers’ perceptions of food packaging: an exploratory investigation in Potchefstroom, South Africa. Int. J. Consum. Stud. 35 (3), 273–281.

Wen, J., Korak, M., Yang, S., Liu, F., 2020. COVID-19: potential effects on Chinese citizens’ lifestyle and travel. Tour. Rev. https://doi.org/10.1108/TR-03-2020-0110.

Wiedmann, K.-P., Hennigs, N., Siebels, A., 2009. Value-based segmentation of luxury consumption behavior. Psychol. Mark. 26 (7), 625–651.

Xiao, L., Zhang, Y., Fu, B., 2019. Exploring the moderators and causal process of trust transfer in online-to-offline commerce. J. Bus. Res. 98, 214–226.

Yeo, V.C.S., Goh, S.-K., Rezaei, S., 2017. Consumer experiences, attitude and behavioral intention toward online food delivery (OFD) services. J. Retail. Consum. Serv. 35, 150–162.

Yiu, E., Ren, D., Moon, L., 2020, Feb 7. Eight in 10 Chinese Hotel Rooms Sit Empty As Coronavirus Keeps Travellers at Home, Spoiling Lunar New Year Holiday Week. South China Morning Post. Retrieved from https://www.scmp.com/business/article/3049466/no-takers-eight-10-hotel-rooms-china-coronavirus-triggers-travel-alerts.

Zhang, S., Liu, L., Feng, Y., 2019. A study of factors influencing restaurants sales in online-to-offline food delivery platform: differences between high-sales restaurants and low-sales restaurants. In: Paper Presented at the 23rd Pacific Asia Conference on Information Systems. China.