

# BOPIS Market Research, Kuwait

**2021** \_\_\_\_\_

# Introduction

New businesses take risks when introducing new brand and/or entering a new market. Taking calculated risks is vital. That's where market research comes into the picture. Launching a brand or entering a new market requires high capital investment & accepting the risks that comes with it. However, just that won't be enough to make the brand successful & achieve sustained growth & profitability.

Despite having the required investment, new businesses lack the competitive insight of the market, competitors and consumers. Hence, they disappear from the market after just a few months. **Without a good understanding of the industry, businesses can make the wrong strategic decisions** such as investing in the wrong market at the wrong time, thus leaving no room for the new brand to survive and thrive. Some would also make increased investments in product acquisition and marketing without clear strategies and business goals. **When it comes to market research, a common mistake that failed businesses end up making is they rely on gut feeling and/or outdated market research that does not count for the changing consumer behaviour in the current times.** As a result, the strategic decisions are mixed with cognitive bias and misguided theories, avoiding the factual information on key market trends and behaviour, leading to bad business decisions.

Poixel's market research collects an extensive list of consumer data such as their buying habits, market size, purchasing cycle, and top competitors. Our market research reports cover critical aspects of the market to help businesses identify market gaps, equip them with the vital insights and knowledge to develop a strong brand and loyal consumer base.

Readers may benefit from the report by utilizing the provided research analytics with the goal to improve business performance and capture new opportunities. Re-evaluate your business models to make changes as necessary. Analyze competitors' strategies and decision-making processes to understand potential problems your product can fulfill. Study consumer behavior and market dynamics to learn developing market trends within your industry.

At Poixel, our primary goal is to build authentic and credible data to support business strategies and develop new market opportunities. Our market research process begins by auditing the business and defining the research goals. Then, we conduct a secondary research, which includes collecting data from credible data sources, receiving inputs from the industry, and auditing competitor's strategies related to social media, online-selling, offline-selling, and offered product lines. Next, we proceed with the primary research, which involves market sampling, conducting in-field surveys, interviews, and online surveys to a random sample of the population and industry competitors. After which, we analyze the results and present our findings. With the market research process, Poixel aims to build credible market data that companies can rely on when making strategic decisions.

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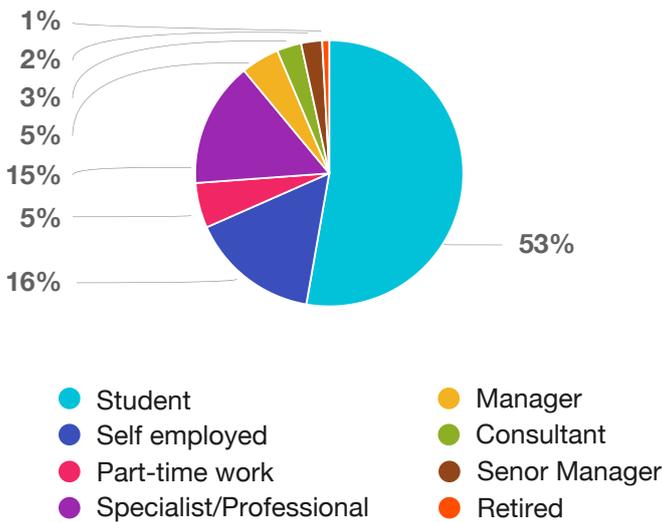
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# Research Methodology

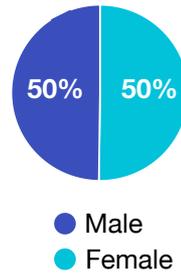
## About the Respondents

Poixel surveyed 237 responses, out of which 50% were males, and 50% were females. 46% were in the age between 20-24 years old, and 81% were single. 62% have a bachelor's degree, where 20% are earning 800-1,500 KWD. 90% consisted of Kuwaiti nationals, while the rest were from Arab, eastern and western backgrounds. Poixel's survey was conducted on October 2021 within the State of Kuwait. The survey was developed on Zoho Survey and sent out to the market through in-field surveyors and Poixel's sources. Furthermore, Poixel interviewed restaurants and retailers, including flower shops, coffee shops, electronic stores, and casual restaurants.

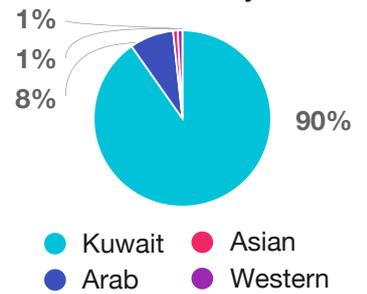
### Employment Status



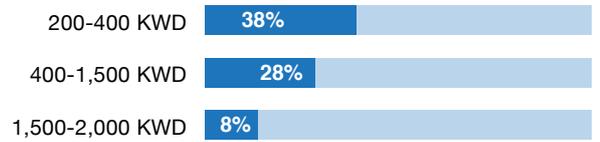
### Gender



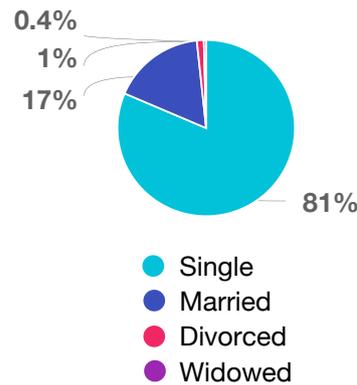
### Nationality



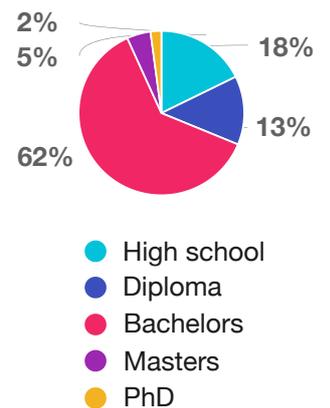
### Monthly Income



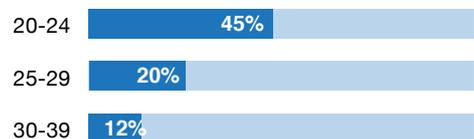
### Marital Status



### Education



### Age bracket



# Executive Summary

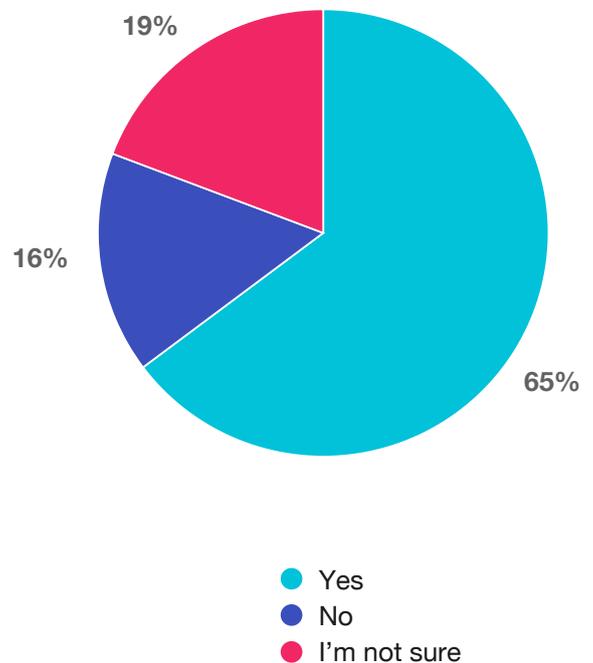
The Buy-online-pickup-in-store (BOPIS) market in Kuwait has developed with development of pickup services by local brands.

Pickup services have been gaining a larger interest due to the convenience it offers to end consumers. Majority consumers want brands to develop their pickup services. However, a larger majority will likely still continue to visit stores and restaurants in-person. Curbside pickup became popular through the introduction of V-thru by Pick, a local restaurant famous for frozen yogurt and healthy food. From there on, the application partnered with multiple local brands and franchises, and became available in multiple branches. To facilitate the service, brands reserved few parking spots for V-thru customers. However, the application is largely unknown by the expat population.

We believe the BOPIS industry is developing, with local brands having pickup services in their own websites, with advanced features such as scheduling orders ahead. The market is set to expand into various industries, integrating them into one platform, with more customers moving towards applications and websites to order food and supplies. We believe you will find value within the report in guiding your strategic business decisions.

*Mohammad Al Marouf, Founder of Poixel*

Should brands develop pick-up services that limit the need for in-store visits?



# Glossary

**BOPIS:** Buy-online-pickup-in-store (BOPIS) is an online ordering experience whereby customer orders online and picks up the order through walk-in, curbside or other options.

**WOM marketing:** Word-of-mouth marketing (WOM) is the practice of consumers telling others about a company's product or service, such as their friends and family members.

**Competitive environment:** A company's ability to produce goods or services more cost-effectively or better than its competitors.

**K-NET:** KNET is a Payment Gateway Application, offering a highly secure and optimal experience in processing online payments through merchant websites and applications in Kuwait.

**Consumer loyalty:** It is an ongoing emotional relationship between the brand and customers, representing how willing a customer is to repeatedly purchase from the brand versus the competitors.

**Competitive Mapping Analysis:** A competitor mapping tool is used to analyze an organization's competitors based on specific attributes to understand the competitive landscape. In this way, companies can structure their products and services to fill a new gap in the market.

**Purchasing Cycle:** It's the process through which customers educate themselves and get closer to buying the product. Purchase cycle describes the steps involved in the purchasing process.

**SWOT Analysis:** SWOT analysis is a popular tool for examining the strengths and weaknesses of a brand and examining the market opportunities and threats. Among many methods, Poixel conducted SWOT analysis based upon a 5-Factor Rating Scale to give accurate results for comparison.

# Industry Outlook

Industry Elements	Walk-in/Pickup
<b>Industry Type</b>	Business-2-Consumer (B2C) Business-2-Business (B2B)
<b>Industry Sectors<sup>1</sup></b>	Restaurants, Grocery, Retail stores
<b>Market Value<sup>2</sup></b>	5,750,000 KWD
<b>Number of potential users<sup>3</sup></b>	1,075,000 potential users
<b>Number of active users<sup>4</sup></b>	490,000 active users
<b>Key Competitors</b>	V-thru, Cofe, Deliveroo
<b>Top restaurant types</b>	Fast food, Cafes, Casual restaurants
<b>Top selling food items</b>	Fast food, Coffee drinks, Readymade meals

<sup>1</sup> The industry sectors having pick-up services

<sup>2</sup> Market value is the estimated revenue generating capacity of the business

<sup>3</sup> Number of estimated users ordering pick-up within Kuwait, as of 2021

<sup>4</sup> TNumber of active users of V-thru

# Key Findings

## Consumer Behaviour

- **43%** find guarantee of order is an important factor for consumers when shopping for pick-up from local restaurants and stores
- For delivery orders, **53%** value quick delivery more than guarantee of order.
- **42%** of people are highly likely to order pick-up through mobile applications, making it the most popular channel for brands
- **45%** are neutral regarding curbside ordering in the future, but **64%** want brands to develop pick-up services that limit the need for in-store visits
- Both men and women chose fast food as their top option for pickup services while men chose dessert and women chose coffee as their second choices
- Convenience stores are preferred by students, self-employed individuals and part-time employees
- Men prefer pickup over delivery because they prefer to handle the items themselves as opposed to women who prefer professionals to handle their items

## Social behaviour

- Word-of-mouth is still the most effective marketing tool for brands due to the close ties of family relationships in Kuwait
- Physically visiting stores and restaurants is still prevalent since **45%** of people prefer to visit physically
- **44%** males shop electronics more than females, while **27%** of consumers shop for beauty and care products at least once in 2 weeks

## Top Industries with Pickup service, 2021

A list of current list of industries with solid consumer base that opt for pick-up

	Consumer Choice
<b>1 Restaurants</b>	<b>40%</b>
<b>2 Fashion/Apparel</b>	<b>37%</b>
<b>3 Beauty and Personal care</b>	<b>31%</b>
<b>4 Electronics</b>	<b>29%</b>
<b>5 Home goods supplies</b>	<b>17%</b>

Potential industries with rising demand for pick-up services

<b>1 Grocery</b>	<b>46%</b>
<b>2 Pharmacy</b>	<b>30%</b>

## Pickup and Delivery

- Customer service plays a lower role during pickup orders, but plays a comparatively larger role in delivery orders
- People's preferences of delivery differs from industry to industry. However many prefer both and chose whichever option is available to them.

## Competitor Analysis

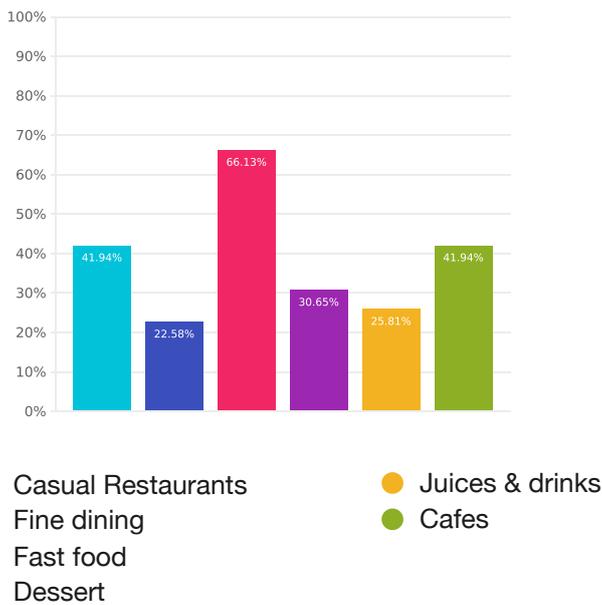
- The majority of **62%** of users don't have a particular brand in mind when ordering food through V-thru
- **65%** of users prefer that brands develop pick up services that limit the need for in-store visits.

# Consumer Behaviour

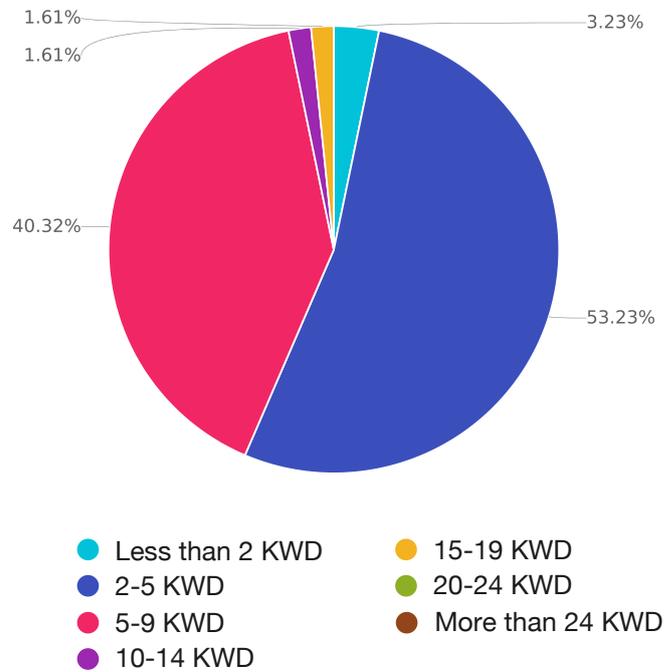
## Restaurants

Poixel's research finds that 35% of consumers would order from fast food restaurants through pick-up. These include franchises such as McDonalds, Pizza Hut, Shake Shack and more. After fast food chains, the next majority are cafes and casual restaurants, wherein 29% of the sample would pick up orders. When asked the type of meals ordered through pick-up, made-to-order meals were preferred by 22%. Furthermore, 29% buy coffee drinks and 22% buy readymade meals and bowls. Only 10% order juices and shakes through pick-up, making it one of the least bought items, next to dessert items.

Types of restaurants consumers mostly order pickup from



Typical expenditure on following meals



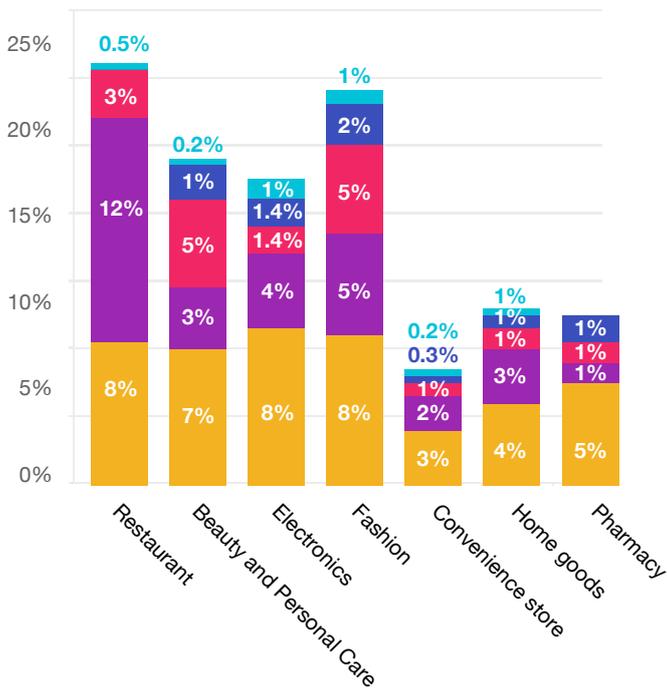
## Restaurant expenditure & frequency

Poixel's research finds 93% of total consumers spend 2-9 KWD per pick-up order. Furthermore, 20% spend 5-9 KWD on juices, 20% spend 2-9 KWD on ready-made meals, while in other food categories, the expenditure is 2-9KWD. (Source: CT 1.1) Along with average expenditure, combining purchase frequency will demonstrate the industry value within Kuwait.

Poixel's research finds a majority of 12% buy from restaurants at least once a week, while 8% buy rarely. This leads to the conclusion that consumers are evolving over time. While 12% of the sample purchase 4 times a month, a smaller majority spends less on restaurants per month. Home cooking or meal boxes are competing with traditional restaurants, making it a highly competitive market.

## Frequency of ordering pick-up in the following industries

- At least once a year
- At least once a month
- At least once every 2 weeks
- At least once a week
- Rarely

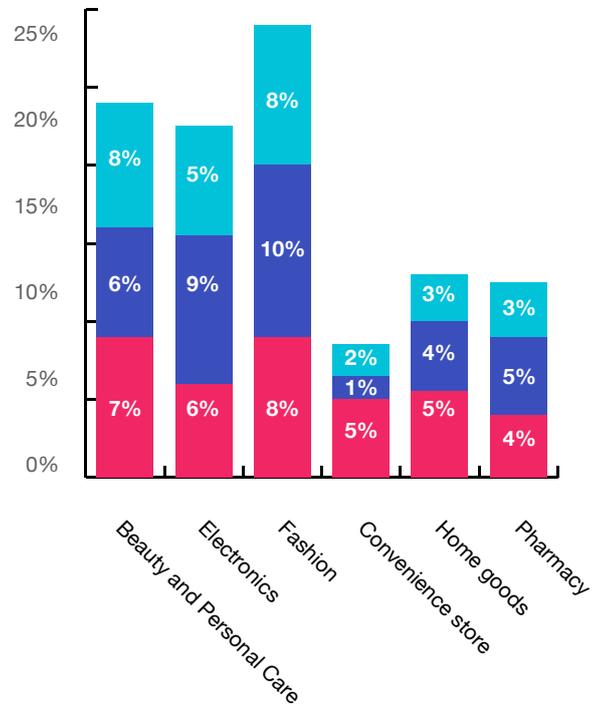


## Beauty and Personal Care

Out of Poixel's research sample, 31% order through walk-in/pick-up. Regarding the choice of purchasing options between pick-up & delivery, 33% are equally open to both options depending on what's available. However, 34% prefer delivery over the pick-up option to avoid labour work (driving to the store/mall and shopping). Beauty and personal care brands benefit from both channels. Hence, having a retail presence along with a solid online presence is essential to capture both markets. Furthermore, 5% of consumers shop for beauty and care products at least once in 2 weeks, while 7% shop rarely during the year. Women shop and apply multiple products. Hence, their shopping frequency is limited to once every 2 weeks or more.

## Ordering channel preference in the following industries

- Whichever
- Pickup
- Delivery



## Electronics

Poixel's research finds that 29% of the total sample order electronics through pick-up. There is no clear majority within the choices of ordering electronics. However, 42% prefer to order through pick-up rather than delivery. Our research analysis finds in comparison to other industries, 44% of consumers prefer to shop for electronics in person due to the guarantee of their order. Electronics are a high investment and hence consumers prefer to research the item, review and compare with other brands before making the final purchase. Furthermore, 50% prefer pick-up due to the quick customer service, so they don't have to wait for the item to be delivered. When it comes to purchasing frequency, 8% of the sample purchase electronics rarely during the year. However, 5% purchase at least once a week. The more frequently purchased products include smaller items such as headphones, cases, and other accessories.

## Fashion

37% of the total sample purchase fashion items through walk-ins. Our analytics finds that consumers of fashion items and accessories would buy from both delivery and walk-in. When compared to other industries, 39% prefer walking-in because of the guarantee of their order. For fashion products and electronics, the guarantee of order is of utmost importance to consumers. Similar to beauty and care products, there is no clear majority preference of delivery options when it comes to shopping for fashion products. A slight majority of 38% prefer to pick the items themselves. However, 31% of consumers would use whichever is available at their convenience. Regarding the frequency of purchases, 8% purchase products rarely during the year. But, 10% purchase at least 2-4 times a month, as per our research.

## Home goods stores

From the total sample, 17% purchase home goods supply through pick-up. Moreover, 4% of respondents purchase home goods supplies rarely, whereas 3% purchase at least once a week. From those who say they shop once every week, half of them are seasoned professionals or specialists in their respective fields. Furthermore, the sample prefers both delivery and pick-up options for purchasing home goods supplies. Instead of good customer service, a majority of 68% of individuals choose pick-up because of the guarantee of order, while 37% believe it is quicker and convenient. In contrast, 70% get items delivered because of the quick delivery feature, while only 25% order because of guarantee of order. As a result, consumers feel more comfortable with their order when they order physically.

## Pharmacy

16% from Poixel's total sample group purchase pharmacy related products through pick-up. A majority of 5% purchase such products rarely within the year. Moreover, 56% prefer to order from delivery rather than pick up because of quick delivery features. However, pick-up still has decent preference, where 50% believe it is quick and convenient. Hence, pharmacy products benefit from both channels since its quick servicing and convenient for end users.

## Convenience store

11% of our sample buy pick-up through local convenience stores such as Trolley, Hi&Buy, and so on. 3% of consumers shop rarely from convenience stores, while 29% shop at least once a week. However, when it comes to ordering products, 59% of consumers opt for delivery channels, which includes applications and websites. As a result, the pick-up rate is low due to the choice of delivery being the highest compared to other industries. Convenience stores are preferred by students, self-employed individuals and part-time employees.

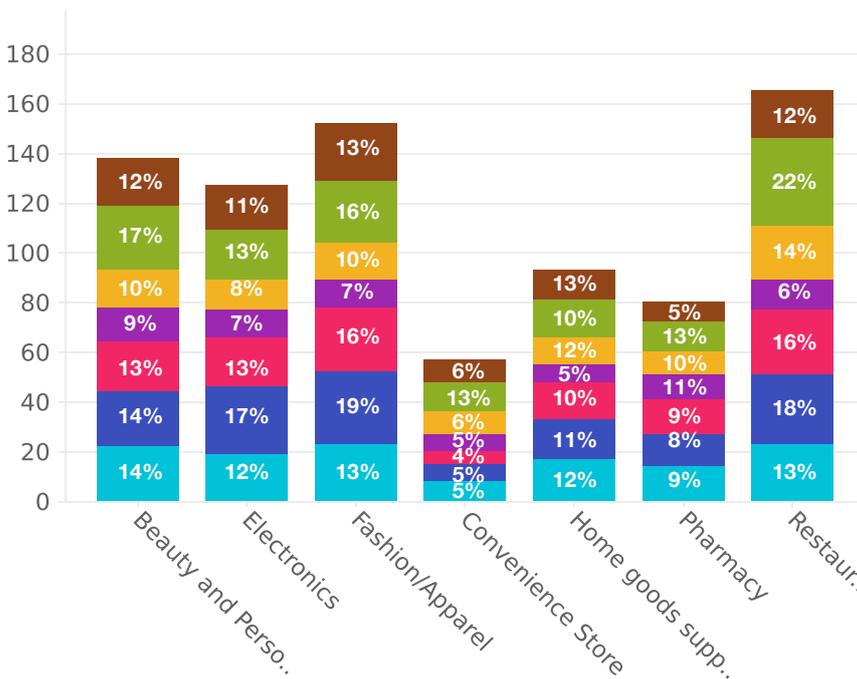
### Improvements within pickup service

Brands don't offer a perfect service all the time. Poixel finds consumers demand similar improvements within all industries. An average of 19% believe the waiting time is too long when shopping in beauty stores and restaurants. Furthermore, 19% want improvements in the product/stock availability with fashion and apparel stores. Similarly, an average of 12% want improved app functionality, which includes improving app speed and ease of using.

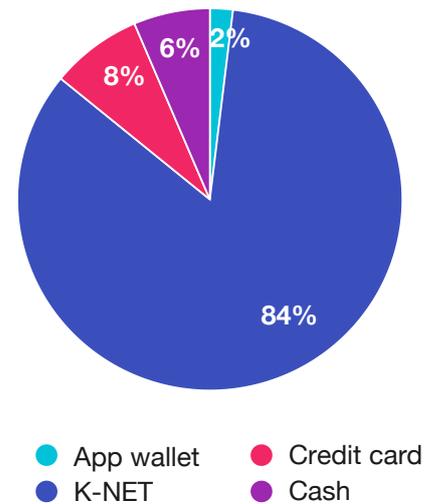
### Payment methods

Across the industries Poixel researched, we find that more than 70% use K-NET to make their purchases. App wallet is the least used and cash is preferred by around 8% of consumers. Introduction of K-Fast and the increase of the K-TAP contactless payment limit from 10 KD to 25 KD has boosted the use of K-NET among individuals. Furthermore, brands promoted the usage of contactless card payments in light of COVID-19 safety measures.

Pick-up service improvements needed in different sectors



Payment method mostly used for transactions



- The order confirmation
- Product availability
- App functionality
- Checkout process
- Payment methods
- Waiting time
- Order editing & cancellation process

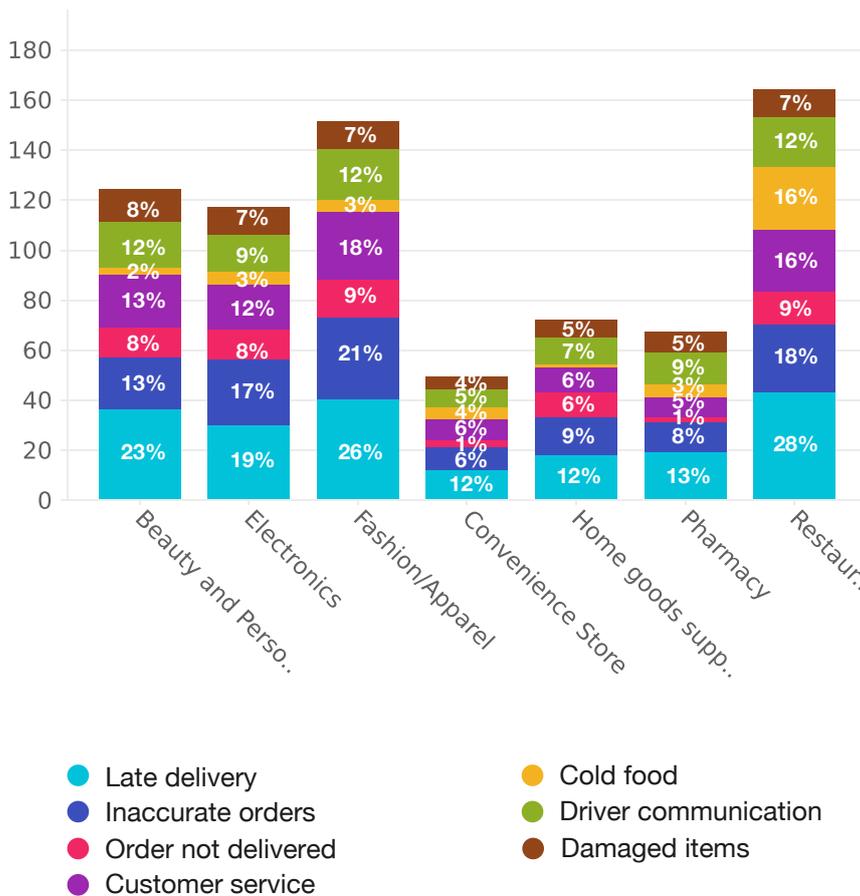
### Improvements within delivery service

Late delivery is a higher problem in the beauty, fashion and restaurant industries. 21% have problems with inaccurate delivery orders from fashion stores, while 18% have problems with poor customer service. Customer service is also essential for delivery orders and helps the customer in tracking orders, editing their order or exchanging it for another one. Furthermore, poor driver communication is apparent within beauty stores, apparel shops, and restaurants.

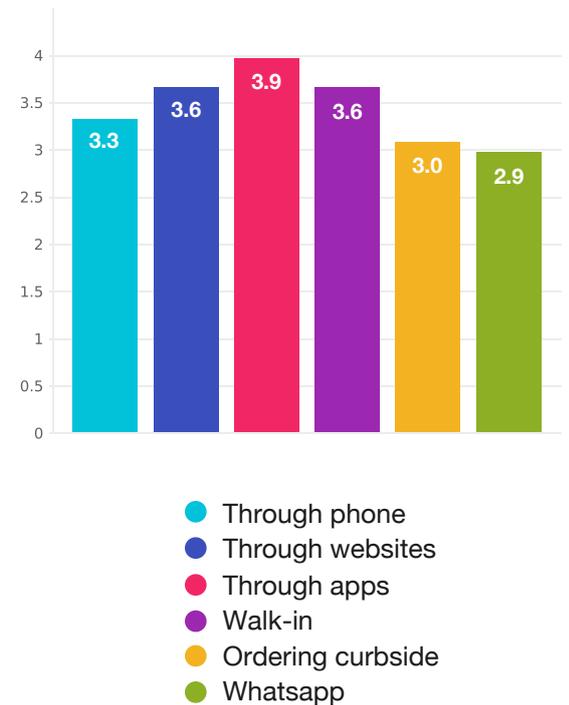
### Ordering channels

Applications have the highest preference by end consumers. As a result, brands need to invest in quality application development with the necessary features to deliver an exceptional user experience. To learn more about the needed features of a mobile ordering application, refer to section titled : Mobile ordering application. Furthermore, websites are also a popular means of ordering food. Walk-in is also a preferred way of ordering food since its quick and easier for end users.

Delivery improvements needed in different sectors



Preferring of ordering channels for pick-up orders



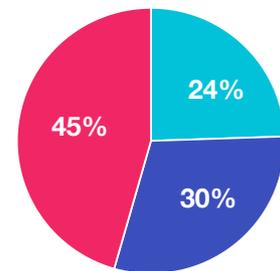
# COVID-19 Impact

## Change in Behaviour

Poixel's research finds that people's behaviour has not massively changed since COVID-19. 37% agreed their behaviour has changed slightly, while 27% agreed that it has not changed. As the data presented by KPMG for POS transactions (2020), consumer behaviour massively shifted due to COVID-19's implications on the economy. Commercial activities were temporarily stopped and curfew was imposed. As a result, consumers sought to buy essentials through online platforms. Furthermore, co-operatives and supermarkets set up and enhanced online portals to support growing demands for groceries. During earlier 2020, there was a 150% surge in online payments for groceries. However, as restrictions were slowly being removed, it came down to -12% around August 2020. Regarding pharmaceutical products, online sales grew above 100% during early 2020, fluctuated mid-year and dropped down to -23% in August. The high surge was due to an increase in demand for surgical masks and hand sanitizers along with other health related products. **However, online orders dropped as restrictions were removed.** Similarly, online retail purchases saw an increase of 82% in April, but declined to -16% in August. Hence, local restrictions greatly influenced online purchases in Kuwait rather than just a means to stay safe from COVID-19.

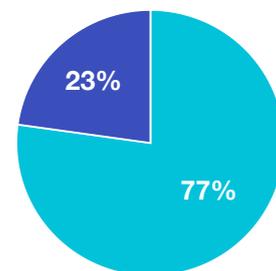
77% of consumers are more likely to visit local restaurants and stores who proactively communicate their safety standards and processes. When asked if stores should enable pickup services to limit contact and the need to visit stores, 65% of the respondents answered yes. Although restrictions due to covid have been lifted people are still cautious and have developed some habits that they will keep with them after the pandemic ends.

Do you wish to minimize visiting restaurants and stores physically?



● Yes  
● Yes, somewhat  
● No

When stores and restaurants communicate their safety standards & processes proactively, would you be more likely to visit them?



● Yes ● No

Sources : KPMG 2020, impact of COVID-19 on Kuwait Payments

# V-thru Analysis

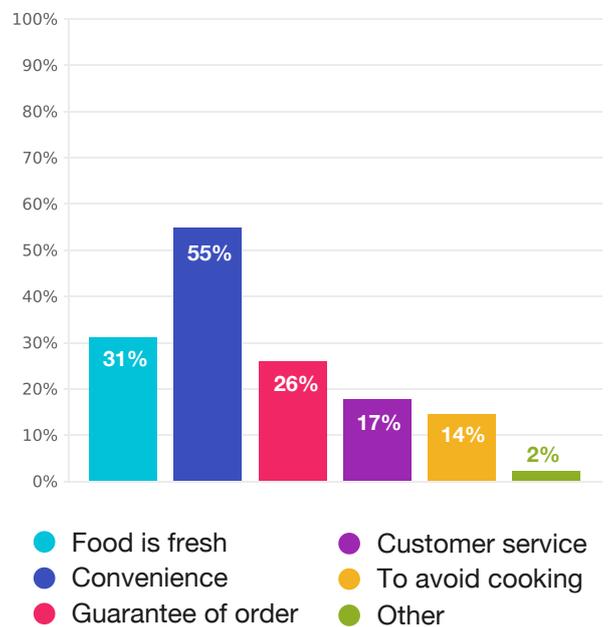
## Introduction

V-thru is a curbside pickup application that allows users to order food in advance and pick it up themselves or opt for curbside pickup. In the summer of 2020, V-thru first gained traction, and the most interest came during the lockdown in 2021 when they added car dine-in services on top of the pickup services. V-thru allows its users to shop from selected restaurants which include franchises such as Burger King, Arabica, and Johnny Rockets, while also including local restaurants and coffee shops. V-thru was first introduced through Pick, and has now been expanded to multiple local and global brands.

## Process of ordering

Once a user browses through the application, there are multiple ways of ordering food. Our research finds that 35% pick their favourite cuisine and discover restaurants. 26% use the map feature and find the nearest restaurants to order from. Poixel views both of the ways as “exploratory” methods of ordering. The majority of users don’t have a particular brand in mind when ordering food through V-thru. Only 19% of consumers order by choosing the restaurant to where they are driving towards. As a result, a large number of users are exploring the V-thru as an application to try something new.

## What are your reasons of using V-thru?



## Marketing

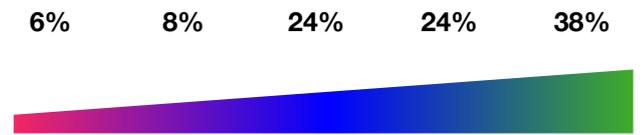
Poixel’s research finds that 44% of users heard about the application through friends and family. Hence, word-of-mouth marketing is highly effective within the State of Kuwait, where families have close ties to one another. However, 29% heard about V-thru through Instagram. In fact, V-thru was first promoted by Pick through their Instagram account. Furthermore, the research finds that in order to market a new product or service in Kuwait, word-of-mouth is seen as the best way to grow a consumer base and build trust with the brand.

### Improvements

V-thru has a decent ordering experience, but the feedback from our research spots needed improvements. 30% want a cash-on-delivery option for V-thru. Unlike Cofe App, V-thru lacks the said payment option. Additionally, 28% feel the menu design needs to be improved, 24% feel the app speed needs to be improved, and 20% think the map feature needs to be improved. The menu layout has the needed details for the restaurant and the even the nutritional value of the food items. However, the layout is basic and can be improved through the use of animations, videos and pictures. In summary, V-thru consumers want an improved menu design, app leading speed, and map feature.

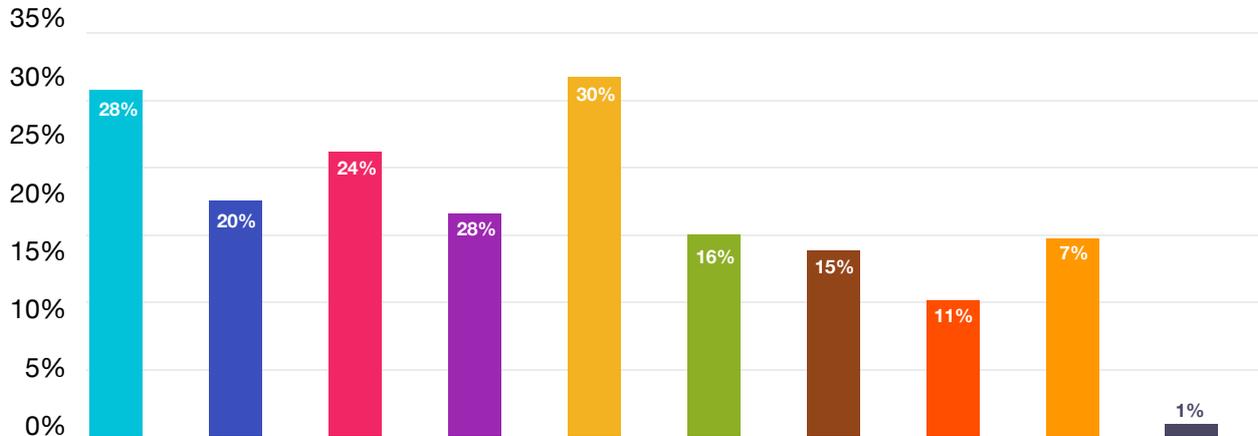
### Future implications

38.5% of users of V-thru say they are highly likely they will continue using the application in the future and are highly likely to recommend it to friends and family. Furthermore, prefer that brands develop pick up services that limit the need for in-store visits. Hence, the future outlook for the application features remains solid.



How likely consumers would continue using V-thru

### Improvements needed in V-thru



- Menu layout
- Cash on delivery option
- App crashes
- Map feature
- Applications lack feature
- Other
- Application is slow
- Confusion when browsing restaurnats
- Paid for an item that's not available
- Lack of loyalty features

## V-thru service availability in Kuwait

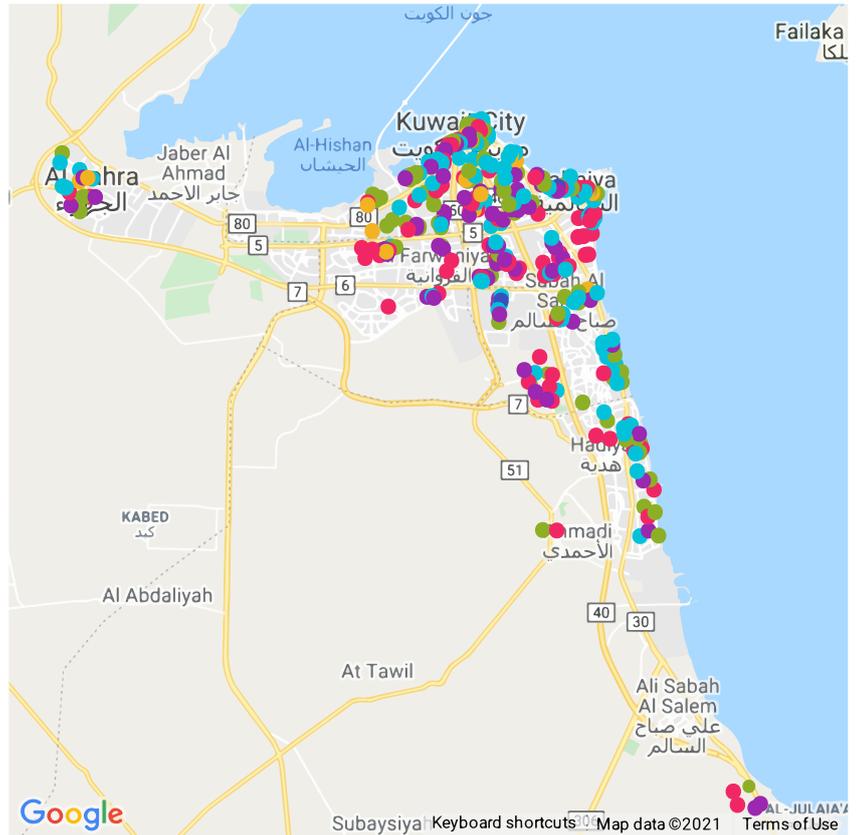
The below diagram highlights key hotspots in the country where V-thru service is present

### Locations with highest V-thru pickup service

Location	% of branches with V-thru
Sharq	18%
Jibla	9%
Salmiya	8%
Abu Ftira Al Herafia	7%
Jabriya	5%
Al Jahra	5%
Ardiya	4.4%
Shuwaikh industrial	4%

### Total branches with V-thru: 630 (approx.)

Restaurant Type	% of restaurants with V-thru
Casual Restaurant 72 (11%)	11%
Fine Dining 3 (0.5%)	1%
Fast Food 81 (13%)	13%
Dessert 74 (12%)	12%
Juices & Drinks 17 (3%)	3%
Cafes 74 (12%)	12%



## SWOT Analysis: Analyzing the strengths, weaknesses, opportunities and threats

### Strengths

- Innovative idea
- Calculates nutrition facts within the application
- Reputation with brands and franchises
- Payment methods limited to K-NET & Credit cards

### Opportunities

- Increasing parking spots for curbside pick-up
- 65% of users prefer brands to develop the service
- Grocery stores benefit from V-thru model
- App improvements
- Expand in Expat population

### Weaknesses

- Remaking the order for certain food items
- Unable to edit orders after checkout
- Unable to make multiple orders at the same time

### Threats

- Competitors such as Cofe and Deliveroo
- Lowering COVID-19 fear and restrictions
- Brands having their online pickup services

# Mobile ordering application features

Any mobile ordering platform has to have key features that make the user experience more easier, accessible and convenient for both consumers and vendors. Therefore, Poixel has highlighted the following 7 key areas of a success mobile ordering application:

## 1 Independent control

- a. **User-friendly:** The restaurant should be able to set up the menu, edit menu items, apply discounts, and more without any technical knowledge.
- b. **Unique themes:** The restaurants should have enough control of the theme and layout of their online profile. As a result, they are able to stand out in the marketplace with a unique set of visuals. For instance, instead of just pictures, marketplaces should enable videos to further enhance the user experience.
- c. **Multi-lingual:** To establish a successful marketplace in Kuwait, the application should have multi-language support. The minimum languages are English and Arabic.

## 2 Browsing and Listings

- a. **Search and details:** Users should be able to search and browse restaurants on the application and view their details individually, such as ratings, current status, closing time, average prep time, and distance from the user's current location.
- b. **Geo-fencing:** The app should fetch the user's current location and show the nearby restaurants or food stores. These should be available once the user opens the application, without the need to enter a location manually.
- c. **Filtering options:** Within the application, sorting features should be present, which allows users to sort based on cuisine, price, nearest location, and offers.
- d. **Ability to schedule:** Users should be able to schedule their order, be it pick-up or delivery, anytime during the day or the next day. Furthermore, the app should remind users to prepare them for pick-up.
- e. **Ability to favorite:** Customers can place orders from their favorite restaurants much faster when they mark it as a favorite and simply browse through the favorites list.

## 3 Restaurant & Catalog Management

- a. **Food Categories & Add-ons:** Restaurants should have the ability to create multiple categories to encourage users to explore and facilitate a good user experience. Furthermore, the ability to add product variants should also be present, to entice consumers to spend more.
- b. **Inventory management:** Inventory management of food items should be conducted efficiently and accurately through the use of automated systems.

## 4 Order Delivery

- a. **Real-time Tracking:** Real-time tracking of the order is the norm these days, that is being offered by multiple competitors. Users should be able to track their order and determine an estimated time of delivery.
- b. **Event alerts:** To encourage users to return to the application, organizing events and promoting them through notifications is the preferred way adopted by multinational brands. These events can include special promotions, restaurant offers or provide loyalty rewards based upon points system.
- c. **Best Routes:** The application should provide optimized routes to deliver the order to the customer, which enable drivers to reach the destination faster while satisfying end-users.
- d. **Easy allocation of orders:** No human involvement should be needed when it comes to the allocation orders to drivers. It is possible through an intelligent feature of auto-allocation that automatically assigns tasks to the delivery drivers based on certain parameters.

## 5 Marketing Approach

- a. **SEO optimization:** Vendors should be able to control the store's meta tags, visible sitemap, and robots.txt files to optimize their search results.
- b. **Multiple login options:** Customers should be provided with multiple login options, including Facebook, Google and direct login. Furthermore, sending a OTP (one-time password) is an easier way to register a mobile device and enable sending SMS.
- c. **Promotions & offers:** The application should have promotional banners which can include new offers from restaurants, loyalty rewards and more.

## 6 Payments & Checkout

- a. **Delivery options:** Applications should show delivery modes on the homepage, as well as on the checkout page. As a result, it will offer flexibility to the end user to edit orders, and choose delivery mode at the start of the purchase process or at the end.
- b. **Payment methods:** Applications should enable K-NET, cash-on-delivery, credit card and wallet options as payment methods. These are essential in every food ordering application.

# Social Behaviour

## Kuwait's culture

Kuwait's culture involves close ties between friends and families. As a result, word-of-mouth is highly effective in the country. To fully benefit from effective WOM marketing, brands rely on improving customer experience to deliver a satisfactory purchasing experience. When asked about pickup experiences, people aged 20-24 said that they usually use pickup services when they are with other people, whether it is one or more people. People who are older prefer to go alone or with one other person. This indicates that the consumers opt for places that can cater to a group instead of individuals.

Kuwait's society is considered a close-knit society where people are social and outgoing. Kuwait witnesses many trends throughout a full year and the trends keep changing, making it quite a challenge for some stores to keep up. Kuwaiti nationals have high disposable income, enabling them to make expensive purchases frequently and with ease. With the advent of COVID-19, a quarter and above of the population has changed their behaviour slightly. Ordering online and using K-NET are some of the changes.

## Social behaviour

When it comes to visiting restaurants and stores physically, 45% of people prefer to visit them physically. Consumers feel their orders are accurate when they physically interact with products. While delivery platforms make it convenient for users to order products, consumers will not stop visiting stores physically any time soon. Furthermore, consumers value feeling safe from COVID-19. As a result, 77% of consumers are more likely to visit local restaurants and stores who proactively communicate their safety standards and processes.

**Past positive experience with the store or restaurant plays a crucial role to increase return customers.** Positive experience is influenced through excellent customer service, product displays, interior design and more that lend a positive atmosphere. Poixel's research finds that customer service plays a lower role during pickup orders, but plays a comparatively larger role in delivery orders. Brands need to offer excellent customer service through phone and online channels such as social media, website and application.

Respondents were asked if they notice those around them when they use pickup services. The purpose of this question was to understand who prefers functional over aesthetic. The data shows that parents are very functional and do not notice those around them at all or very rarely, while showing that younger people between the ages of 15-24 notice those around them frequently. People who prefer to use pickup services with other people also tend to notice those around them as opposed to those who prefer to go alone, this is an indication of the social culture in Kuwait. Furthermore, women tend to notice those around them more than men as well.

# Key reasons for using curbside pick-up

## Convenience

Food delivery applications have made it easy to order food at any time of the day, while also offering abilities to track the order in real-time. Similarly, curbside applications facilitate a convenient way of ordering food on the go, as 55% of users say the same. Instead of waiting in line to give the order or finding a parking space in peak times, users find it easier to order it before and have it delivered to the car once they arrive.

## Freshness of food

Although food delivery is convenient, it does not always guarantee the users that they will receive fresh food. Poixel's research finds 69% of individuals find late deliveries a common problem that needs to be improved in local delivery services. However, 31% of V-thru users use the application because they get their food delivered fresh. Since the time period between when the order was placed and when the user arrives for a pick-up is calculated, the user receives fresh food. Compared to delivery, more than 95% of consumers noted that food is not fresh when ordered through delivery, and hence prefer getting it themselves (Source: CT 1.1)

## Reasons for Brands to use V-Thru

The application offers an additional exposure to brands due to its popularity and reputation. Brands join V-thru for the purpose of being discovered, and as proven by the data since 69% of the people use V-Thru to discover new restaurants it is a good platform for discovery. Brands do not need to invest in creating their own website or application since V-Thru provided the platform to do so. V-Thru has established an easy way to retrieve payments made on K-Net and credit cards.

## Exploring restaurants

One of the main findings from Poixel's research is users of V-thru like to explore cuisines and restaurants to order from. 27% of users look at maps and find the nearest restaurants to order from. Furthermore, 35% pick a cuisine and discover restaurants on the application. As a result, the majority of users use the application to explore new restaurants. Only 31% of the sample have a strict preference as to where they would like to go and pick up from while the other 69% use it to explore and discover restaurants, whether they are around them, have offers and discounts, or are part of a preferred cuisine. Therefore, users also use V-thru as a way of exploring restaurants and finding new places.

## Guarantee of order

26% of users prefer to use V-thru for the guarantee of their order. Meaning, users know the order they placed is accurate according to their needs. However, certain brands face a problem of re-making the order due to the customer forgetting to mention key changes within the preparation. As a result, this becomes inconvenient for both parties. Coming pick-up with delivery option, there is a 26% more preference for pickup services when it comes to the guarantee of order (Source: CT 1.1)

## Application features

The application has decent features that provide a good experience from the usability standpoint. The application has features such as promotional banners, a map highlighting nearby restaurants, a decent menu, and a speedy checkout experience. However, it's not a perfect app. Learn more about the further enhancements needed in the application from Section titled "V-thru analysis"

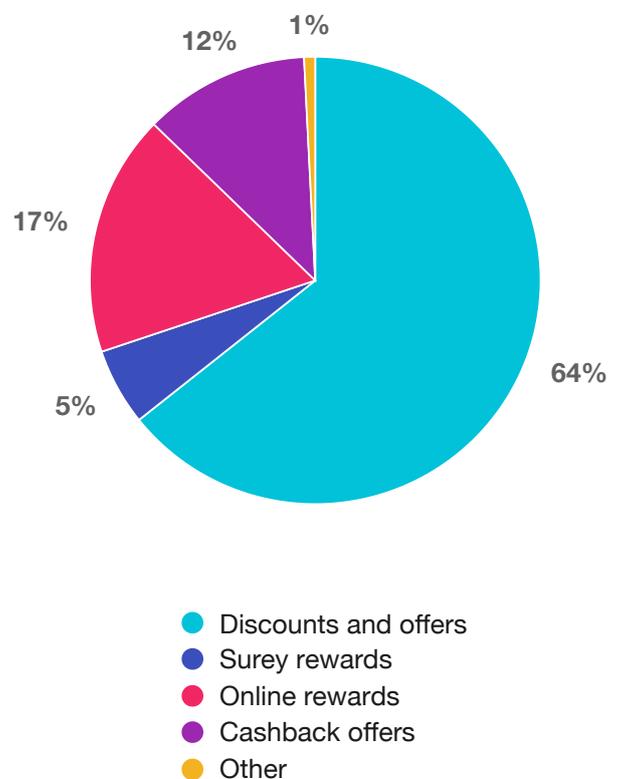
# Loyalty Rewards

## Loyalty Preference

Since the restaurant industry is so susceptible to fluctuating economic conditions and consumer behavior, customer loyalty is crucial. It is vital to have regular returning customers instead of one-time customers. This is important not only for restaurants, but for other businesses. Capturing a new customer base is often expensive compared to retaining existing customers. As a result, loyalty programs help in maintaining customer loyalty with the brand. Furthermore, they incentivize users who didn't order for a long time to come back to the brand.

Poixel asked respondents about loyalty preferences and 81% say restaurants and other stores should have loyalty programs. Loyalty offers come in many forms. Our research finds that 64% of respondents prefer discounts and offers over other loyalty types such as survey rewards, and cashback rewards. Furthermore, 17% prefer online rewards through applications and websites, making it highly important for established brands to have.

Type of loyalty benefits most preferred



## Example of Cofe

The customer acquisition strategy of Cofe is to incentivize users to order from multiple cafes by giving a 1 KD discount on every order of 1.5 KD. They have termed these discounts as "discovery points". While V-thru relies on restaurants to promote its app, Cofe brings in consumers through the incentive of discounts 30 times. Since 64% of respondents from Poixel's research prefer discounts as rewards, Cofe is using the right strategy to acquire new customers.

# Future Outlook

## Dedicated parking spaces

Going forward, pickup is becoming a convenient way of ordering necessary products without leaving the car or standing in lines. Current branches with V-thru have limited parking space. Brands who are keen to capture the pick-up market need to expand the parking space. Poixel's research finds 67% of respondents want to get improved pick-up services from grocery brands and stores. These brands include Carrefour, Sultan Center, City Center, and more. Grocery brands benefit from a minimum parking space of 10 cars, with a waiting time no longer than 10 minutes. Furthermore, curbside applications can collaborate with malls to provide pickup hotspots around the mall, to pick up orders from multiple brands.

## Improving ordering experience

Multiple factors improve the ordering experience of end users and vendors. One of them is good application features. These include user-friendly design, multiple ways of ordering, ability to edit orders, map features, and include important payment methods. Cash, while having the lowest usage with our sample, is an important way of paying for goods. Having a cash option is essential. Furthermore, the ability to schedule orders for the week is a helpful feature for consistent customers, and is a good way to keep them loyal to the brand

## Loyalty programs in the application

Within our sample, 81% want restaurants and stores to have loyalty programs. However, it is essential to deliver an effective loyalty program based upon consumer preference. Our research finds 64% prefer discounts and offers, while 17% prefer online rewards through websites and applications. Hence, brands should focus on these types of rewards to keep consumers invested within the brand and become repeat buyers.

## Business location matters

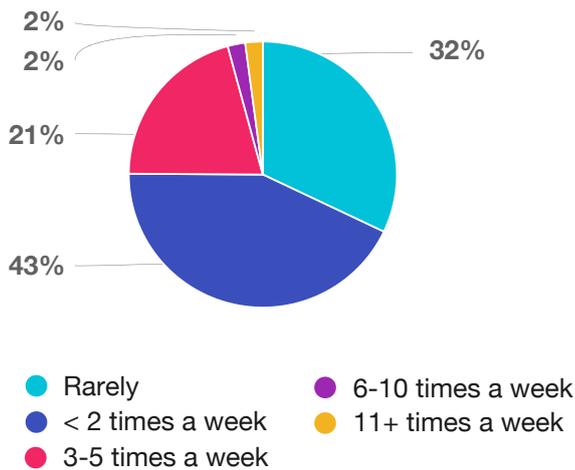
For pick-up service to be effective, brands need to establish suitable locations that have ample parking space while not overcrowding the area for other visitors. Not all retail branches will be able to have an effective pick-up model. However, it is possible within locations involving high foot traffic and a parking space of 20+ cars.

## Quick delivery is important

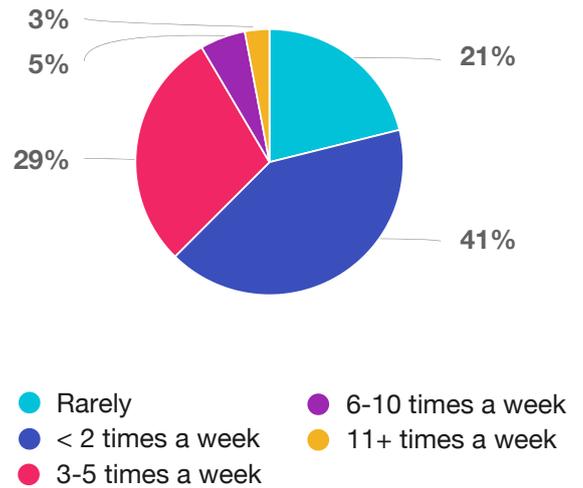
Our research finds quick delivery is an essential requirement from consumers when it comes to ordering delivery. However, it is important to not pressurize drivers to deliver the order quickly. This is harmful for their lives and the lives of others. Consumers appreciate the efforts of drivers. Hence, brands should educate customers about valuing drivers over preferring quick delivery.

# Appendix

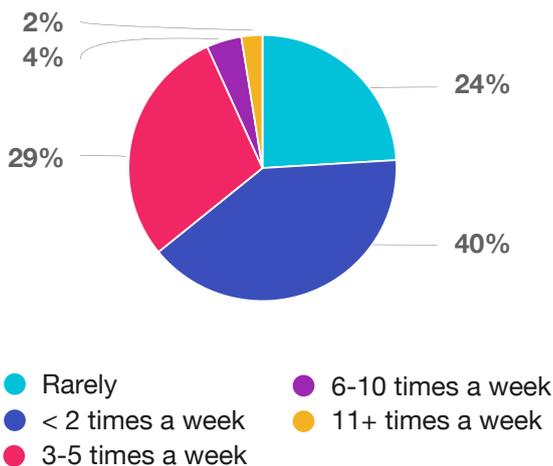
How often do you typically visit a retail store in person?



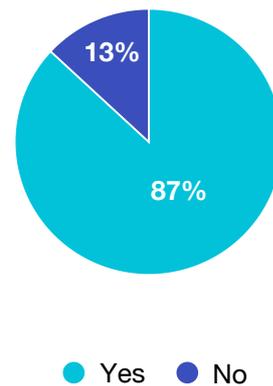
How often do you typically visit a restaurant in person?



How often people visit grocery stores in person

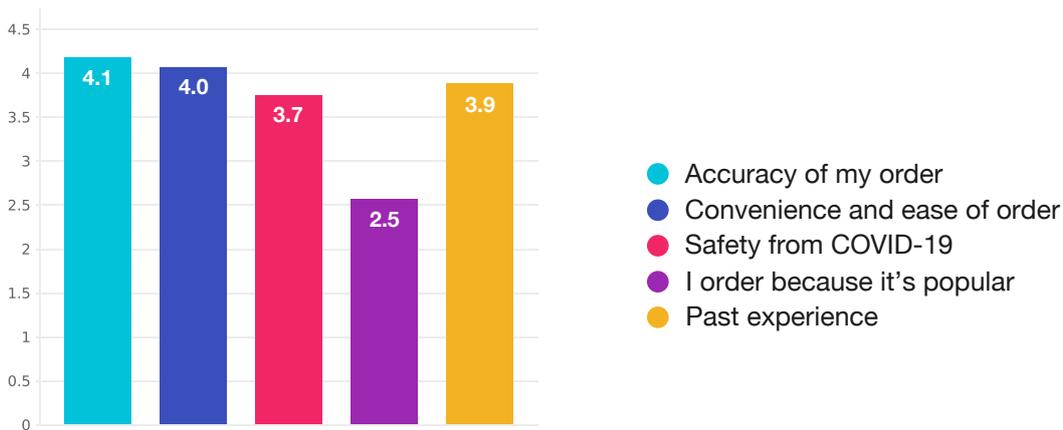


Have you used any pickup service from restaurants or other stores before?

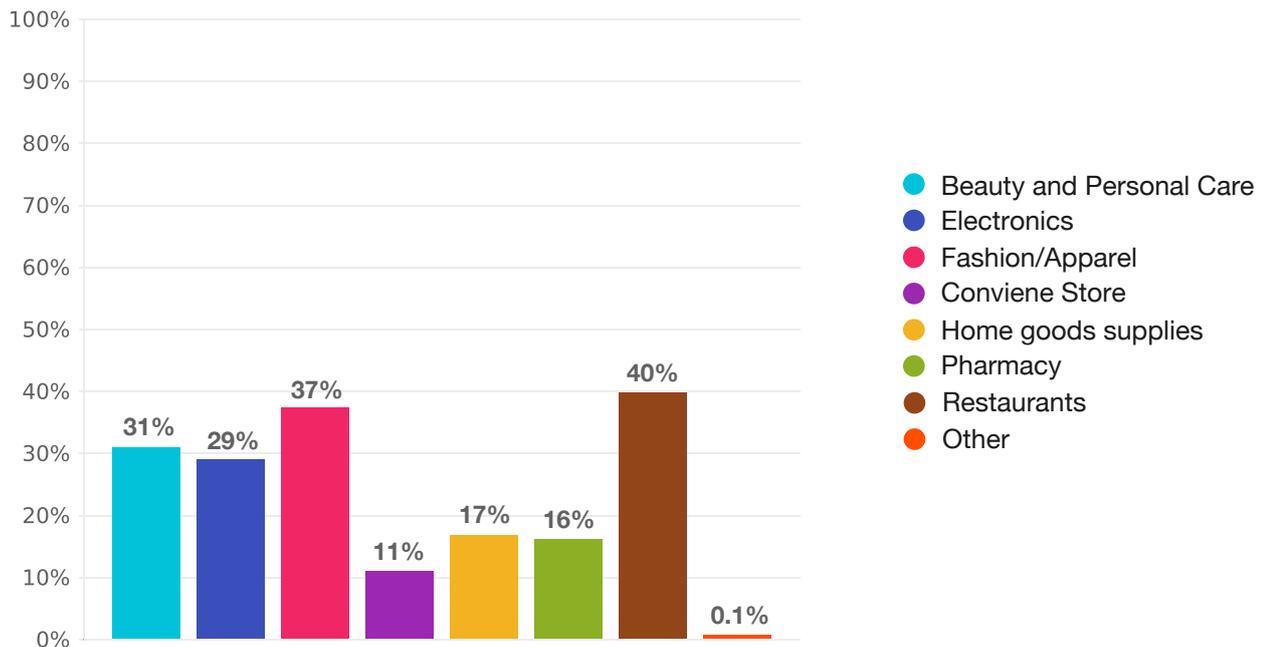


# Appendix

Factors that are important for consumers when purchasing from restaurants and stores

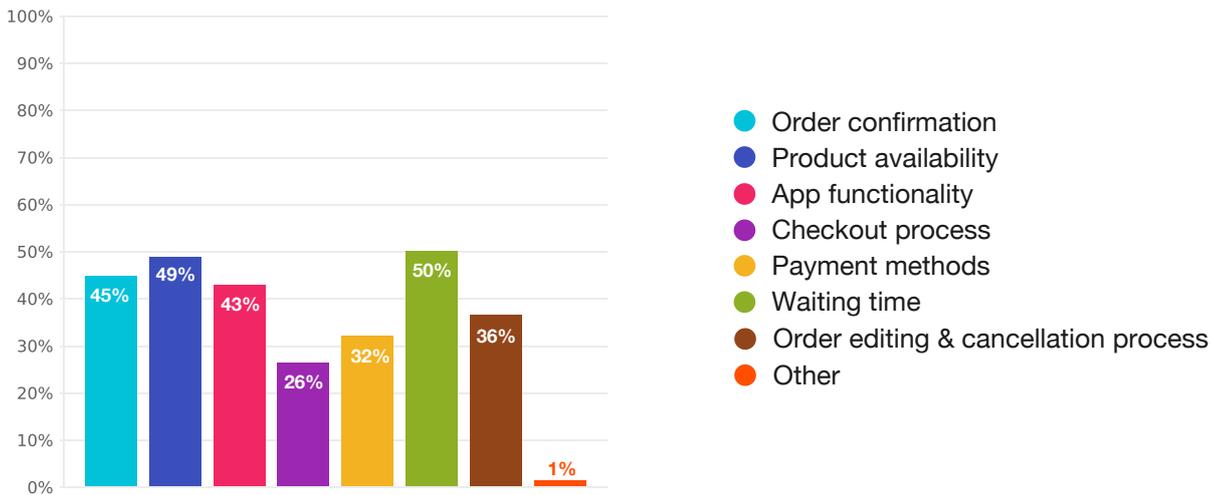


Stores consumers mostly make pick-up or walk-in orders

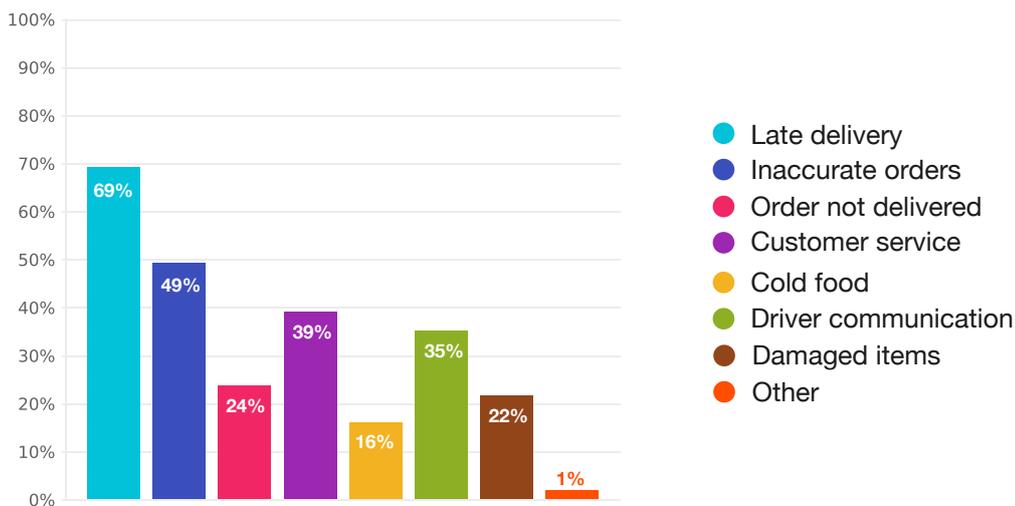


# Appendix

Improvements needed in pick-up services from restaurants and stores

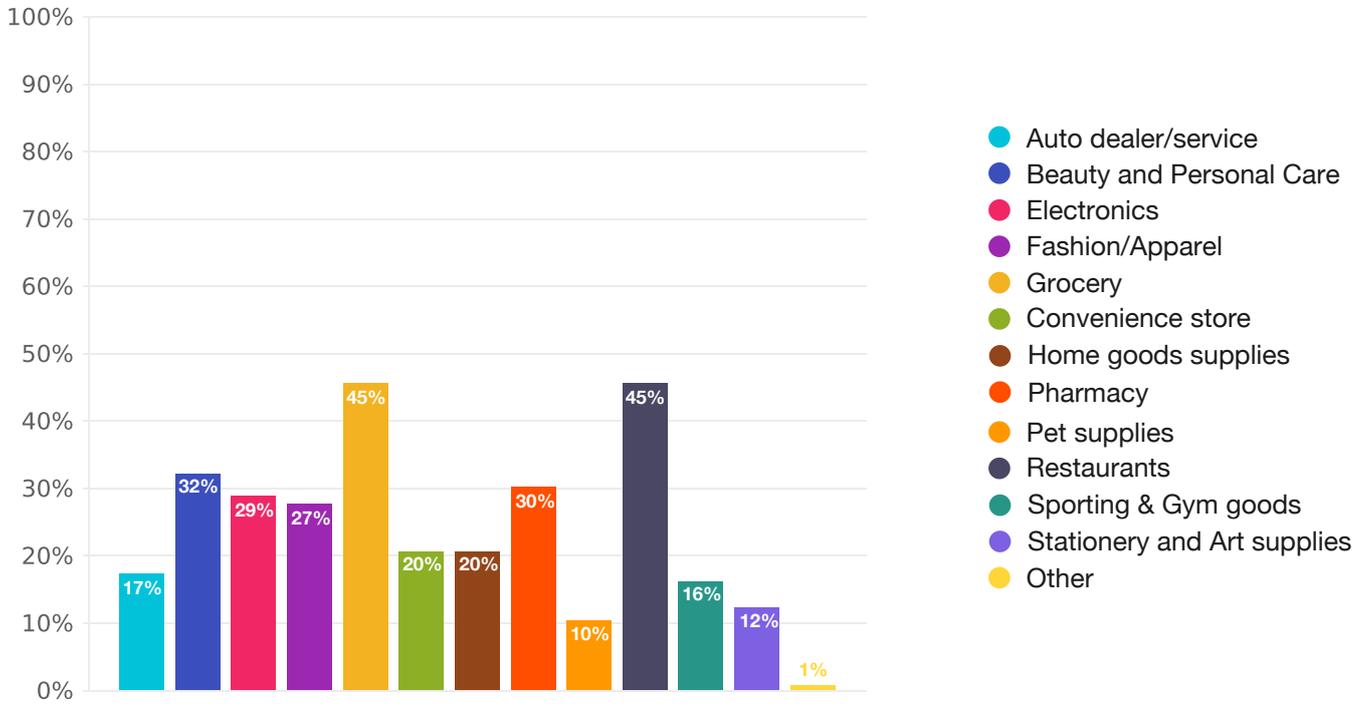


Improvements needed in delivery services from restaurants and stores



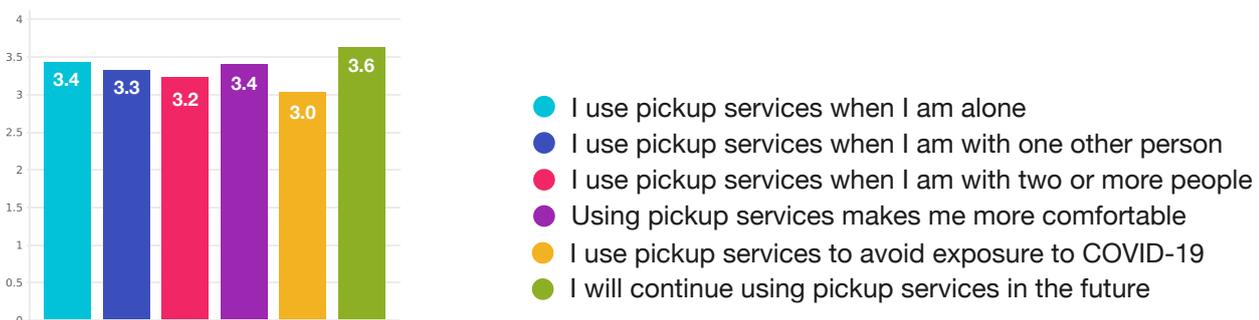
# Appendix

Which industry people would like to use a pick-up service



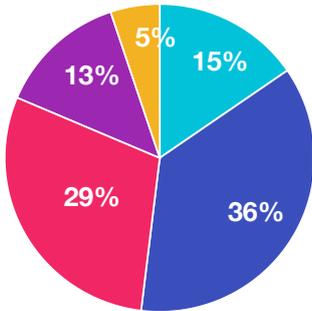
How much do you agree to the following scenarios,

1 being highly disagree, 5 being highly agree



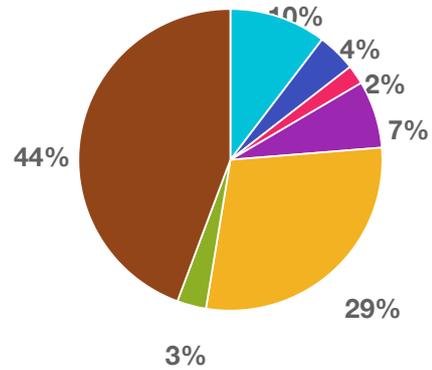
# Appendix

How often you notice other pickup users around you?



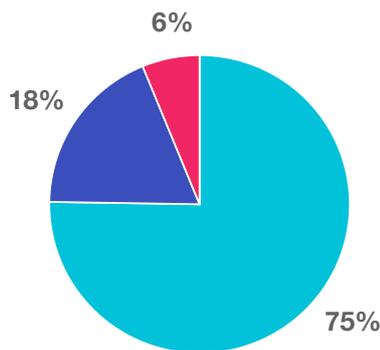
- I never notice
- I rarely notice
- I sometimes notice those around me
- I notice the people around me a lot
- I notice the people everytime I go
- Driver communication

How did you hear about V-thru?



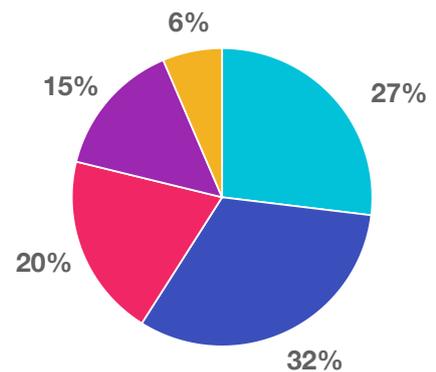
- Google
- Facebook ads
- Youtube ads
- Twitter Post
- Instagram post
- Outdoor ads
- Friends and family

How did you hear about V-thru?



- I drive-thru
- I walk-thru
- Send someone to pickup

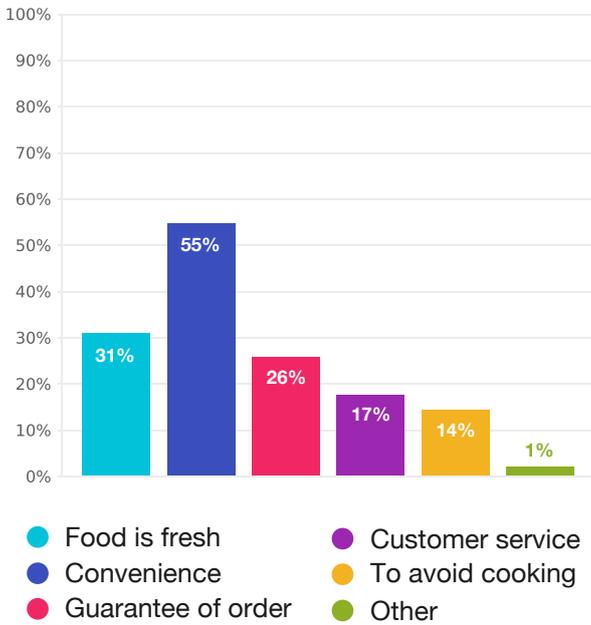
Comfortable fees for users for an application for pickup orders



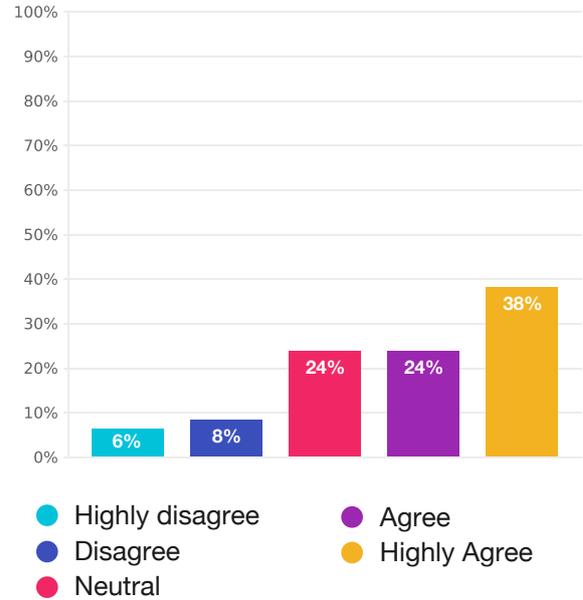
- I'm not interested in paying
- Less than 250 fils
- 250-500 fils
- 0.500 - 1 KD
- More than 1 KD

# Appendix

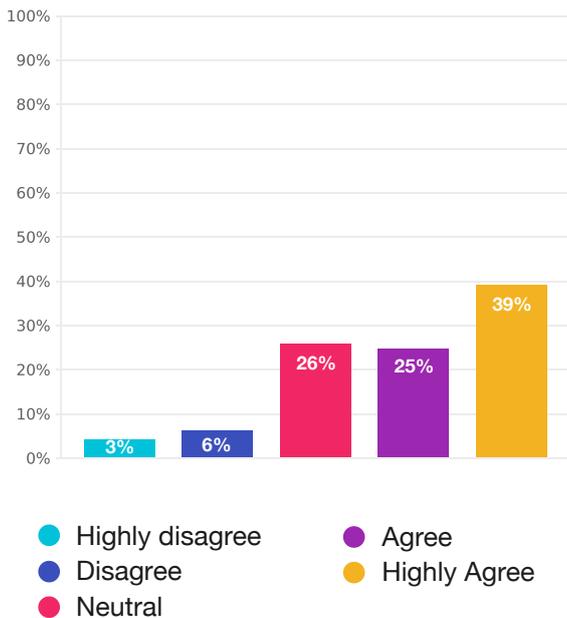
What are your reasons of using V-thru?



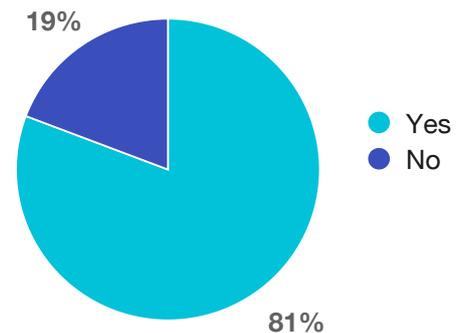
How likely consumers will continue using V-thru



How likely consumers will recommend V-thru to friends and family



Should restaurants and stores have loyalty programs



# Poixel

Poixel is a branding & marketing creative studio specialize in empowering the market with creative visuals & strategies that can attract the market demand, by building a credible portfolio based on extensive market research & data analysis, aiming to evolve a successful brand growth strategy towards a great relationship with ambitious people.

Build credible data to support your business strategy. Get in touch with us at [www.poixel.com](http://www.poixel.com)

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