CHAPTER I

INTRODUCTION

1.1. Research Background

The COVID-19 outbreak has had a profound impact on people from all areas of life. As a result of the pandemic, policymakers all around the world have encouraged people to restrict their face-to-face contact with others. Every day, individuals heard regulations like social separation, self-quarantining, and isolation from the news and social media. If we look back, Coronavirus Disease 19 or COVID-19 which became the forerunner of this pandemic first appeared in Wuhan, China, in December 2019. SARS Cov-2, a brand-new coronavirus, is the root cause. Infections of the respiratory tract are brought on by this irritant. This virus spread quickly, first to different other regions in China and later to other nations. The World Health Organization (WHO) on January 30, 2020, proclaimed a global emergency against the coronavirus after the disease had been an epidemic for about two months. Covid-19 had already spread too far too many nations at that point. On March 2, 2020, the first Covid-19 case in Indonesia was tracked. As of April 10, 2020, the spread has reached 34 Indonesian provinces (Satgas Covid-19 CNN Indonesia, 2020). Based on data from Kawal COVID-19.id (2022) it was recorded that as of Monday, March 14, 2022, the number of COVID-19 survivors in Indonesia was 5,890,495 people (KawalCOVID-19.id, 2022).

One of the industries affected by COVID-19 is the restaurant business. Restaurant visits have dropped dramatically as a result of the lack of social connection across communities. During the COVID-19 pandemic, restaurants' dine-in quotas are reduced, starting at 50% in orange zone areas, then 25% in orange zone areas, and 0% dine-in or

just online delivery and takeaway in select red zone locations. This has an impact on customers who prefer to dine-in because they want to enjoy the restaurant's atmosphere. Many people, particularly those in the food and beverage business, have been affected by the COVID-19 outbreak. According to the Association of Indonesian Food and Beverage Entrepreneurs (Gapmmi) predicts the growth of the food and beverage industry to only grow by 4% -5% amid the COVID-19 pandemic (Prakoso, 2020).

Consumers have reduced their outside activities, including dining and drinking in restaurants, as a result of the COVID-19 pandemic. Many people are overreacting to COVID-19 by hoarding necessities in large quantities at home or called panic buying behavior. The perception of scarcity of goods is a factor that drives consumer behavior. Panic buying can happen when people believe that certain items will be rare during an outbreak (Eva, Saputra, Wulandari, Yahya, & Annisa, 2021). Some people are even avoiding crowds or public settings to extremes. Consumers are also hesitant to attend restaurants and bars in terms of service. Consumer behavior has shifted significantly as a result of the current pandemic situation. Consumers' purchase intentions in case of restaurants visit are influenced by a variety of factors, including heightened consumer awareness. Given that each consumer reacts differently to stressful situations, previous research suggests that customers will select restaurant convenience services that let them avoid close contact with other individuals during an infectious disease outbreak (Brewer & Sebby, 2020).

Based on research results from the Mandiri Institute, the number of visits to restaurants in February 2021 reached 64 percent from the normal period, lower than the end of 2020, which was 74 percent. Meals and snacks offered by restaurants, whether

enjoyed on-site or at home, are considered eating away from home. The COVID-19 outbreak has wreaked havoc on the Indonesian restaurant industry. Restaurant and snack bar visitation fell by 68% in March. Since November 2020, the number of restaurant visits has been relatively low (Mandiri Institute, 2020).

At the beginning of mid-2022, data from the COVID-19 Task Force (Satgas COVID-19, 2022) showed that there was a decline in the number of active cases in Indonesia. In terms of area distribution, DKI Jakarta still ranks first, the COVID-19 task force also reports the achievement of the PPKM which has been running since May 10th 2022. In the Java-Bali region, it is noted that there are no longer areas that are included in the red zone category. For areas outside Java-Bali, the COVID-19 Task Force noted that there were no areas in the red zone category. But in fact, Minister of Finance Sri Mulyani said, the food and beverage industry sector is still in a recovery period, this is because this sector is very dependent on the size of the transmission of COVID-19. For this reason, she urges us to continue to pay more attention to the food and beverage industry (Pratama, 2022).

Restaurant managers must be able to make sense in the face of government limits on restaurant visits, and they must be able to react to the substantial changes that are occurring. It's critical to explore and determine how the perceived risk of COVID-19 influences several actions of customers, including customers online purchase intention. Recent study pointed out that the isolation from the rest of society experienced by consumers during COVID-19 pandemic caused them to have dread of infection, uncertainty about the future, prejudice, and repressed memories of severe illness (Mazza, et al., 2020).

Moreover, one study indicated that a previous infection with COVID-19 does not guarantee complete immunity, therefore a second infection is possible. Individuals should continue to practice social distancing and mask wearing, regardless of previous infection history. COVID-19 may potentially continue to circulate in humans after herd immunity is achieved through natural infection or vaccination (Wang, Kaperak, Sato, & Sakuraba, 2021). We believe that this uncertainty and psychological state of consumers during COVID-19 prevention will influence their COVID-19 risk perceiving and lead to their purchase intentions in terms of food ordering.

According to existing studies, the perceived risk of COVID-19 increases the likelihood of others avoiding public, particularly when the risk of a pandemic is high. Then, whereas previous research has mostly concentrated on individual preferences or attitudes around restaurant selection during the COVID-19 epidemic (Kim & Lee, 2020). As a logical consequence, it is imperative to study how consumers' perceived COVID-19 risk, the perceived ease of online meal ordering, influenced their online food purchasing intention. In a practical approach, embracing strategic marketing planning can assist company owners in overcoming present limits on community activities, resulting in higher service standards, a wider spectrum of clients, and increased revenue.

1.2. Research Questions

1. What's the effect of perceived risk towards consumers perceived convenience of online food ordering (COF)?

2. What's the effect of perceived risk towards consumers online food purchase intention?

3. What's the effect of perceived convenience of online food ordering (COF) on consumers online food purchase intention?

4. How does the perceived convenience of online food ordering (COF) mediated perceived risk influence consumers online food purchase intention?

1.3. Research Objectives

1. To examine the influence of perceived risk towards consumers perceived convenience of online food ordering (COF).

2. To identify the relationship between perceived risk and consumers online food purchase intention.

3. To identify the effect of perceived convenience of online food ordering (COF) on consumers online food purchase intention.

4. To analyze influence of perceived risk on consumers online food purchase intention mediated with perceived convenience of online food ordering (COF).

1.4. Benefits of Research Study

Based on the research objectives to be achieved, this research is expected to have benefits in marketing either directly or indirectly. The benefits of this research are as follows:

1. Theoretical benefits:

   Contribute marketing ideas for businesses that are growing in response to consumers significant changing in needs and desires and as a starting point and reference for future research on consumers purchase intentions during COVID-19 spread out.

2. Practical benefits:

   a. For researchers

Can add insight and direct understanding of customer behavior that is always changing significantly.

b. For Marketers

As a consideration in developing marketing strategies for attracting wider consumers during current pandemic situation.

1.5. Scope of Research

This study is a case of COVID-19 survival customers who actively use online services these past two years of COVID-19. It uses questionnaires and in-depth interviews to investigate the customers' online purchase intention during the spread out of COVID-19. The analysis focuses on the customers' online food purchase intention these past two years which are COVID-19 pandemic and it's post pandemic. It attempts to identify the effects of COVID-19 perceived risk and perceived convenience in online food ordering, towards customers' online food purchase intention these past two years which are COVID-19 pandemic and it's post pandemic.

1.6. Systematics Writing

The goal of writing systematization is to make research easier to comprehend and study. The systematics of writing is divided into five chapters in this research report, each of which can be interpreted in the following way:

- CHAPTER I INTRODUCTION:

This chapter serves as an introduction to the research proposal, which includes information about the problem's background, formulation, research aims, research benefits, and systematic writing.

- CHAPTER II LITERATURE REVIEW

This section elaborates the theories that underpin the detailed discussion, including the theoretical foundation, a review of previous literature, the development of hypotheses about the perceived COVID-19 risk, perceived convenience of online food ordering, and online purchase intention—and, lastly, the research's conceptual framework.

- CHAPTER III RESEARCH METHODOLOGY

This chapter covers the creation of a methodology, which includes a conceptual framework, and data sources, as well as a data analysis approach.

- CHAPTER IV DATA ANALYSIS AND DISCUSSION

The analysis and statistical results of research on the perceived COVID-19 risk, perceived convenience of online food ordering, on online food purchase intention are presented in this chapter.

- CHAPTER V CONCLUSION AND RECOMMENDATION

Contains conclusions from a series of thesis discussions based on the analysis carried out and suggestions to be submitted to the object of research or for further research.