

CHAPTER I

INTRODUCTION

1.1 Research Background

Consumer behavior evolves over time in response to societal and technological advancements. It has accelerated digital technologies adoption on human's life. Technology development has turned people relied on online platforms heavily to fulfil their needs. During the pandemic 5 years ago, when people's mobility was limited, restaurants relied heavily on mobile technology, particularly online food apps. These mobile apps provided an effective platform for hoteliers to connect with a wider range of customers. The restaurant industry has extensively utilized Mobile Food Ordering Applications as an innovative way to reach consumers and deliver high-quality services. This phenomenon made online food delivery application market experienced significant growth globally. According to a study conducted by Statista (2023), the revenue in the online food delivery sector is expected to hit USD 1.02 trillion globally. Meanwhile in Indonesia is projected to reach USD 16.00 billion.

Online food delivery market in Indonesia can be segmented into two different types by its delivery model, aggregator apps and restaurant-specific apps. While the largest segment is on aggregator apps. Food delivery applications have become extremely popular in Indonesia, revolutionizing the way people order and receive food. These apps have gained traction due to factors like widespread internet and smartphone usage in the country, as well as the fast-paced urban lifestyle. Major players in the Indonesian market include GoFood (Gojek Apps) and GrabFood,

which act as aggregators by partnering with numerous restaurants and vendors. These apps constantly improve their user interfaces, enhance delivery efficiency, offer diverse payment options, provide loyalty programs and promotions, and even expand their services to include groceries and other on-demand services. The continuous evolution of food delivery apps in Indonesia aims to provide convenience, variety, and efficiency to meet the changing needs of consumers.

Padang is known as the paradise of delicious cuisine in the world. This fact is acknowledged by people all around the globe. In fact, the top position for the most delicious food in the world was once occupied by the signature dish of Minangkabau, which is Rendang. It's no wonder that various restaurants are scattered throughout the city of Padang within a relatively short distance. That's why the market potential for food delivery apps in Padang city is enormous. Moreover, the majority of restaurants in Padang are ethnic restaurants, further increasing the potential market for food delivery apps.

Ethnic food pertains to the culinary traditions that embody the culture of a specific group originating from outside the local community, while ethnic restaurants are the establishments that serve that specific cuisine in that market (Sattarzadeh et al., 2023). One of the top ethnic restaurant in Padang is Sate Manangkabau. The name "Manangkabau" itself represents the ethnicity of the restaurant linguistically, in this terms Minangkabau ethnic. The restaurant get 4.7 star out of 5 in GoFood (Gojek Apps) with more than 2000 consumer rate them on the apps. They also get high score on deliciousness, fresh served, and hygiene/clean on the apps. Sate Manangkabau also got Super Partner badge on GoFood (Gojek Apps)

which have certain terms and condition to become Super Partner on the apps related to restaurant performances.

With the rapid advancement of information technology in the business landscape, it becomes crucial to comprehend the changing patterns of consumer behavior. In this case we will focus on the theory consumption value (specifically price value, affordances value, and visibility) and how it influence the repurchase intention through food delivery apps (FDAs). Online food ordering involves the act of purchasing food via a restaurant's dedicated website or app, in addition to using platforms that compile various restaurants (Kimes & Laque, 2011). The innovation of food delivery services has shifted consumer behavior, as they now have more options beyond cooking at home or buying food from outside. With just a few clicks, food can be delivered right to their doorstep.

Based on a survey conducted by IDN Times in 2019 regarding the habits of people in various regions of Indonesia in using food delivery services, users aged 21-25 accounted for 48.4%, users aged 26-30 accounted for 30.2%, users aged 15-20 accounted for 15.5%, and users above 30 accounted for 5.8%. According to a survey conducted by Nielsen in 2019, The top three reasons for consumers utilizing food delivery services are: saving time and energy by not having to wait in lines (39%), avoiding the travel required to purchase food (37%), and taking advantage of special promotions or enticing offers (33%).

The use of online food ordering apps brings benefits to both consumers and restaurants. Consumers appreciate the convenience and features provided by these apps, such as menu browsing, customer reviews, and online payment options. Simultaneously, restaurants can expand their customer base and increase revenue

by leveraging these platforms. Despite the growing popularity of online food ordering apps, there are factors that influence consumers' decision to make a purchase through these apps. One crucial factor is consumption value, which refers to consumers' perception of the benefits they gain from making a purchase of goods or services.

Understanding the impact of consumption value on consumers' repurchase intentions through online food ordering apps is essential for restaurants to enhance their services and develop effective marketing strategies. By identifying the factors that influence consumers' decision-making process, restaurants can improve their attractiveness and provide a satisfying experience for their customers. Therefore, the objective of this investigation is to analyze and identify the influence of consumption value on consumers' repurchase intentions through online food ordering apps. The research seeks to enhance our comprehension of the elements influencing consumers' choices and how restaurants can enhance the overall consumer experience on these platforms.

Following the earlier discussion, researchers aim to explore the effects of price value, conditional value, and visibility on repurchase intention using food delivery apps (study on Sate Manangkabau customer).

1.2 Problem Statement

Based on the development in background of the research, the research questions can be formulated as follows:

1. How does price value influence repurchase intention of Sate Manangkabau through food delivery apps (FDAs)

2. How does affordance value influence repurchase intention of Sate Manangkabau through food delivery apps (FDAs)
3. How does visibility influence repurchase intention of Sate Manangkabau through food delivery apps (FDAs)

1.3 Objective of the Research

This research objective are addressed as below:

1. To examine the influence of price value towards repurchase intention of Sate Manangkabau through food delivery apps (FDAs)
2. To examine the influence of affordance value towards repurchase intention of Sate Manangkabau through food delivery apps (FDAs)
3. To examine the influence of visibility towards repurchase intention of Sate Manangkabau through food delivery apps (FDAs)

1.4 Research Contribution

1.4.1 Theoretical Contribution

As for further research references and sources to the development of consumer behaviour studies especially regarding how consumption value, specifically price value, affordances value, and visibility influence repurchase intention.

1.4.2. Practical Contribution

The outcome of this study is expected to help food delivery apps (FDAs) and restaurants especially Sate Manangkabau, by providing more insight in understanding the influence of consumption value on repurchase intention.

1.5 Scope of Research

The research scope will be limited to the seven variables which are price value, affordances value, visibility, and repurchase intention. For the conceptual scope, it will be limited to customers of Sate Manangkabau who made order minimal once through food delivery apps (FDAs)

