

Factors Affecting Continuance Intention of Food Ordering Applications

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ABSTRACT

The objectives this research aims to explore the perceived expectation's confirmation and perceived usefulness associated with a mobile food ordering application by considering its impact on satisfaction, and intention to continue using. The methods this study used convenience sampling to collect data from 102 respondents who had previous experience with mobile food ordering applications during the COVID-19 pandemic period in Indonesia. Regression technique is used as the statistical tools. The findings results of this study indicate that the customer's expectation's confirmation and perceived usefulness have a positive effect on e-satisfaction. And finally, customers' continuance intention to use a mobile food ordering application is significantly influenced by their e-satisfaction. Research limitations is business actors must focus on online sales through mobile ordering applications during the pandemic due to social distancing and various restrictions in dealing with COVID-19. Customers must also ensure that at the time the order is received, a good and correct Health protocol has been implemented. And then the value this study combines the theory of expectation's confirmation and acceptance of model technology and tests it in the context of a mobile or online food ordering application.

Keywords: E-satisfaction; expectation's confirmation; perceived usefulness; repurchase Intention; mobile food ordering application.

1. Introduction

The very fast growth of information technology and smartphones including mobile application software has become an important part of modern life (Baabdullah et al., 2019; Koiri et al., 2019; Tang, 2019; Shareef et al., 2012; Shah et al., 2020). Mobile applications have also changed the lifestyle of society in general (Ray et al., 2019; Xu and Huang, 2019).

The mobile food ordering application has been considered one of the most popular mobile applications in Indonesia since it was founded in 2015 spearheaded by Gofood and followed by Grabfood in 2016, followed by Shopeefood in 2021. Restaurants that are members of Gofood are as many as 300,000 restaurants in 2017. 2018, while restaurant partners who are members of Grabfood are 200,000 (<https://katadata.co.id/>).

Indonesia with the fourth largest population in the world of 271 million people (www.bps.go.id) is a very large market, with around 341 million telephone subscribers, of which 126 million are internet users, with a penetration of about 51% of the total population. With 53% of them are young generations with the following composition:

Table 1. Composition of the Indonesian population by age

Generation	Percentage
Z Generation (Born 1997- 2012)	27.94% (74.93 Million)
Millennial Generation (Born 1981- 1996)	25.87% (69.38 Million)
X Generation (Born 1965- 1980)	21.88% (58.65 Million)
Baby Boomer (Born 1946- 1964)	11.56% (31.01 Million)
Pre Boomer (Born before 1945)	1.87% (5.03 Million)
Post Z Generation (Born 1997- 2012)	10.88% (29.17 Million)

Source: www.bps.go.id (2020)

Food ordering applications are becoming popular in Indonesia because people's lifestyles are changing with higher purchasing abilities, Indonesia is included in a developing country with an upper middle income with a GNI per capita of between US\$ 4,046, an increase in busyness in the office, and an increasing dependence on technology. Many people choose ready-to-eat food. The growing number of restaurants has also played a role in driving the demand for online food services.

In Momentum Works' research entitled 'Food Delivery Platforms in Southeast Asia', the gross transaction value or GMV of food-delivery in Southeast Asia is estimated at US\$ 11.9 billion in 2020. Indonesia contributes the most, with GMV US\$ 3.7 billion in 2020. In Indonesia, food delivery services are in great demand during the Covid-19 pandemic and are in fifth position (katadata.co.id, 2020)

A sharp increase in online orders and deliveries occurred during this COVID-19 pandemic situation (Hospitality Insights, 2020). An online food delivery survey among 3,606 consumers in the UK, Italy, Brazil and South Korea revealed that COVID-19 had a positive impact on the frequency and spending on online food delivery and the majority of new users (57%) were likely to use it again (Citi Velocity, 2020). During a pandemic, people tend to avoid social interactions and gatherings. Geosling et al. (2020) discusses the impact of COVID-19 on tourism, including the food and beverage sector. Maintaining social distancing has been a key strategy for dealing with COVID-19 in many countries for several months; it can be expected that restaurants will face recovery problems, particularly as they usually have limited liquidity and small profit margins. Where restaurants are allowed to stay open for takeout.

Based on the above background, the research objectives to be achieved in this study are to determine the effect of the expectation's confirmation variable on e-satisfaction on food ordering applications, determine the effect of perceived usefulness on e-satisfaction on food ordering applications and to determine the effect of the e-satisfaction variable with continuance intention in food ordering applications.

2. Literature Review

Online food ordering applications refer to mobile-based systems where customers can order food via mobile phones and corresponding application systems. While food ordering application systems have become common among customers worldwide, academic interest in the study of online food ordering applications is still at an early stage (Okumus and Bilgihan, 2014; Alalwan, 2020). Recent studies show interest in exploring and adopting online food ordering applications among consumers. For example, Pigatto et al. (2017) conducted a qualitative study that sought to find the critical aspects that were promoted.

Previous research on online food ordering applications found many factors of perceived usefulness of online food ordering applications based on several theoretical foundations. The most prominent theory on the acceptance of online food ordering applications uses the Technology Acceptance Model (TAM). Okumus and Bilgihan (2014) found that perceived usefulness, perceived enjoyment, social norms, ease of use and self-efficacy were the main factors in consumers' willingness to use online food ordering applications. Okumus et al. (2018) in his research stated the willingness of consumers to use mobile applications based on the Unified Theory of Acceptance and Use of Technology (UTAUT). They find that business expectations, social influence, and performance expectations are important factors of consumers' willingness to use them. In addition, Yeo et al. (2017) examined the Contingency Framework and Extended Model of IT. They found a structural relationship between convenience motivation, post-use usefulness, hedonic motivation, price-saving orientation, time-saving, previous online purchasing experience, consumer attitudes and behavioral intentions towards online food delivery services.

Some researchers focus on the outcomes of consumer satisfaction using online food ordering applications, namely, customer conversion and customer experience. Wang et al. (2019) found that when consumers perceive adequate quality in terms of services, systems, products, and information, they create positive value towards online food ordering applications. Research conducted in Southern Taiwan by Spyridou (2017) found that perceived service quality is considered as one of the important determinants for predicting customer continuance intention. In addition, Kapoor and Vij (2018) find relevant evidence regarding the impact of mobile app features, including information design, visual design, collaboration design, and navigation design at the consumer level. To understand the impact of customer perceived usefulness and customer expectation confirmation, customer e-satisfaction and customer continuance intention, further research is needed to explore key aspects that can hinder or support the effectiveness of implementing online food ordering applications in Indonesia.

2.1 Customer Expectation's confirmation

Expectation-confirmation theory (ECT) states that expectations, coupled with perceived performance, lead to satisfaction. This effect is mediated through positive or negative confirmation between expectations and performance. If a product exceeds expectations (positive confirmation), then satisfaction will result. If a product falls short of expectations (negative

confirmation), then consumers are likely to be dissatisfied (Oliver, 1980). The four main constructs in the model are: expectation, performance, confirmation, and satisfaction. Expectations reflect anticipated behavior (Bhattacharjee, 2001). They are predictive, indicating an expected product attribute at some point in the future (Spreng et al., 1996). Expectations serve as standards of comparison in ECT, that is, what consumers use to evaluate performance and form confirmatory judgments. Confirmation is hypothesized to affect satisfaction, with positive confirmation leading to satisfaction and negative confirmation leading to dissatisfaction.

2.2 Customer Perceived usefulness

Customer Perceived Usefulness can be understood as people's judgments about whether their decision to use or implement certain technologies is beneficial for themselves (Tojib and Tsarenko, 2012). Furthermore, (Ozturk, 2016) defines Perceived Usefulness as people's intention to use new technology where people place a strong belief that the new technology will improve their performance. Based on this definition, the authors define Customer perceived usefulness as an assessment of consumers or people in which they believe that the technology they will adopt will improve the quality of their work or activities.

2.3 Customer E-satisfaction

Both (1980) and Han et al. (2020) define customer satisfaction as a personal evaluation and assessment of people regarding their experience with the company, where, the assessment is given whether the results expected by the customer have been successfully exceeded by the company. In addition, Japutra et al. (2015) defines satisfaction as a consumer's assessment that a product or service will meet consumer needs and expectations after the product or service is consumed or used by consumers. Based on this definition, the author wants to define customer satisfaction as: consumer satisfaction with the company that comes from the fact that the product or service offered by the company has met the criteria set by the consumer for the product or service.

2.4 Customer Continuance Intention

Customer Continuance Intention is a customer's personal assessment of whether or not the customer will repeat purchases or other transaction activities from the same service provider in the future (Hellier et al., 2003; Li, 2015). Similarly, Wilson et al. (2019) defines Repurchase Intention as a consideration or customer intention towards the same company in the future, where customers will judge whether to repurchase or reuse the product in the future. Based on this definition, the author wants to define Customer Continuance Intention as: assessment and consideration of people about whether to re-engage with other people or not in transactional or interactional activities with the same company in the future.

2.5 Research Framework

Figure 1. The reaserch framework in this study



The hypotheses in this study are:

Hypothesis 1

Customer expectations' confirmation has a positive effect on Customer E-satisfaction

Hypothesis 2

Customer perceived usefulness has a positive effect on Customer E-satisfaction

Hypothesis 3

Customer e-satisfaction has a positive effect on Continuance Intention

3. Research Methodology

The type of research used is explanatory research. Explanatory research is a type of research that explains the causal relationship between research variables and tests existing hypotheses. In this study the author will explain the relationship between the independent variable (independent) and the dependent variable (dependent) to test the existing hypothesis.

The population in this study were 102 users of food ordering applications, either Goffod, Grabfood or Shopeefood. While the total population in this study there are 4 variables, consisting of three independent variables (customer perceived usefulness, customer expectation confirmation, and customer e-satisfaction) and one dependent variable (continuance intention). The research uses nonprobability sampling technique with incidental sampling method to determine the research sample. The analysis technique used is descriptive analysis. Descriptive analysis aims to analyze a set of data by describing the data without intending to draw conclusions to be generalized.

4. Results

The questions of the questionnaire shown in the list below:

Table 2. The Questionnaire

VARIABLE	MEASURED ITEMS
Customer Expectation's Confirmation	1: My experience using online food ordering application pp is more than what I expected
	2: The level of service provided by the online ordering application is better than what I expected

	3: Overall, most of my expectations of using online food ordering application are well confirmed
	4: My expectation about online food ordering application is right
Customer Perceived Usefulness	1: Online food ordering application can be useful in managing my food orders
	2: This application can be useful for me
	3: This application can be useful for my diet
Customer E-Satisfaction	1: In general I am happy with the food ordering application
	2: My choice to buy from an online food ordering application is the right choice
Customer Continuance Intention	1: I intend to continue using the food ordering app instead of discontinuing it
	2: If there is a chance, I will order food through a food ordering app
	3: After Covid-19 passes I will continue to use food ordering application

4.1 Regression Result

From the regression results, it was found that the significance value of the SPSS results was <0.05 so that Customer expectation's Confirmation had a significant effect on Customer E-satisfaction so that Hypothesis 1 was accepted. For Hypothesis 2, the significance of SPSS results is <0.05 . Customer perceived usefulness has a significant effect on Customer E-satisfaction, hypothesis 2 is accepted.

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	.598	.777		.769	.444
	ExpCp	.305	.055	.487	5.594	.000
	PercUse	.226	.062	.317	3.647	.000

a. Dependent Variable: Satisfaction

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	1.528	.992		1.540	.127
	Satisfaction	1.238	.114	.735	10.844	.000

a. Dependent Variable: PurchIntense

Regression results for hypothesis 3 Customer E-satisfaction has a significant effect on Continuance Intention, the third hypothesis is accepted

5. Discussion

Online food delivery services are currently a trend that is starting to grow in society. Based on the results of the questionnaire, it is known that from 102 respondents, only 1% have never used

delivery services, the rest choose to use online transportation services that feature food delivery services. This online food delivery service from online transportation turns out to be more attractive to customers. Based on the results of the questionnaire data, it is known that the most frequently used online transportation service is Go-Food at 54%, followed by Grabfood at 34% and Shopeefood at 9%. Based on age, generation Z (born 1997-2021) mostly uses this food ordering application at 50%, followed by millennial generation (born 1981-1996) at 27% and generation X (born 1965-1980) at 23%.

According to this research, it is also known that customer expectation's confirmation and customer perceived usefulness have a significant effect on customer e-satisfaction and in the end will also have a significant effect on customer continuance intention. Customers are quite satisfied with the experience of using food ordering applications, the services provided by food ordering application services provide separate satisfaction for customers, in accordance with customer expectations. Food application services are also useful for those who need practicality and do not have much time get out to eat. From these things, the intention to repurchase through the food ordering application is maintained even though Covid-19 has passed.

6. Conclusion

In accordance with the results of data analysis that has been carried out with the SPSS analysis tool regarding the Continuance Intention analysis of online food ordering application users, the authors can draw several conclusions that the variable that affects the Continuance Intention of food ordering application users is Customer E-satisfaction. While Customer E-satisfaction itself is influenced by Customer expectation's Confirmation and Customer perceived usefulness. The author suggests for further research to use other independent variables that are adapted to the developments and dynamics that exist in society.

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