

## FACTORS INFLUENCING CONTINUANCE INTENTION TO USE ONLINE FOOD DELIVERY IN INDONESIA

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### ABSTRACT

Due to the growth of the internet of things, applications, and smartphones, the food industry and online food delivery (OFD) applications have grown significantly. Given their rapid growth, food delivery businesses in Indonesia have a huge amount of space to grow. Proving that during the COVID-19 pandemic, the biggest routine expenditure by Indonesians was on food purchased through internet delivery services. The purpose of this study is to analyze the factors influencing the continuance intention to use OFD applications in Indonesia by using modified the Unified Theory of Acceptance and Use of Technology 2 (UTAUT2) Model, which includes Trust as an additional variable. The findings of this study reveal that the Indonesian people have a good attitude toward the continuance of the use of OFD applications. The  $R^2$  value indicates that Habit, Social Influence, and Trust all have a 61.7% influence on the Continuance Intention to use OFD applications in Indonesia. Meanwhile, Age moderates Habit and Trust variables towards Continuance Intention; gender becomes a moderating variable on the Habit towards Continuance Intention.

**Keywords:** continuance intention; COVID-19; Indonesia; Online Food Delivery (OFD); UTAUT2

### 1.0 INTRODUCTION

Information technology development in Indonesia has been steadily increasing. The development of information technology in Indonesia is encouraged by various factors, along with the expansion of internet coverage, increased internet bandwidth, the use of the latest faster and more efficient internet and communication technologies, the growth of numerous sorts of social media and e-commerce, and the expanding number of people who understand and actively utilize the internet [1]. One of the products of information technology is the internet.

Evidenced by data released by the social media management platform, HootSuite, and marketing agency, We Are Social, in January 2021, Indonesia's internet users were 202.6 million, or 73.7% of the country's total population of 274.9 million [2]. The increasing number of internet users in Indonesia, this proving that the Indonesian people already understand the importance of the internet in their daily life. Along with the spread of the internet of things, the records from We Are Social & Hootsuite [2], Indonesians between the ages of 16 and 64, as many as 74.4% of internet users in Indonesia use internet-facilitated purchases as OFD applications.

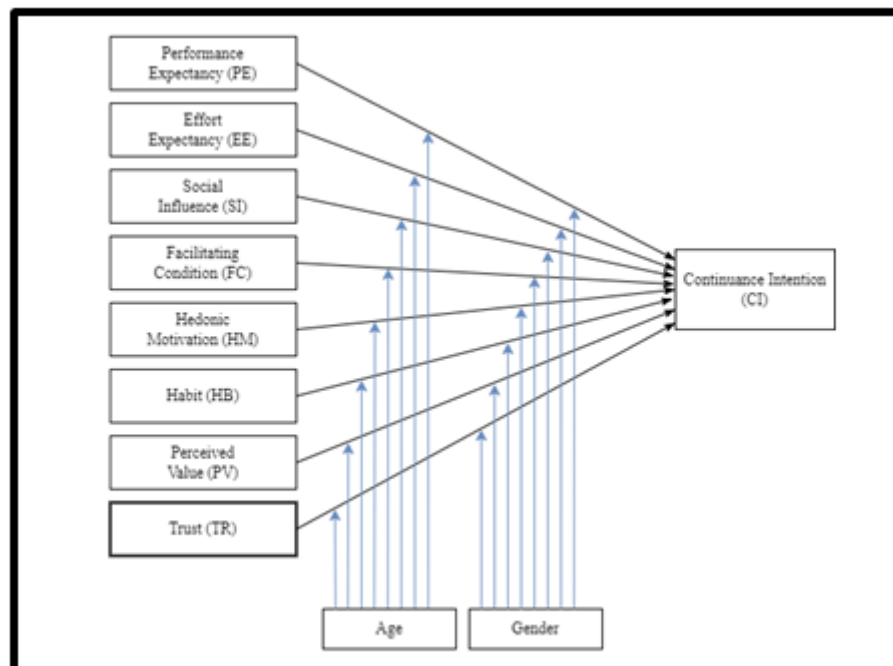
During the last few moments, life in Indonesia has changed drastically as a result of the worldwide COVID-19 pandemic. Indonesians are increasingly turning to digital media and e-commerce in the face of reduced mobility [3]. Data from a survey by the Demographic Institute of the Faculty of Business Economics, the University of Indonesia of 4199 people in September 2020 found that 97% of respondents' routine expenditure during the COVID-19 pandemic was to buy food through OFD applications. The survey also reported that the largest monthly expenditure for the community during the COVID-19 pandemic was to buy food through OFD applications, with a figure of up to IDR 1.5 million per month. [4].

Due to the increase of internet penetration in Indonesia, one of the visible changes in behavior is regarding food/beverages purchasing. However, not everyone in Indonesia has benefited from OFD applications, which make it easier for customers to purchase food/beverages. In Indonesia, 25.6% of the population has not yet decided to use OFD applications to purchase food/beverages. Despite its importance, there has been no research in Indonesia on the factors influencing the continuance intention to use OFD applications in Indonesia. The purpose of this study is to analyze the effect of Performance Expectancy, Effort Expectancy, Social Influence, Facilitating Condition, Hedonic Motivation, Price Value, Habit, and Trust on continuance intention to use OFD applications in Indonesia.

## 2.0 LITERATURE REVIEW

This study replicates a technology acceptance model with the Unified Theory of Acceptance and Use of Technology 2 (UTAUT2) model proposed by Venkatesh et al. [5] with the Trust variable added. The expansion of the study boundaries into the consumer context compared to the previous study, which is UTAUT, provides a chance to make significant theoretical contributions by incorporating numerous additional constructs into the new theory, namely UTAUT2, such as Hedonic Motivation (HM), Price Value (PV), and Habit (HT). Additionally, the UTAUT2 model is capable of significantly increasing the variance in behavioral intentions by 56 to 74 percent and technology use by 40 to 52 percent [5].

This study enhances the UTAUT2 theory by modifying and expanding existing variables in order to accomplish the purpose of this study. The Behavioral Intention variable will be changed into Continuance Intention. Because respondents in this study have been using OFD applications, adapting Behavioral Intention to Continuance Intention aims to ascertain the precise reason for customer behavior to continue using these OFD applications. In addition, the Use Behavior variable was excluded from this study because the purpose of this study was to examine the continuance intention to use OFD of the consumers. The research framework model proposed by the author is shown in Figure 1:



The model that is used in this study is modified UTAUT2, which consists of seven (7) distinct constructs that will be described. Performance Expectancy is described as the way to which a person believes how particular technology can help them perform better [6]. This study examines when the Performance Expectancy is referred to as the belief that by utilizing OFD applications, the user may benefit from it. Effort Expectancy refers to the simplicity of a system that can be used [6]. In this research, Effort Expectancy is defined as the simplicity of OFD applications that can be used. Social Influence referred to the extent to which the user's perceptions of how society influences their decisions about system use [6]. In this research, Social Influence is referred to the user's perceptions of how society influences their decisions about the use of OFD applications. Facilitating Condition refers to which a person has confidence in the technological and organizational infrastructure that enables the usage of a specific technology [6]. In this research, Facilitating conditions can be interpreted as how perceptions of the consumers of the availability of resources to increase their use of OFD applications. Hedonic Motivation is the degree to which an individual derives pleasure in utilizing technology [5]. In this research, Hedonic Motivation can be interpreted as the feeling of pleasure or enjoyment experienced by the consumer as a result of using OFD applications. Price Value refers to consumer cognitive exchanges between both the application's perceived benefits and the monetary costs of utilizing it [7]. In this research, Price Value can be interpreted as the customer comparing the benefits of using OFD applications to the costs of using them. Habit is the extent to which people prefer to execute behaviors that becomes spontaneous [5]. In this research, Habit can be interpreted as how the customer performs spontaneous behavior to daily use of OFD applications. Trust refers to the belief that a vendor will carry out some activities according to customer expectations [8]. In this research, Trust can be interpreted as the level to which a consumer believes and feels safe conducting purchases with OFD applications. Continuance Intention refers to an action that person will affect a person's actual continue to use of technology [5]. In this research, Continuance Intention can be interpreted as the action that a customer will affect a person

actual continue to use OFD applications. Based on the variables that have been formulated above, the following are the research hypotheses in this study:

**Table 1.1 Research Hypotheses**

No	Research Hypothesis
1	Performance Expectancy positively and significantly affects Continuance Intention of using OFD applications in Indonesia
1a	The influence of Performance Expectancy towards Continuance Intention is moderated by Age
1b	The influence of Performance Expectancy towards Continuance Intention is moderated by Gender
2	Effort Expectancy positively and significantly affects Continuance Intention of using OFD applications in Indonesia
2a	The influence of Effort Expectancy towards Continuance Intention is moderated by Age
2b	The influence of Effort Expectancy towards Continuance Intention is moderated by Gender
3	Social Influence positively and significantly affects Continuance Intention of using OFD applications in Indonesia
3a	The influence of Social Influence towards Continuance Intention is moderated by Age
3b	The influence of Social Influence towards Continuance Intention is moderated by Gender
4	Facilitating Condition positively and significantly affects Continuance Intention of using OFD applications in Indonesia
4a	The influence of Facilitating Condition towards Continuance Intention is moderated by Age
4b	The influence of Facilitating Condition towards Continuance Intention is moderated by Gender
5	Hedonic Motivation positively and significantly affects Continuance Intention of using OFD applications in Indonesia
5a	The influence of Hedonic Motivation towards Continuance Intention is moderated by Age
5b	The influence of Hedonic Motivation towards Continuance Intention is moderated by Gender
6	Habit positively and significantly affects Continuance Intention of using OFD applications in Indonesia
6a	The influence of Habit towards Continuance Intention is moderated by Age
6b	The influence of Habit towards Continuance Intention is moderated by Gender
7	Price Value positively and significantly affects Continuance Intention of using OFD applications in Indonesia
7a	The influence of Price Value towards Continuance Intention is moderated by Age
7b	The influence of Price Value towards Continuance Intention is moderated by Gender
8	Trust positively and significantly affects Continuance Intention of using OFD applications in Indonesia
8a	The influence of Trust towards Continuance Intention is moderated by Age
8b	The influence of Trust towards Continuance Intention is moderated by Gender

**3.0 METHOD AND RESULT**

This study aimed to determine whether the eight independent variables affected the one dependent variable chosen. Researchers distributed surveys using Google form to 275 respondents, and the findings of each variable were classified as good to very good. Descriptive analysis can be used to describe the perceptions of the respondents regarding their intention to continue using OFD applications.

Based on the result of descriptive analysis, Facilitating Condition has a percentage of 92.98%, Performance Expectancy has a percentage of 87.78%, Effort Expectancy has a percentage of 87.53%, Trust has a percentage of 85.20%, Hedonic Motivation has a percentage of 82.76%, Continuance Intention has a percentage of 81,41%, Price Value has a

percentage of 79.91%, Social Influence has a percentage of 74.4%, and Habit has a percentage of 68.89%.

This research will be processed using Structural Equation Modelling (SEM), depending on the number of dependent variables and the type of data, especially employs the VB-SEM analysis approach and SmartPLS 3.0 statistical analysis. The use of Partial Least Square (PLS) path modeling is compatible with prediction-oriented research because it assists researchers who are concerned with analyzing endogenous constructs [9]. PLS is a technique for defining latent variables by using weight estimation. This is determined by the way the structural model that links latent variables, also known as the inner model, and the measurement model, which is the relation between the indicator and its construct, also known as the outer model are described, which results in residual variance from the dependent variable [10]. To avoid systematic measurement mistakes, the validity investigation used a non-exclusive method. First, check convergent validity. At the convergent validity stage, the AVE value must be larger than 0.5 [11]. The path coefficient (PC) and R-squared (R<sup>2</sup>) show the model's accuracy. PLS uses the bootstrapping method to investigate the influence of latent variables on other latent variables. Because this study used a one-tailed test, the path coefficient t value between two latent variables must be at least 1.65 [12].

The PLS approach then evaluates the structural model, often known as the inner model test. This test is used to find latent variable interactions. The path value measures the effect of each variable. In this test, the t-value is determined using bootstrapping. Also, the latent dependent variable's R<sup>2</sup> must be evaluated [13].

**Table 1.2 Hypothesis Result of Inner Model**

No.	Path Diagram	Path Coefficient	t-value	P-value	Conclusion
1.	PE → CI	0.048	0.692	0.489	H <sub>1</sub> is rejected
2.	EE → CI	0.074	1.074	0.283	H <sub>1</sub> is rejected
3.	SI → CI	0.164	2.337	0.020	H <sub>1</sub> is accepted
4.	FC → CI	-0.016	0.252	0.801	H <sub>1</sub> is rejected
5.	HM → CI	0.096	1.373	0.170	H <sub>1</sub> is rejected
6.	PV → CI	0.007	0.133	0.894	H <sub>1</sub> is rejected
7.	HT → CI	0.366	6.169	0.000	H <sub>1</sub> is accepted
8.	TR → CI	0.286	3.488	0.001	H <sub>1</sub> is accepted

Besides the path coefficient and the t-value, the percentage of variance explained, or R<sup>2</sup>, for the latent dependent variable that is influenced by the independent latent variable, is also used to evaluate the structural model. The R<sup>2</sup> of Continuance Intention is 0.617 as seen in Table 4.18. This suggests that Habit, Social Influence, and Trust all have a 61.7% influence on Continuance Intention.

The moderator factors' effects in this study can be tested using either the product term or group comparison approach. In this study, Age and Gender are both moderate variables. These two moderate factors will be studied to see if they correlate with the independent and dependent latent variables. The moderating variable's influence is separated into two categories: young and old, and male and female. SmartPLS 3.0 will calculate path values and standard errors for each group. Then, using the Chin formula, the t-value will be obtained [13]. The Chin formula is:

$$t = \frac{\text{Path}_{\text{sample1}} - \text{Path}_{\text{sample2}}}{\sqrt{\text{s.e.}^2_{\text{sample1}} + \text{s.e.}^2_{\text{sample2}}}}$$

The Age group bootstrap results were then used to determine the t-value using the Chin formula. The calculations are summarized in Table 1.3:

**Table 1.3 t-value of Compared Path of Age Group**

Compared Path	t-value of Compared Path	Conclusion
SI → CI	-0.52	There is no significant difference
HT → CI	-2.08*	There is a significant difference
TR → CI	1.82**	There is a significant difference

Note: \*significance level of 0.05 \*\*significance level of 0.10

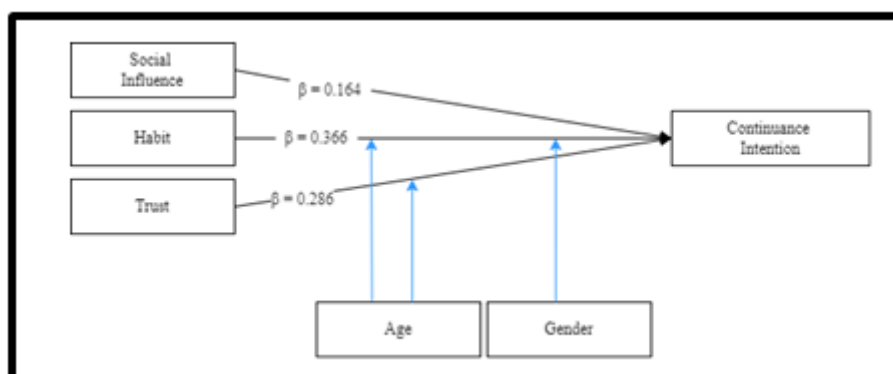
The Gender group bootstrap results were then used to determine the t-value using the Chin formula. The calculations are summarized in Table 1.4:

**Table 1.4 t-value of Compared Path of Gender Group**

Compared Path	t-value of Compared Path	Conclusion
SI → CI	-0.83	There is no significant difference
HT → CI	1.66*	There is a significant difference
TR → CI	-0.29	There is no significant difference

Note: \*significance level of 0.10

According to the findings of calculations and analysis performed with SmartPLS 3.0, the results of this study's data were used to create a final conceptual model, which is depicted in Figure 2:



**Figure 2 Final Conceptual Model of Continuance Intention to Use OFD applications in Indonesia**

Source: Data Processed by Author, 2022

## 4.0 CONCLUSION

On the basis of the results from the research through the data analysis, data processing, and hypothesis testing of the factors influencing continuance intention to use OFD applications, conclusions can be reached that provide answers to the research questions, as follows:

1. Taken from the result of descriptive analysis of respondent data, Facilitating Condition has the highest score of 92.98% followed respectively by Performance Expectancy, Effort Expectancy, Trust, Hedonic Motivation, Continuance Intention, Price Value, Social Influence, and the least score is from Habit with the percentage of 68.89%.
2. Taken from the result of descriptive analysis of respondent data, the consumer's assessment of their continuance intention is 81.41%. This indicates that 81.41 % of respondents agreed to continue using OFD applications in the future.
3. Age differences influence the Habit and Trust variables toward the continuance intention to use OFD applications in Indonesia. Meanwhile, Gender difference influences the Habit variable toward continuance intention to use OFD applications.

## 5.0 SUGGESTION

Based on the results of research and discussions discussed previously, there are suggestions that can be considered and useful for OFD applications providers:

### 5.1 Social Influence on OFD applications Companies

The lowest score in Social Influence descriptive analysis states that persons who are used as role models by respondents do not recommend them using OFD applications. Thus, the OFD application provider companies must be able to enter a significant social group/community and find the opinion leader. The belief in opinion leaders has a substantial impact on public awareness, decision-making, and collective conduct of members of a group/community [14]. Influential members of the group/community must suggest that others use the OFD application.

### 5.2 Habit on OFD applications Companies

The lowest score in Habit descriptive analysis states that using OFD applications does not lead to addiction. Offering monetary incentives is the best way to increase user engagement with applications [15]. Users are most likely to return to applications that give real-world value if they are paid. Moreover, the firm application suppliers should consider the program usage flow as straightforwardly as possible. The ease of use of technology determines how addicted people become to it [16]. They should reduce the number of extraneous pop-ups and steps required to execute actions. The study also found that Age and Gender influence the habitual use of OFD applications. Providers of OFD applications must therefore examine user behavior by Age and Gender. Companies must prioritize old group habits while also considering male groups.

### 5.3 Trust on OFD applications Companies

The lowest score in Habit descriptive analysis states that users do not entirely trust the application's OFD. OFD applications providers must emphasize the importance of collaboration among all stakeholders, especially between food delivery app providers and their vendors. Providing users with relevant information from food/beverage selection to order receipt would also increase consumer trust [17]. The study found that age has a moderating effect on habitual use of OFD applications. OFD application providers should focus on user trust, especially among the young age groups.

For further researchers, the authors suggest conducting research to determine other factors that affect the use of an application, conducting research on the same object in a different country, and employing all of the UTAUT2 model's variables.

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