

# Factors that Determine the Use of Online Food Delivery

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## Abstract

Technology helps MSMEs to increase sales and expand their sales channels. Currently there is a special m-commerce option for online food delivery. In Indonesia, there are already several brands of m-commerce platform providers used by MSMEs. This study aims to look at the choice of MSMEs in using online food delivery and what factors are the reasons. This study uses a qualitative approach, involving 72 F&B businesses using online food delivery in Bandung, Indonesia. Data was collected through an online survey. Data analysis used two coding steps and used cross-case analysis to obtain the results. The results obtained from this study are divided into two results, the first are those who use the platform and those who do not. Both have decisive factors in use. This research is useful for MSMEs facilitators to find out the patterns that occur in the field. Practically, this research also helps online food delivery platforms to increase the pull factors in their use, so that they can help MSMEs develop their business more broadly.

## Keywords

*MSMEs, e-business, m-commerce, online food delivery, innovation*

## 1. Introduction

The COVID-19 pandemic has had a major impact on people's buying habits. Nowadays people have moved to online to shop for their daily needs (Sardjono, 2021). E-business can be a differentiator from a company to its competitors (Bharadwaj, 2000). At the scale of large and small businesses, e-business has a positive impact on business (Meroño-Cerdan and Soto-Acosta, 2005). E-Commerce and M-Commerce have an important role in today's online business. Technology continues to develop and makes transactions between businesses and consumers affordable with mobile phones (Ahmad, 2013). M-commerce provides flexibility to users in using it in various places (Niranjanamurthy, 2012).

With the development of m-commerce, increasing the use of online food delivery applications. Currently, there are many online food delivery applications in Indonesia, such as Gofood, Grabfood, ShopeeFood, Traveloka Eats and others. MSMEs in the F&B field are starting to use this app to increase their sales and business. Currently, for the F&B business, this is one of the business strategies that must be carried out in the midst of intense competition. This study aims to determine the determining factors of MSMEs in using or not using online food delivery. Knowing this data will help online food delivery providers to develop special features in their applications and increase the value of their offerings in order to increase the number of users.

## 2. Literature Review

The development of online food delivery continues to increase along with the growth of mobile smartphone users. The increase in sales was also seen in online retail. Food delivery provides a new experience and changes consumer habits to spend their money in the F&B business. Online food delivery has made it easier for consumers to choose and buy food products without having to come directly to restaurants or places to eat. No need to face long traffic jams. In addition, it also provides benefits to the seller, to be able to reach buyers more broadly and be more targeted. Online food delivery provides great opportunities for the development of the F&B business (Ha, 2013; See-Kwong et al. 2017; Lau and Ng, 2019; Alalwan, 2020). According to Li et al. (2020), in general, online food delivery opens up business opportunities, creates jobs and increases sales. However, from the sustainability effect, from an economic perspective, there are costs that need to be spent more as transaction costs. Environmentally, there is increasing waste, as well as a large carbon footprint. In addition, from a social perspective, health is a major concern.

Online food delivery is present as a solution to problems that arise in urban areas, that workers need practical solutions for their food ordering process (Das and Ghose, 2019). Online food delivery can provide a good experience for consumers, especially in terms of ordering that you don't have to rush, you can choose the menu calmly (Gupta, 2019). Saving time is a critical issue in online food delivery in the process of purchasing and delivery (Jeng, 2016). The important factors of online food delivery are in 2 parts. First, how direct factors affect business performance, such as duration of delivery time, online service, appropriate prices and the resilience of food products in delivery. In addition, there are indirect factors, where menu variations, location, customer service and tracking when product delivery are important things to consider in using online food delivery (Saad, 2020). The existence of online food delivery provides good productivity and increases engagement with customers (Kimes, 2011).

## 3. Methodology

The method used in this research is using a qualitative approach. Qualitative data were analyzed using 2 stages of coding. The coding data was then quantified for cross-case analysis with the existing variable data. The data from this analysis are then examined for similarities and differences.

## 4. Data Collection

This study uses a qualitative approach, involving 72 F&B businesses using online food delivery in Bandung, Indonesia. Data was collected through an online survey. Data analysis used two coding steps and used cross-case analysis to obtain the results.

## 5. Results and Discussion

From the research results, there are two categories, namely those who currently use and have not used online food delivery. There are specific reasons stated by respondents regarding the use of online food delivery. The data shows that there are 25 people who have used online food delivery in their business, and 47 people who have not used online food delivery.

Table 1. Factors of Using Online Food Delivery

Factors	Total
Marketing	23,8%
Sales	33,3%
Connect to Customer	42,9%
SUM	100,00
N = Documents	72

The table provides information about the factors of why F&B businesses manage to use online food delivery service. According to the data, the factors are widespread into three different categories. Most participants see online food delivery as a way to connect with the customers. Sales placed as the second reason, while marketing is considered to be the least factor among the three. One respondent revealed that participating in online food delivery is to increase engagement with consumers, “so that consumers can access our products from anywhere”. On sales, one respondent said, "the impact of using the application increases our sales". In terms of marketing, respondents gave their views, "The impact of sales is more reaching in several areas so people who don't pass through the selling place can buy it." full sales from online delivery from the three channels” as stated by other respondents in their impact on marketing.

Table 2. Factors of Not Using Online Food Delivery

Factors	Total
Reseller	5,9%
Offline Store	9,8%
Niche Market	3,9%
Raw Material	2,0%
Marketplace	2,0%
Social Media	2,0%
Pre-Order	21,6%
Willing to Register	52,9%
SUM	100,00
N = Documents	72

This table provides factors that affect F&B businesses for not using any food delivery services. Overall, we may conclude it into three main factors; willing to register, pre-order, and the presence of offline store. In accordance to the data, more than a half of participants (52.9%) are actually willing to register their business. Online delivery services also become an issue for 21.6% businesses with pre-order system and 9.8% businesses who run an offline store. Respondents revealed that they have not yet used willing to register, “Not yet, maybe in the future they will use online food delivery. Because by using these apps we can provide attractive promotions and consumers can order them more easily.” Another strong reason is that their business is pre-order, so they can't provide it every day like online food delivery. This study confirms previous studies related to effectiveness and efficiency in food delivery (Das and Ghose, 2019; Saad, 2020).

## 6. Conclusion

The results obtained from this study are divided into two results, the first are those who use the platform and those who do not. In number, there are more of those who have not used online food delivery. However, from the data obtained, half of them revealed that they are willing to register, because they are currently preparing their business in

online food delivery. This research is useful for MSMEs facilitators to find out the patterns that occur in the field. Practically, this research also helps online food delivery platforms to increase the pull factors in their use, so that they can help MSMEs develop their business more broadly.

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## Biography

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