

Influencing Factors of Repurchase Intention on Online Food Delivery Service in Indonesia

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Abstract. The purpose of this study was to determine the factors that influence repurchase intentions at online food delivery services in Indonesia. This study uses a quantitative study method with a cross-sectional approach with purposive sampling as the sampling technique. The sample of this research is ShopeeFood users who live in Greater Jakarta and are less than 40 years old. This study found that several factors influence repurchase intentions at Shopee Food, such as performance expectancy, habit, impulsive buying tendency, and openness to novelty. Impulse buying tendency was the most substantial factor influencing repurchase intention. Furthermore, congruity to self-image is not proven to have a significant positive effect on repurchase intention. This research only focuses on how certain factors influence the repurchase intention of Generation Y and Z OFDS consumers. So further research is needed to examine other internal and external factors. This research provides information on ShopeeFood management in making managerial decisions.

Keywords: *repurchase intention; online food delivery system; impulse buying; performance expectancy*

1. Introduction

The development of online shopping technology is currently not only centered on e-commerce but has also penetrated online services such as online transportation and online food delivery systems (Chang et al., 2014). Online food delivery system technology has increased since the Covid 19 pandemic. These services make it easier for customers to choose and buy food. The COVID-19 pandemic has changed the pattern of people's lives, especially in terms of the need for technology. More and more new technologies are emerging and used by the community to support their needs, one of which is the presence of OFDS.

There are three platforms of online food delivery systems that dominate the food delivery market in Indonesia, namely Grab (49%), Gojek (43%), and Shopee Food (8%). The competitive landscape in Indonesia continues to be dynamic, with the presence of new platforms (Shopee Food) that can attract consumer interest. ShopeeFood as a newcomer should understand what factors can affect customer repurchase to survive in the online food delivery system competition with GrabFood and GoFood.

The price war and massive discounts that initially only lasted between the two business giants, GrabFood and GoFood, are now being followed by ShopeeFood. Snapcart Indonesia (2021) shows that ShopeeFood is still lagging behind GoFood and GrabFood regarding brand awareness, popularity, and consumer and merchant preferences for using food-delivery services. Based on the red ocean market phenomenon that occurs in OFDS, which is shown through intense competition, price wars, and large companies fighting for the same market share, it is important to examine the factors that influence repurchase intention on OFDS, especially ShopeeFood which is relatively new compared to OFDS which has already been established. ShopeeFood as a newcomer entering the market, must struggle to compete in the OFDS market.

Based on the explanation above, this study aims to identify the determinants of intention to reuse the ShopeeFood application. In particular, this study uses UTAUT2 (Unified Theory of Acceptance and Use of Technology 2) for empirical analysis. However, in the search that has been carried out, no research discusses explicitly the factors that influence consumer repurchase intention, especially in the context of newcomer OFDS. Furthermore, previous studies only tested consumer intentions toward OFDS services (Gunden et al., 2020; Yeo et al., 2017). OFDS is still limited to several categories, therefore, this study aims to fill the research gap by creating a conceptual model that explores the factors that influence repurchase intention in the OFDS context by analyzing the role of performance expectancy, habits, impulse buying tendencies, congruity with consumer self-

image, and consumer openness to novelty toward repurchase intention in online service delivery system Shopee Food.

2. Literature Review

Repurchase Intention

Repurchase intention is the desire to buy something based on the previous buying experience. Repurchase intention is the process of purchasing goods or services from the same company (Hellier et al., 2003) based based on past purchase experiences.

Performance Expectancy

Performance Expectancy is the level where the use of technology will provide benefits for consumers in carrying out certain activities (Venkatesh et al., 2003). Performance expectancy is an individual's perception that the use of the system will improve performance. Previous research has shown that performance expectancy has a positive effect on repurchase intention. Muangmee et al., (2021) found that PE has a positive effect on repurchase intention in OFDS in Bangkok. This result is also supported by Gunden et al. (2020) in OFDS in the United States. Based on the description above, thus:

H1: Performance Expectancy has a positive effect on repurchase intention.

Habit

Habits describe consumers' use of information systems on an ongoing basis. This is driven by satisfaction from previous purchasing experiences (Khalifa & Liu, 2007). Habits are shown through the extent to which individuals tend to perform behaviors automatically due to the learning process (Limayem et al., 2007). Mobile apps are expected to continue to use the system if there is a pattern of habitual behavior toward the application (Hsiao et al., 2016). Habit is also defined as repeating something continuously in the same activity. Individuals can make habits without thinking about them first because they are embedded in the soul and become personal. Previous studies have shown that habit has a positive effect on repurchase intention. Lee et al. (2019) found that habit has a positive effect on repurchase intention on OFDS in South Korea. Urueña-López et al. (2012) found that satisfaction and habit are the main predictors of online repurchase intention in the e-commerce business in Spanyol. Based on the description above, thus:

H2: Habit has a positive effect on repurchase intention.

Impulsive Buying Tendency

Impulsive buying tendency has been defined as the degree to which a person allows inadvertent, immediate, and non-reflective behavior (Beatty & Ferrell, 1998). Gunden et al. (2020) found that customer purchase intention is influenced by impulsive buying tendency. Goel et al. (2022) stated that *e-impulse buying tendencies* (e-IBT) has a positive effect on satisfaction and repurchase intention. Based on the description above, thus:

H3: Impulsive Buying Tendency has a positive effect on repurchase intention.

Openness to Novelty

Openness to novelty describes how individuals pay attention to and obtain new information, events, and experiences. Gunden et al. (2020) stated that this relates to memories that require maintenance, awareness of past experiences, and knowledge gained. Openness to novelty is an individual interested in something new and desires to know and try something new. Individuals with this trait tend to be more creative, imaginative, and intellectual, have high curiosity, are broad-minded, very open, curious, and sensitive to artistic things. Conversely, those who are not open tend to be conventional and feel comfortable with existing things. Based on the description above, thus:

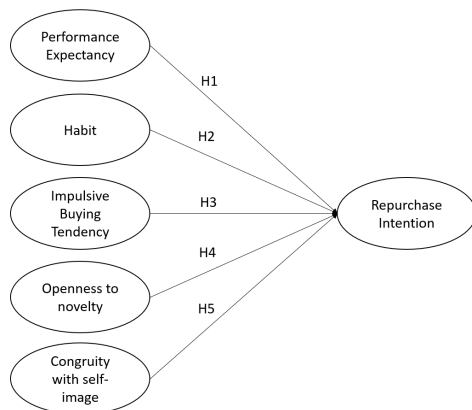
H4: Openness to novelty has a positive effect on repurchase intention.

Congruity with Self-Image

Self-image congruence is important to OFDS as a food service (Jeong & Jang, 2018) and has influencing purchase intentions. According to Yu, Lin, & Chen (2013), congruity with self-image has an effect on the purchase intention of internet users in many countries. The stronger congruity with self-image the stronger customer repurchase intention in online food delivery systems (Gunden et al., 2020). Foster (2019) and Khalid et al. (2018) also found that congruity with self-image has a positive effect on the repurchase intention. Based on the description above, thus:

H5: Congruity with Self-Image has a positive effect on repurchase intention.

Figure 1
Conceptual Framework



Source: Gunden et al. (2020)

3. Research Methodology

This research uses a quantitative study method with a cross-sectional approach. The sampling method used is purposive sampling, with the respondents' criteria individu who have order food using ShopeeFood and are less than 40 years old. According to (Sarstedt et al., 2019), determining the number of samples, which is considered representative, depends on the number of research indicators multiplied by 5 to 10. The number of samples in this study is 25 indicators multiplied by 7 to produce 175 samples. Based on these calculations, the minimum sample needed to be collected is 175 respondents.

This study uses a significance level of 5% (Sekaran et al., 2013), Hypothesis testing is carried out in one direction (one-tailed) with t-statistic >1,65. PLS-SEM analysis using SMART PLS version 3.3 software. This is considered because the software includes a basic and advanced menu (Ringle et al., 2015). The results of the PLS-SEM test will produce two models: the outer model (measurement model) and the inner model (structural model). The outer model will test the reliability and validity of the construct indicators. While the inner model will show the relationship between constructs and test the influence between constructs with coefficient analysis.

4. Results and Discussion

There are 196 respondents in this study, and their profiles can be seen in table 1.

Tabel 1
Respondent Profile

Item	Total	Percentage
Gender:		
• Male	85	43.36%
• Female	111	56.63%
Age of Respondent:		
• <21 years old	24	12.24%
• 21–30 years old	170	86.73%
• 31–40 years old	2	1.02%
Location		
• Jakarta	99	50.51%
• Depok	1	0.51%
• Tangerang	94	47.96%
• Bekasi	5	2.55%

The validity and reliability testing results are shown in Table 2. All indicators have an outer loading value from PE, Habit, Impulsive Buying Tendency, congruency with self-image and repurchase intention above 0.4, and the

composite reliability (CR) value above 0.7 for all variables and average variance extracted (AVE) value for all variables is above 0.5. This means that all variables and indicators in this study is valid and reliable.

Table 2
Validity and Reliability Testing

Constructs & items	Outer Loading
PE (CR=0.905/AVE=0.578)	
PE1	0.481
PE2	0.593
PE3	0.786
PE4	0.451
PE5	0.794
PE6	0.463
PE7	0.548
Habit (CR=0.939/AVE=0.741)	
KEB1	0.885
KEB2	0.840
KEB3	0.870
KEB4	0.847
Impulsive Buying Tendency (IMP) (CR=0.935/AVE=0.708)	
IMP1	0.833
IMP2	0.869
IMP3	0.846
IMP4	0.856
IMP5	0.802
Openness to novelty (KB) (CR=0.945/AVE=0.769)	
KB1	0.857
KB2	0.858
KB3	0.914
Congruency with self-image (KC) (CR=0.956/AVE=0.884)	
KC1	0.941
KC3	0.939
Repurchase Intention (CR=0.901/AVE=0.629)	
PI1	0.671
PI2	0.815
PI3	0.827
PI4	0.847

Notes. CR= Composite Reliability; AVE= average variance extracted.

Table 3
Discriminant Validity Testing

	IMP	KB	KC	KEB	PE	PI
IMP	0.842					
KB	0.587	0.877				
KC	0.670	0.755	0.840			
KEB	0.584	0.712	0.810	0.861		
PE	0.283	0.456	0.429	0.439	0.603	
PI	0.564	0.591	0.532	0.570	0.444	0.793

In Multicollinearity testing, there is no multicollinearity effect in this study. It can be seen that all constructs have values below 0.9 when correlated with other constructs. Thus, all construct indicators in this study have been discriminated against properly, so they can measure each construct according to Table 4. It can be seen that all variables have a VIF value below five so it can be concluded that there is no indication of collinearity in this research model and can be continued with the evaluation of the inner model. to the next stage.

Table 4
Variance Inflation Factor

	IMP	KB	KC	KEB	PE	PI
IMP						1.874
KB						2.668
KC						4.010
KEB						3.197
PE						1.308
PI						

Table 5
R-square

	<i>R Square</i>	<i>R Square Adjusted</i>
PI	0.478	0.465

Repurchase intention as the dependent variable in this study has an R-square of 0.478 and thus is included in the moderate category. This means that the repurchase intention variable can be explained by 47.8% by performance expectancy, habit, impulsive buying tendency, congruity with self-image and openness to novelty. The remaining 52.2% is influenced by any factors not included in this study.

Table 6
Hypothesis Testing Results

	Hypothesis	Standardized Coefficient	t-statistics	Result
H1	Performance Expectancy has a positive effect on repurchase intention.	0.190	2.548	Accepted
H2	Habit has a positive effect on repurchase intention.	0.258	1.995	Accepted
H3	Impulsive Buying Tendency has a positive effect on repurchase intention.	0.316	3.665	Accepted
H4	Openness to novelty has a positive effect on repurchase intention.	0.255	2.245	Accepted
H5	Congruity with Self-Image has a positive effect on repurchase intention.	-0.161	1.078	Rejected

Table 6 shows that Performance Expectancy has a positive effect on repurchase intention. This result supported by previous research (Chou & Chen, 2018; Gunden et al., 2020). Habit has a positive effect on repurchase intention. This result supported by previous research (Lee et al., 2019; Urueña-López et al., 2012). Impulsive Buying Tendency has a positive effect on repurchase intention. This result supported by previous research (Chung et al., 2017; Gunden et al., 2020). Openness to novelty has a positive effect on repurchase intention. This result supported by previous research (Jang & Feng, 2007; Lixandriou et al., 2021). Congruity with Self-Image has no effect on repurchase intention. Based on congruity with self-image descriptive statistical analysis results, respondents have a good response on congruity with self-image with Shopee Food, but it does not affect repurchase intention. This result could be because Shopee Food is a newcomer to online food delivery service in Indonesia, different from other competitors such as GoFood and Grab Food, which has been around for a long time in Indonesia.

5. Conclusion, Managerial Implication, Theoretical Implication, and Suggestion to Future Research

The conclusions of this research are Performance Expectancy has a positive effect on repurchase intention, Habit has a positive effect on repurchase intention, Impulsive Buying Tendency has a positive effect on repurchase intention, Openness to novelty has a positive effect on repurchase intention, and Congruity with Self-Image has no effect on repurchase intention.

This study succeeded in supporting the results of previous studies, which found that performance expectancy, habit, impulsive buying tendency, and openness to novelty positively affect repurchase intention. Performance expectancy, habit, impulsive buying tendency, and openness to novelty are essential factors in increasing

repurchase intention in the online food delivery service industry. Therefore, online food delivery service business managers need to pay attention to and improve these factors in their business activities.

Further research suggests doing the same research in several other big cities in Indonesia, such as Medan, Surabaya, and others. Using other online food service delivery platforms such as Go Food and Grab Food to test whether congruity with self-image affects repurchase intention.

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