FACTORS INFLUENCING ONLINE FOOD DELIVERY APP ADOPTION AMONG UNDERGRADUATE STUDENTS IN KUALA LUMPUR CAPITAL, MALAYSIA

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Abstract

The purpose of this study is to examine the influence of customer preference, attitudes, and interpersonal influence toward the online food delivery app adoption and to help the online food delivery app managers on how to improve online food delivery app adoption. The Technology Acceptance Model (TAM) was applied to explain the attitudes of the undergraduates. A sample of 231 undergraduate students participated in an online survey. This research used convenience sampling methods in terms of sampling methodology. The information collected comes mostly from the use of questionnaires as the primary instrument. The data was then analysed using descriptive statistics in SPSS software for each variable. The study found that attitudes have the most significant influence followed by customer preference on the online food delivery app adoption. However, all the IVs (customer preference, attitudes, and interpersonal influence) were significant predictors of the DV (online food delivery adoption) among undergraduate students in Kuala Lumpur, capital, Malaysia. The study result provides implications for researchers who have the same topic to gain more knowledge and E-business to understand more on customer preference, attitudes, interpersonal influence and the significance and correlation with online food delivery app adoption as well.

Keywords: Online food delivery app adoption, Customer preference, Interpersonal Influence, and Attitudes.

1.0 Introduction

Recently the evolution in the field of the internet has boosted the e-commerce industry worldwide such development leads to the creation of online food delivery apps. Food is undoubtedly a necessity and getting food with the help of such applications has greatly generated e-commerce, especially among youths’ people which are seen to be more passionate about ordering food and getting it delivered to their doorstep in a very short time (Borgohain, 2019). This study investigated the positive relationship between preference, attitudes, and interpersonal influence intention among young consumers. Commonly the young generation, which is referred to as Generation Y and Z, have been found globally to possess a high propensity to spend and focus increasingly on food and convenient delivery. In addition, one of the most influencing factors that contribute to the behaviour towards online food delivery applications among the youth depends on their monthly income.
To note, the sample of the study is undergraduate students in Malaysia. Briefly, many university students tend to order meals from restaurants located outside the campus due to the limiting choices in the university cafeteria’s menus and delivered to the customer location. Further, both qualities of the food and speed of delivery are important. The time-saving factor raises the value of the services offered as it reduces the amount of time and energy consumers spend (convenience) buying a product, and it has been shown to be significant (Yeo, Goh & Rezaei, 2017). Thus, the most motivating factor that leads students to order online is the studying hours.

Online food ordering is the process of ordering food from either a website or an application. It is now a fast-growing business model (GD & SURESH, 2020). Furthermore, it fulfils the necessities of people living a busy life in the city that put in their request on the food delivery service app and receive delivery within a few minutes (Koiri, Mukherjee & Dutta, 2019). Moreover, common attitudes perceived or experienced toward a specific behaviour is described as “the degree to which a person has a favourable or unfavourable evaluation or appraisal of the behaviour in question” (Ajzen, 1991; Nguyen et al., 2019). However, another factor that affects online food delivery apps is customer preference. In fact, the preference of a customer is a common term in the marketing area which determines the choice of a certain product or service over similar products and services. Economically speaking, such a term can show consumer preferences which are considered to be those individuals’ tastes depending on how useful different sorts of goods are (FA, Omigie & Daniel, 2014; Kontot, Hamali & Abdullah, 2016). One part of interpersonal communication is interpersonal influences which have an essential impact on consumers. It is the process of exchanging information between one person and at least one other person, or usually between two people who can be known backwards directly. The previous research examines two dimensions of susceptibility to interpersonal influences: (a) interpersonal normative influences and (b) interpersonal informational influences (Huang, Shi & Wang, 2012; Alfisyahr & Devita, 2019).

The previous studies have examined the relationship of attitudes towards online food delivery, while less attention has been paid to the context of undergraduate’s preference, interpersonal influence, and online food delivery in Malaysia. Since limited studies have been conducted on undergraduate students’ customer preference in regard to online food app purchases, it is still ambiguous if whether customer preference affects the trend of using online food delivery applications. Therefore, this research aims to explore the customer preference, attitudes, and interpersonal influence among the undergraduates in Kuala Lumpur capital, Malaysia.

2.0 Literature Review

The purpose of this research was to examine the factors that affect online food delivery app adoption among undergraduate students in Kuala Lumpur, Capital, Malaysia. In this chapter, past relevant literatures related to the topic will be illustrated corresponding to the topic presented. In addition to that, three independent variables will be illustrated which are (1) Customer preference, (2) Interpersonal Influence and (3) Attitudes will be discussed along with the research framework of this research.
2.1 Online food delivery app adoption

The food delivery market is huge in Southeast Asia. Whilst the food industry is regarded as a business that is worth a trillion of dollars whose delivery market is a small segment of the whole business (Kandasivam, 2017; Lau & Ng, 2019). Food delivery serves the needs of those who are occupied with loads of work and need to place an online order with a blink of an eye and receive the delivery (Kedah, Ismail, Ahasanul & Ahmed, 2015) meaning that the main reason behind using food delivery service is the need for convenient and quick meals after or during a busy working day (Lau & Ng, 2019). On the other hand, sometimes people in Malaysia waste a lot of time searching for a suitable restaurant to dine at and more time to choose and order the food they want along with the time spent eating which eventually encouraged the emerge of online food delivery. As a result, the expected revenue of online food delivery is $300 million with a growth rate of 19% over the period of 2019 to 2025 (Priyadarshini, 2019). There are a lot of firms involved in the business of delivery services. Some examples of those firms are Food Panda which is the first company in this kind of business then other companies followed such as DeliverEat, Grab Food, Honestbee, Running Man Delivery, FoodTime, Dahmakan, Mamamam, and Shogun2U. Most of those companies operate mainly in urban areas like Kuala Lumpur, Penang, Klang Valley, and Johor Bahru because there is a challenge imposed regarding locations and coverage which can be handled through elaborating with a third-party logistics provider known as 3PL delivery to help sustain customers’ loyalty ending up with many online food delivery firms, yet none is dominant (Lau & Ng, 2019).

2.1.1 Study location

Nonetheless, most of the universities are located in Kuala Lumpur capital. Therefore, selecting Kuala Lumpur as the study location specifically in the private universities such as APU, TAYLORS, UCSI, MAHSA and LIMKOKWING universities as well as public universities such as UPM, UniKL and INTERNATIONAL ISLAMIC universities. Therefore, choosing different universities in different areas is because the study needs to examine the influencing factors based on wide customers in different places. Factors may vary depending on the location of the university since each university may not be located close by or near a food vending facility, therefore the usage of food delivery applications may vary based on the availability in the area.

2.2 Relationship between customer preference and online food delivery app adoption

Badhusha (2019) identifies the reason for utilizing a mobile app to order food, to rank the foods preferred for digital food ordering, and to identify the best predictor that influences the choice of digital food portal services. However, one of the fastest-growing segments of digital commerce is the food delivery services market. The scope of an interface between the end-user and the seller is the main change between traditional and digital food ordering. The sample size consists of 65 digital food buyers. In addition, "Discount coupon/cashback" are the most important findings in this study and are the strongest predictors that influence customers to select digital food ordering. Trends in the digital food ordering scenario have undoubtedly transformed the changing customer lifestyle and the expansion of digital operation in Tiruchirappalli region, India. The study by Lubis (2018) analysed the online shopping customer preference, the study target big cafes customers totalled 200 respondents in Medan City, North Sumatera Province.
Moreover, year to year, the growth of both sellers and online shopping enthusiasts in the online market continues to increase. Market shopping habits, both conventional and online, are essential to successful purchases. In determining that sales are built into the online market and stay within the traditional market, sellers need to be mindful of their target customer profile. Demographics and ownership of online shopping applications are the proposed predictor variables. The findings show that online shopping decisions are heavily affected by gender variables, levels of income and applications for online shopping. Daily life, age and education variables do not have a huge impact on both online and traditional shopping preferences.

Nagaraj & Vijayalakshmi (2018) stated that for several factors, the growth in the usage of smartphones has given rise to a range of mobile apps. In urban areas, ordering food online has seen a major rise. The entry of companies into the delivery of food through the business of mobile apps is proving to be profitable. The study identifies and analyses the customer's preference to use mobile apps for ordering food. The sample is collected from 220 customers utilizing mobile food ordering apps. A structured questionnaire is used to collect the responses in the Hyderabad region using a convenience sampling method. The study shows an interesting consumer demographic profile and reports the positive impact on the intentions to use mobile apps of the six main factors (ease-of-use, convenience, deals & coupons, speed of delivery, no time for cooking and variety of food).

Uddin & Sultana (2015) identified the critical factors to online shopping preference. An overall positive reaction to online shopping was shown by the results of an extensive survey. In addition, the research offers some interesting insights into customer preferences in Bangladesh for online shopping. There is a positive attitude towards online shopping in the survey of 524 urban respondents, due to the fact that online shopping is convenient since it does not consume a lot of time. The main variables that determine customers’ preferences include age, gender, income and occupation, family structure as well as their knowledge of ICT. The outcomes stated that youngsters are more likely to shop online since they are frequent users of the internet. Basically, the findings help to show the motivation towards creating target-oriented online sales besides observing customers’ attitudes towards shopping online. Therefore, some customers in some parts of the world might not be ready for online shopping.

2.3 Relationship between Attitudes and online food delivery app adoption

According to Yeo, Goh & Rezaei (2017), the study investigates the structural relationship of online food delivery (OFD) services through concentrating on customers’ behavioural attention along with their attitude. Previous research, however, has mainly explored customer perceptions towards online services in general, with only a few researchers focusing on the idea of online food delivery (OFD) services with consumer experiences. The thesis proposes an integrative model of theoretical analysis focused on the Contingency Framework and the IT Continuance Extended Model. 224 relevant surveys were conducted in order to strengthen the validation of the research’s model through adopting a path modelling method known as the partial least square (PLS) for the sample of students at Klang valley universities. In addition, theoretical foundations’ validity was further demonstrated by the findings. There has been also an illustration of the association that bonds latent variables of both behavioural intentions and attitudes. This implies that the attitude of an individual towards OFD services would dramatically improve with a better understanding of post-use utility and convenience motivation, thus increasing intentions to use OFD services.
Prabowo & Nugroho (2018) examined the influence of several variables on Online Food Delivery Service attitudes and behavioural intention. The sample size consisted of 732 participants. The outcome of this research indicates that the interpretation of use influences the attitude and behavioural purpose towards the Go-Food application (app), whereas there are some external factors affecting the usefulness of such an app including time-saving orientation as well as hedonic motivations. Therefore, those factors should be considered since they affect online food delivery services directly since they have to do with behavioural intention, convenience, and attitude of customers, and Go-Jek, Go-Foo.

Chen, Liang, Liao and Kuo (2020) stated that the growth of numerous food distribution platforms with the advent of the Online to Offline (O2O) era not only provides customers with more options but also enables restaurant operators to attract more potential consumers and increase their additional revenue. Using a standardised questionnaire, the authors describe the factors affecting buying behaviour as well as the relationship between the online food service and the facilities offered. The analysis is based on the theory of planned behaviour (TPB) and contains the research variables 'utilitarian value' and 'hedonic value'. SEM was used to validate the study findings and assess consumers' buying intentions for online food distribution platforms. An online survey was conducted, a total of 1082 questionnaires were considered correct from 1300 distributed questionnaires, with a successful recovery rate of 83.23 per cent.

The research findings were as follows: (1) consumer attitude, subjective norms, and perceived behavioural control have a significant positive effect on utilitarian and hedonic value; (2) utilitarian and hedonic values have a significant positive effect on purchase intention; and (3) utilitarian and hedonic values have a mediating effect on attitude, subjective norms, and perceived behavioural control. Based on the findings, food delivery platform operators will develop successful management strategies and expand their market opportunities by identifying the main factors that motivate customers to use their services.

Panse, Rastogi, Sharma & Dorji (2019) examined the growth of the food aggregator industry as well as the business model that these businesses adopt and how it impacts India's conventional restaurant industry. This research aims to provide a detailed link between the attitudes of consumers towards online food ordering. Also, customers' actions towards online food distribution sites, which are rapidly transforming the food retail landscape across India. The research, therefore, focuses on examining the drivers of customer behaviour towards food delivery apps online. According to the results, variations such as convenience, control, information ease and technology anxiety all have a significant effect on customer loyalty, which has a significant impact on shoppers’ intentions.

2.4 Relationship between interpersonal influence and online food delivery app adoption

In Hanoi, Vietnam, Kim Dang et al. (2018) discovered variables correlated with using the Internet to get access to food services. Nine classes were created with a total of 92 students and a professor supervised each group. Therefore, the researchers suggested that online interactions, especially by peers have a great influence on participants that seek online food products. These are predicted results that can be clarified by the high degree of interaction that the Internet has brought. When peers share, post photos or reviews on social media about food items, those who are easily persuaded by the choice of others usually follow their peers’ when choosing as they have more experiences. In the case that the source of the data is reliable and checked by the relevant authorities, it will be helpful. It would be unprofitable, on the other hand, if peers’ judgments were unjustified and biased. As a result, this form of contact is
impulsive while still posing some kind of risk to food safety. To ensure food safety, the details of an online food product must be double-checked by credible sources.

According to Kim & Srivastava (2007), purchasing decisions are also highly influenced by individuals who are recognized and trusted by the buyer. In addition, before making a buying decision, many online shoppers choose to wait for the reviews of early adopters to reduce the risk of purchasing a new product. Recently, e-commerce companies have begun to collect data on the social engagement between consumers on their websites, with the possible goal of recognizing and exploiting social impact in the decision-making of customers to enhance the management of consumer relationships and increase sales. The paper presents a summary of the effect of social impact on decision-making in e-commerce to provide guidance for researchers and businesses interested in related issues. They identify how social impact data can be obtained from online consumer behaviours and how e-commerce websites can use social power to support the decision-making process of consumers.

According to Verma, Sharma, Bhalla & Mehta (2019), marketers have also discovered a great potential to take part in peer-to-peer (P2P) contact by improved socialization practices by individuals through online social networking sites. In past literature on electronic word of mouth, the three behavioural dimensions highlighted are knowledge passing through actions, giving opinions, and finding behaviour. The correlation between social relationships and eWOM (Electronic word of mouth) on online social network websites has been analysed using one of the most influential social relationships of interpersonal influence, since it serves as a major factor in customer decision-making. Keeping the same interpersonal impact in mind was considered to research the relationship of such impact on electronic word of mouth on online social network websites. Three constituents of interpersonal impact, i.e., expressive importance, utilitarian & informative influence, were considered for a better understanding of the specified relationship. A survey of 1000 respondents from Mohali & Jalandhar social networking site users.

3.0 Methodology

![Research Framework](image)

**Figure 1 Research Framework**
The following are the testing hypotheses for the above framework:
H1. There is a relationship between customer preference and online food delivery app adoption
H2. There is a relationship between attitudes and online food delivery app adoption
H3. There is a relationship between interpersonal influences and online food delivery app adoption

Technology Acceptance Model: This theory was put forward by Davis (1986). The Technology Acceptance Model is an information management hypothesis that describes how people adopt modern technology. TAM also assists in the detection of different factors that affect consumers’ adoption of new technologies. The two most critical dimensions of simple TAM are the usefulness and ease of use in terms of computer systems or technologies. The user's attitude towards a specific technology and how their job can be done efficiently are described as usefulness. The user's understanding of how simple his or her work can be is called ease of use. Several researchers have developed the TAM based on their research interests, however, TAM2 in the e-commerce sector states that perceived risk and trust are two important factors that have been found to be effective when using the system. TAM theory is a development of the theory of reasoned action (TRA), which states that if a user is determined to act, they will act freely and without constraints. However, researchers later discovered that in the real world, a number of variables control a user's attitude and actions, rendering it difficult to evaluate the real ease and usefulness in e-commerce (Salunkhe, Udgir & Petkar, 2018).

When applying this theory to this study, it posts that attitude impact the purchasing decision. However, consumers manage the online food ordering and distribution services through a smartphone app. Since the present study will be conducted amongst a population of undergraduate students the factors that affect the attitudes towards the usage of online delivery applications may vary and that is due to the fact that factors such as income and gender as well as background can play a part in determining the attitudes that play out through the process.

Table 1: Research Instrument

<table>
<thead>
<tr>
<th>Section</th>
<th>Variables</th>
<th>Item</th>
<th>Scale</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Online Food delivery app adoption (DV)</td>
<td>4</td>
<td>5 Point</td>
<td>Lee, Sung &amp; Jeon, (2019)</td>
</tr>
<tr>
<td>B</td>
<td>Customer Preference (IV)</td>
<td>5</td>
<td>5 Point</td>
<td>Yeo, Goh &amp; Rezaei, (2017)</td>
</tr>
<tr>
<td>C</td>
<td>Attitudes (IV)</td>
<td>6</td>
<td>5 Point</td>
<td>Yeo, Goh &amp; Rezaei, (2017); Lee, Sung &amp; Jeon, (2019)</td>
</tr>
<tr>
<td>D</td>
<td>Interpersonal Influence</td>
<td>3</td>
<td>5 Point</td>
<td>Kim Dang et al. (2018)</td>
</tr>
</tbody>
</table>

3.1 Demographic Information

A sum of 231 participants among undergraduate students comprises both Gen Y and Z in Kuala Lumpur, the capital. All of the data is gathered using Google forms, with several questions for each variable. SPSS software was used to evaluate all of the gathered data, which included demographic analysis, normality test, reliability test, multiple regression analysis, and correlation analysis.

It is critical to examine the demographic analysis of the participants in order to get the data. Males make up 124 (53.7%) and females make up 107 (46.3%) of the 231 respondents that took part in the survey. It determined that males are the majority of the participants. The
participant’s marital status shows that the most are single with 90.5%. With a percentage of 52.8, more than half of the respondents were between the age range of 21-24 years old. Regarding the spending on FDA per day, it shows that the majority spends RM30 and above per day with a percentage of 32%. As for the university of the students, it shows that most of the respondents come from APU. The majority of the students’ study 3 to 4 hours with 35.0% and a close rate for studying 1 to 2 hours daily with 33.3%. The question regarding the usage of OFD daily interpreted that most of the students use the OFD once per day with a percentage of 74%. This indicates that the fewer studying hours the less use for the OFD. Most of the students covering 62.8% answered that there are no choices of restaurants on the campus. The majority of 84% live outside the campus. Regarding the students who live on campus out of 15.6%, only 8.7% answered that they are allowed to cook on the campus. Whereas the students who live outside the campus almost half of the respondents with a percentage of 44.6% live without their family.

4.0 Data Analysis

Table 2 Pearson Correlation Analysis

<table>
<thead>
<tr>
<th></th>
<th>Customer preference Total</th>
<th>Attitudes Total</th>
<th>Interpersonal Influ Total</th>
<th>Online FD adoption Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer preference</td>
<td>Pearson Correlation</td>
<td>.586**</td>
<td>.359**</td>
<td>.626**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>&lt;.001</td>
<td>&lt;.001</td>
<td>&lt;.001</td>
<td>&lt;.001</td>
</tr>
<tr>
<td>N</td>
<td>231</td>
<td>231</td>
<td>231</td>
<td>231</td>
</tr>
<tr>
<td>Attitudes Total</td>
<td>Pearson Correlation</td>
<td>.586**</td>
<td>.475**</td>
<td>.659**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>&lt;.001</td>
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<tr>
<td>N</td>
<td>231</td>
<td>231</td>
<td>231</td>
<td>231</td>
</tr>
<tr>
<td>Interpersonal Influ</td>
<td>Pearson Correlation</td>
<td>.359**</td>
<td>.475**</td>
<td>.446**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>&lt;.001</td>
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<td>N</td>
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**, Correlation is significant at the 0.01 level (2-tailed).

Based on the table above, it indicates the correlation between independent variables which consist of customer preference, interpersonal influence, and attitudes with the dependent variable, which is online food delivery app adoption. Therefore, the CP and Atti (independent
variables) of this research show a moderate and positive correlation., while the InpI (independent variable) has a low positive correlation with the OFDA (dependent variable).

5.0 Conclusion

This study was carried out in order to acquire a better understanding of online food delivery apps, which would likely be useful in the future. The goal of this study was to see whether there was a link between customer preferences, attitudes, and interpersonal influence (independent variables) and the adoption of online food delivery apps (Dependent variable). As a result of the Multiple Regression and Pearson Correlation analyses, it was determined that all IVs had a significant relationship with DV. Interpersonal Influence has the greatest significance rate of 0.010, followed by other Customer Preferences and Attitudes, which has a significant rate of 0.001. Overall, this research was completed successfully, with all variables tested.

6.0 Limitation of The Study

Several limitations happened in this research. The first restriction was the sample size, which is small in comparison to the populations of undergraduate students in Kuala Lumpur, the capital, Malaysia. Because this study only included 231 participants, likely, it did not capture all of the participation from all groups. When there is a significant participation rate, the study will have a more varied and many points of view, leading to more accurate research. Due to the pandemic access to the specific sample size study was limited. Furthermore, this research was performed only in Kuala Lumpur, excluding other nations or regions where the majority of participants were Gen Y-Z. As a result, while completing the questionnaire based on personal experiences with online food delivery apps, there is a risk of biases. Moreover, there is just one dependent variable in this research, which is the use of online food delivery adoption. There is a chance that the independent factors will have an impact on other dependent variables. Moreover, few studies have been done in the context of interpersonal influence and online food delivery adoption. Finally, the investigation only reveals three independent factors, resulting in 52.9 percent impacted dependent variables in this study. Meanwhile, other potential variables that were not addressed in this research account for 47.1 percent of the total.

7.0 Recommendation for Future Research

This research found that all the independent factors are linked to the dependent variable, and students who study for extended periods utilize online food delivery more than three times each day. This study was conducted among undergraduate students in Kuala Lumpur. Therefore, it is suggested that a similar study be conducted among all university students such as foundation, Diploma, undergraduate, and post-graduate students. Limited studies have been done regarding the relationship between interpersonal influence and online food delivery app adoption. However, this study shows that interpersonal influence has less impact on online food delivery adoption as the major responses are neutral for all the given questions. Therefore, exploring more in this area is suggested to determine the impact of this factor. An additional suggestion in this study is to add moderator and mediator variables as other factors that affect the relationship between the independent and dependent variables in future research. Moderator and mediator variables such as studying hours, many choices of restaurants on campus, and living alone or with family might provide a more detailed explanation of how it affects both independent and dependent variables. Finally, to compare various views and behavioural
intentions about online food delivery adoption, it is suggested that these study research nations with comparable backgrounds to observe the variations for future results.

8.0 References


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