

FACTORS AFFECTING RE-PURCHASE DECISIONS THROUGH FOOD DELIVERY APPLICATIONS

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ABSTRACT

Abstract— The purpose of this research was to study demographic factors and marketing mix factors affecting consumers' re-purchase decisions through food delivery applications. The samples used in the study were 400 consumers using mobile food delivery applications and living in Bangkok and its vicinity. The instrument used was a questionnaire and data were analyzed by descriptive statistics, Chi-square statistics and Multiple regression analysis. The results showed that different personal factors of gender and marital status did not differ in the effect of repeat use of mobile food delivery applications service. In addition, personal factors of age, education level, occupation, and monthly income have repeated using of different mobile food delivery applications service at the statistical significance level of 0.05. Moreover, it was also found that the service marketing mix factors in the aspect of product, price, place or distribution channels, marketing promotion, and process factors affecting consumers' repeat using mobile food delivery applications service at a statistical significance level of 0.05. While service marketing mix factors in the aspect of person and physical evidences did not affect consumer re-purchase decisions through food delivery applications.

Keywords—Food delivery application, Re-purchase decisions, Service marketing mix

INTRODUCTION

Nowadays, the service and industrial sectors in Thailand need to adapt to cope with changes in technology. This has not only caused changes in the way of doing business and production processes but also affecting the country's economy and society through changes in consumer behavior. This can be seen from the case of technology that plays a role in the restaurant business, such as Food Delivery, which not only changes consumer behavior but it also caused a change in the restaurant business chain and made the food delivery business continually expand.

In addition, the lifestyle of Bangkok people during the past 2-3 years emphasizes the convenience that comes with technology. As a result, the food delivery service business came to meet the needs of the city people undeniably. When there is a lot of consumer demand, there will inevitably be fierce competition in the market as well. It was found that during the past 5 years, this business has continued to expand. The growth of the food delivery business is in line with a demographic structure with smaller household sizes and more convenience and time-saving consumer behavior. As a result, small and medium-sized food store can reach consumers more easily. There are many food ordering and delivery applications in Thailand. Most of which are foreign applications. At present, popular food ordering and delivery applications in Thailand include Grab Food, Line Man, Get Food, Foodpanda, Now, Robinhood etc.

According to Kasikorn Research Center (2020) stated that the crisis of the COVID-19 virus outbreak and the use of strong measures to close businesses or temporarily limit the service provision of the business sector. As a result, the restaurant business is left with a channel for buying food to eat at home and delivering food to the accommodation through various applications. According to the information of the online platform service provider, there are no less than 20,000 restaurants participating in the food delivery platform per week. As a result, in the first half of 2020, the number of meals delivered to accommodations grew by about 150 percent compared to the same period last year. There will be more online food delivery platform entering the market.

Moreover, the online behavior survey conducted by the Electronic Transactions Development Agency, Ministry of Digital Economy and Society (2017) surveyed online food delivery behavior of Thai people from 376 online respondents. The results found that most respondents were online food delivery users 85 % and found that Gen Y groups use the service the most. The online respondents gave various reasons for using the online food ordering service that they did not want to travel to eat at the restaurant by themselves, followed by not wanting to

waste time sitting in the queue and various discounts in applications, respectively. For online food ordering, many people have chosen platforms or applications that help order food first because there are different interesting promotions, followed by ordering directly through the restaurant's platform. and ordering via messaging to various online channels of the store such as Facebook, Instagram, respectively.

Although the food delivery business will provide services in the form of a similar menu. But there are different flavors according to the identity of each store and there are marketing promotions to attract consumers to use their applications. It has made the food delivery industry extremely competitive in the market (Chuymrang et al., 2021). Therefore, if food delivery business knew consumer behavior and marketing mix factors that influences the repeat service of the food delivery business. The approach used by the researcher in this study is the service marketing mix. consisting of product, price, place, promotion, person, process and Physical (Kotler, 1997). The results from the research will be used to develop applications and formulate marketing strategies, including market segmentation and targeting markets that are in line with consumer behavior. This will help the design and development of applications that meet the needs of Thai consumers even more.

LITERATURE & THEORY

Businesses in the service industry are different from businesses in the general consumer goods industry. Because there are both tangible products and intangible products. Therefore, the marketing strategy used in service business needs to provide a different marketing mix from marketing in general. Philip Kotler gave the concept of a marketing mix for service businesses or Service Marketing Mix, or 7Ps (Kotler, 1997). It is a factor that the business can control which business must create the right marketing mix in marketing strategy and planning to enable the business to achieve its goals. The service marketing mix, or 7Ps, which includes Product, Price, Place, Promotion, Process, People, and Physical. Product refers to anything that responds to the needs of consumers to be satisfied. Products offered for sale may be tangible or intangible which consist of physical goods, services, experiences, events, persons, places, properties, organizations, information and ideas. Product must have utility and value in the eyes of consumers. Price refers to component that generates revenue, while other factors are expenses. Price is the cost of the consumer, where the consumer will have a comparison between the value of the product and the price of the product. if the value is higher, consumers will decide to buy. The presentation of the price must take in account the value in the eyes of consumers which are product costs, related costs, competition and other factors. In which the price of ordering food online must be suitable for the quality of food received. Place refers to a channel for moving products and services out of the organization to the market. As for the distribution system, it consists of producers, intermediaries and consumers. Online food ordering channels refer to applications used to order food. Promotion refers to the process of marketing communication between buyers and sellers and those involved in the purchase process. Motivational information about products and brands influences changes in the beliefs, attitudes and behaviors of target consumers. Marketing promotion in the food delivery business means marketing communications for online food ordering that consumers want. Personnel refers to all persons in the organization providing that service including shop owners, executives, employees at all levels. The service quality of personnel in food delivery business refers to all persons in an organization providing online food ordering services that consumers want. Process refers to activities related to methods and practices in service presented to users in order to provide services accurately and quickly including make the service users impressed. Process consists of several steps such as welcome, on-demand services, payments, and inquiries. If the coordination between activities is inefficient, the service will not be satisfactory to consumers. The process aspect in the food delivery business refers to the methods and practices of online food ordering services that consumers want. Physical refers to the physical environment, including service business buildings, equipment and websites that are easy to use, beautiful, various forms. The more design is good-looking and easy to understand, the service should also be of good quality. The physical aspect in the food delivery business will mean the online food ordering environment that consumers want.

Repurchase refers to the attitude of consumers resulting from the experience of using the service and satisfaction that has been taken care of by the service provider and consumer loyalty towards service (Kotler & Keller, 2016; Taylor and Baker, 1994). The resulting in a positive attitude will result in returning customers in the future which the reactivation depends on the consumer's first service. If consumers are satisfied first-time use will result in loyalty. These consumers will be profitable and grow the organization through more purchases (Oliver,

1997). Repeat purchase behavior or customer repeat use can result in lower costs and expenses and also affects the growth of market share. In addition, repeat purchases also affect the seller of the product or service to create enthusiasm in improving and developing products or services to have value and more quality (Aaker, 2004).

METHODS

The population used in this research was the consumers who are interested in using mobile food delivery application service and live in Bangkok, where the researcher did not know the exact number of the population. The researcher determined the sample size by calculating the sample size using Taro Yamane's formula (Yamane, 1973). A total of 400 samples were conducted using multistage sampling method from the sample groups in Facebook selected total of 6 groups that were expected to find people who use food delivery services via application. The questionnaire was distributed to collect data from members who use delivery service by hanging a link in the selected group and collect data until the total number of samples.

Tools used in this research as a questionnaire which consisted of questions based on characteristics to be measured, divided into 3 parts: Part 1 Demographic characteristics, Part 2 Service marketing mix, and Part 3 Decision to repeat using. The questionnaire is a 5-level rating scale of Likert. The researcher tested the validity and reliability of the questionnaire to obtain accurate research results and achieve the stated objectives. In this regard, the researcher will provide a pilot test of 40 sets. The results of checking the confidence of each question have a confidence value between 0.735-0.886 and got the total confidence of 0.878, which passed the reliability criteria (Hair et al., 2010).

The researcher used the statistical package to analyze the statistical data by using descriptive statistical analysis such as frequency, percentage, mean and standard deviation to distribute the properties of the variables. As well as the inferential statistical analysis was used to test research hypotheses by using multiple regression analysis.

RESULTS

The demographic characteristics of the sample was found that most of the sample respondents were female, aged between 31-40 years old, educated at a bachelor's degree, single status, working as a company employee, have an average monthly income of 30,001 – 45,000 baht and live in a single house.

The behavior of using food delivery applications was found that the food ordering and delivery application used by the sample group the most was GrabFood. The most frequently used time was between 6:01 PM and 10:00 PM. The number of times they used the service per week was 1-3 times per week. Most food delivery places offer was home delivery and order food to eat with family. Food cost per order was between 500-1000 baht per order, and the person who has an influence on the decision to use the application was to decide for himself.

The opinion of overall marketing mix factors, respondents gave importance to it at a high level, and each aspect gave importance at a high level. When considering each aspect, it was found that the aspect that the respondents paid the most attention to was the Price aspect in the point of appropriate service fees, followed by Physical evidence aspect in the point of food received in perfect condition, clean and appetizing. Place aspect in the point of having a variety of restaurants to choose from. Person aspect in the point of speed in accepting and requesting services. Product aspect in the point of variety, quality, and appropriate quantity. Process aspect in the point of calculation and notifying the price before using the service. Promotion aspect in the point of having an interesting promotion.

The results of comparison of consumers' decision to repeat using mobile food delivery application service classified by demographic characteristics, the results showed that different personal factors of gender and marital status did not differ in the effect of repeat use of mobile food delivery applications service. In addition, personal factors of age, education level, occupation, and monthly income have repeated using of different mobile food delivery applications service at the statistical significance level of 0.05.

The results of service marketing mix factors (7Ps) affecting consumers' decision to repeat using mobile food delivery application service, was found that the service marketing mix factors in the aspect of product, price, place or distribution channels, marketing promotion, and process factors affecting consumers' repeat using mobile food delivery applications service at a statistical significance level of 0.05. While service marketing mix factors in the

aspect of person and physical evidences did not affect consumer repeat using mobile food delivery applications service in Bangkok. When considering the weight of the effect of the independent variable determined by the multiple regression coefficients in the form of a standard score, was found that the predictor with the highest multiple regression coefficient was the aspect of place, followed by price, product, promotion and process, respectively. All variables could be predicted together with statistically significant at $F=15.26$, $S.E.=.051$, and could explain the variance in service satisfaction at 52.27 percent.

CONCLUSION AND FUTURE WORK

From the results of the study, there were important issues that were discussed in the study results as follows:

The results of comparison of consumers' decision to repeat using mobile food delivery application service classified by demographic characteristics, the results showed that different personal factors of gender and marital status did not differ in the effect of repeat use of mobile food delivery applications service. In addition, personal factors of age, education level, occupation, and monthly income have repeated using of different mobile food delivery applications service at the statistical significance level of 0.05. This is in line with some of the findings of Boonthanapirat (2017) found that different demographic characteristics in terms of sex, age, monthly income, education level and occupation affect the decision to use different food delivery service. Including the research of Chowchankit (2020) found that consumers with age, education level, occupation, monthly income, and residential type used different online food ordering applications. The results were consistent with the concept of Sereerat et al. (2009) stated that service users with age, education, income and occupation are one of the factors affecting ideas, ideologies, values, tastes and needs that are different for things and behaviors that are the same or different.

The results of service marketing mix factors (7Ps) affecting consumers' decision to repeat using mobile food delivery application service, was found that the service marketing mix factors in the aspect of product, price, place or distribution channels, marketing promotion, and process affecting consumers' repeat using mobile food delivery applications service at a statistical significance level of 0.05. While service marketing mix factors in the aspect of person and physical evidences did not affect consumer repeat using mobile food delivery applications service in Bangkok. This is in line with the study of Chaochankit (2021), which found that product, price and personal factors affect consumers' decision to choose online food ordering applications. while in terms of distribution Marketing promotion, physical and process aspects do not affect the future decision to choose online food ordering applications for consumers in Bangkok and its vicinity. Including a similar research as of Dhevakul (2019) found that the marketing mix factor in the aspect of distribution channel and marketing promotion affected the decision to order food through the application of consumers in Bangkok. Including the research of Aroonlert (2022) found that service quality factors of empathy, reliability, responsiveness, and tangibility affecting the satisfaction of customers. This may be due to online food ordering and food delivery services through the application was a distribution channel that facilitated customers, save time and the cost of traveling to buy at the store, including the shop often has a variety of marketing promotions to attract customers to use the service. As well as the application has an easy-to-understand and service process are accurate, reliable and effective (Techarattanaset, 2021).

Moreover, the results found that service marketing mix factors in the aspect of person and physical evidences did not affect consumer repeat using mobile food delivery applications service. This may be due to the personnel factor, which means all persons in the organization providing that service including shop owners, executives, employees at all levels. Personnel must be competent and have an attitude that can respond to service users. They also have initiative and have the ability to solve problems and can create values for the organization. In which personnel must pass selection, training, incentives to be able to create satisfaction for customers differently than competitors, which is the relationship between service personnel and service users of various organizations. In addition, physical evidences refer to the features of food delivery applications that should be aesthetically designed, attractive to use the service, up-to-date information, content presented easily to read, clear pictures, easy to use, search information quickly and processed correctly. The more design is good-looking and easy to understand, the service should also be of good quality. The physical aspect in the food delivery business will mean the online food ordering environment that consumers want (Tularak, 2020; Boonthanapirat, 2017).

From the research results, there are suggestions for application service providers and food delivery entrepreneurs to guide application improvement and formulate marketing strategies that are in line with the consumer demands of the food deliver business as follows. In terms of personnel, food delivery staff should be

focused on paying attention to the additional needs of customers including employees should listen to problems/suggestions and ready to make changes to meet the needs of customers. If the customer complaints are received, they should be contacted as soon as possible and all feedback should be taken in account and improved to prevent recurrence. In addition, the application must have a database system for storing order information and details of customers who have used the service in order to know the information and be able to respond to the needs of each individual customer. In terms of physical evidences, employees should focus on increasing customer service to achieve maximum convenience. Including food delivery workers or riders should dress modestly, cleanly, tidy and follow preventive measures of COVID-19 outbreak to reduce the risk of infection. In addition, the food ordering application must be stable and up-to-date in order to impress customers and create satisfaction in the service. This will result in customers decision to repeat using mobile food delivery application service again and again.

Suggestions for further research, this research is a specific study of consumers in Bangkok. Therefore, in the next research study, it may be conducted with a sample group in other provinces in order to know the behavior of consumers in different provinces that are different. In addition, the collecting data from questionnaires through Google Forms and allowing respondents to help recommend this questionnaire to people who know each other, thus causing the demographic characteristics to be concentrated in only known samples. Therefore, in the next research, it may be necessary to spread the sample more. In addition, there should be an in-depth study with qualitative research by interviewing the sample in order to gain more in-depth information.

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