

ANALYSIS OF GENERATION Z CONSUMERS' BEHAVIOR TOWARDS
PURCHASE DECISION OF ONLINE FOOD DELIVERY:
STUDY ON GRABFOOD INDONESIA

By

Pricia Aurelie
11908004

BACHELOR'S DEGREE
in

BUSINESS MANAGEMENT
FACULTY OF BUSINESS AND COMMUNICATION

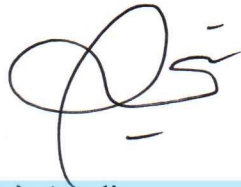


SWISS GERMAN UNIVERSITY
The Prominence Tower
Jalan Jalur Sutera Barat No. 15, Alam Sutera
Tangerang, Banten 15143 - Indonesia

Revision after the Thesis Defense on 13 July 2023

STATEMENT BY THE AUTHOR

I hereby declare that this submission is my own work and to the best of my knowledge, it contains no material previously published or written by another person, nor material which to a substantial extent has been accepted for the award of any other degree or diploma at any educational institution, except where due acknowledgement is made in the thesis.

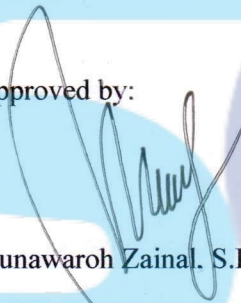


Pricia Aurelie

Student

18 July 2023
Date

Approved by:



Munawaroh Zainal, S.E. M.M.

Thesis Advisor

18 July 2023
Date

ABSTRACT

ANALYSIS OF GENERATION Z CONSUMERS' BEHAVIOUR TOWARDS PURCHASE DECISION OF ONLINE FOOD DELIVERY: STUDY ON GRABFOOD INDONESIA

By

Pricia Aurelie

Munawaroh Zainal S.E., M.M., Advisor

SWISS GERMAN UNIVERSITY

The purpose of this research is to identify the impact of Generation Z online consumer behavior on purchase decisions of online food delivery, GrabFood Indonesia. There are five key variables that are expected to influence online consumer behavior: Individual/Consumer Characteristics, Environmental Influence, Product/Service Characteristics, Medium characteristics, and Merchant and Intermediaries Characteristics. This research employs the quantitative method. The information was gathered by distributing questionnaires to 241 Generation Z customers who downloaded and used GrabFood. The data was examined using multiple linear regressions. The questionnaire results are analyzed using IBM SPSS. The study findings reveal that the overall factors exert a substantial and concurrent influence. Specifically, the Merchant and Intermediaries Characteristics significantly impact consumers' food purchasing decisions when utilizing GrabFood delivery services.

Keywords: Online Consumer Behavior, Generation Z, Online Food Delivery, Purchase Decision



DEDICATION

I dedicate this work to this universe, my future, family, advisor, and all business management lecturers.



ACKNOWLEDGEMENTS

First and foremost, I would like to express my deepest gratitude to Jesus Christ for His immense power and blessings, which played a pivotal role in enabling me to successfully complete my thesis. Throughout this journey, I have been fortunate to have the presence and guidance of extraordinary individuals. Therefore, I would like to convey my heartfelt appreciation and thanks to the individuals mentioned below.

To my family, I am profoundly grateful to my father for his valuable advice and unwavering support during my studies, and to my mother for her constant guidance and prayers. To my boyfriend, Matthew Palandeng, thank you for your never-ending prayers and support. I love you all.

I'd like to express my gratitude to Ms. Munawaroh, my thesis advisor, for your continuing support, compassionate care, and patient counsel during this process. To all my business management lecturers, Mr. Esa Mbouw, Mr. Mochamad Rizky, Mr. Fiter Abadi, Mr. Alfiantri, and Ms. Nila thank you for your genuine guidance and countless knowledge.

To my friends who supported me through ups and downs, Nave, Lady, Siska, Tasia, Galih, Aurel, Wira, Ale, and Timmy. These four years have been a roller coaster journey. I'm pretty sure I couldn't have done it without the help of each and every one of them. See you guys on top.

Finally, I hope that God can repay all of your kindness to me. Thank you for all of your help.

TABLE OF CONTENTS

STATEMENT BY THE AUTHOR.....	2
ABSTRACT.....	3
DEDICATION.....	5
ACKNOWLEDGEMENTS.....	6
TABLE OF CONTENTS.....	7
LIST OF FIGURES.....	12
LIST OF TABLES.....	13
CHAPTER 1 – INTRODUCTION.....	16
1.1 Background.....	16
1.2 Research Problem.....	26
1.3 Research Questions.....	27
1.4 Research Objectives.....	28
1.5 Scope and Limitation.....	28
1.6 Significance of Study.....	28
CHAPTER 2 - LITERATURE REVIEW.....	30
2.1 Framework of Thinking.....	30
2.2 Theory Reasoned Action.....	31
2.2.1 Technology Acceptance Model.....	31
2.2.2 Engel Kollat Blackwell Model.....	32
2.3 External and Internal Stimulus in Marketing.....	33
2.4 Online Food Delivery.....	34
2.4.1 Online Food Delivery History.....	34
2.4.2 Classifications of Online Food Delivery.....	34

2.5	Consumer Behavior.....	35
2.5.1	Consumer Characteristics	36
2.5.2	Purchase Decision Process.....	40
2.5.3	Online Purchase Decisions.....	42
2.6	Online Consumer Behavior.....	43
2.7	Generation Z	49
2.8	Previous Study	50
2.9	Study Differences.....	57
2.10	Research Model.....	57
2.11	Hypothesis Development	58
CHAPTER 3 - RESEARCH METHODS.....		61
3.1	Research Methodology	61
3.1.1	Research Process.....	61
3.2	Type of Study.....	62
3.3	Unit of Analysis	63
3.4	Population and Sampling	63
3.4.1	Population	63
3.4.2	Sample.....	63
3.4.3	Population Target.....	63
3.4.4	Sampling Strategies.....	64
3.5	Data Resources and Collection Method.....	65
3.5.1	Type of Data.....	65
3.5.2	Data Collection Method	65
3.6	Questionnaires Development	65
3.7	Time Frame of Study	67
3.8	Operational Definitions of Variables	68

3.9	Data Processing Procedure.....	73
3.9.1	Pre-Test	73
3.9.2	Post Test.....	73
3.9.3	Validity Test.....	73
3.9.4	Reliability Test.....	74
3.9.5	Normality Test	74
3.9.6	Heteroscedasticity Test	75
3.9.7	Multicollinearity Test.....	75
3.10	Data Analysis Technique	75
3.10.1	Descriptive Data Analysis.....	75
3.11	Hypothesis Test.....	76
3.11.1	Multiple Linear Regression Analysis.....	76
3.11.2	Regression Equation	77
CHAPTER 4 - RESULTS AND DISCUSSIONS		79
4.1	Company Profile	79
4.1.1	Brief History of GrabFood Indonesia	79
4.1.2	Company's Vision and Mission.....	79
4.1.3	Company's Logo.....	80
4.2	Respondent Profile	81
4.3	Pre – Test	83
4.3.1	Validity Pre – Test	83
4.3.2	Reliability Pre – Test.....	86
4.4	Post Test.....	88
4.4.1	Validity Post Test.....	88
4.4.2	Reliability Post-Test Result	91
4.5	Descriptive Data Analysis.....	93
4.6	Classical Assumption Test	97
4.6.1	Normality Test	98

4.6.2	Heteroscedasticity Test	100
4.6.3	Multicollinearity Test.....	101
4.7	Multiple Linear Regression.....	102
4.7.1	F-Test	102
4.7.2	T-Test	103
4.7.3	Model Summary.....	104
4.8	Hypotheses Results and Discussions	106
4.8.1	First Hypothesis	106
4.8.2	Second hypothesis.....	107
4.8.3	Third Hypothesis.....	107
4.8.4	Fourth Hypothesis	108
4.8.5	Fifth Hypothesis.....	109
CHAPTER 5 – CONCLUSIONS AND RECOMMENDATIONS		110
5.1	Conclusions.....	110
5.1.1	Individual/Consumer Characteristics of online consumer behavior affects purchase decision in GrabFood.....	110
5.1.2	Environmental Influences of online consumer behavior affects purchase decision in GrabFood	110
5.1.3	Product/Service Characteristics of online consumer behavior affects purchase decision in GrabFood	111
5.1.4	Medium Characteristics of online consumer behavior affects purchase decision in GrabFood	111
5.1.5	Merchant/Intermediaries Characteristics of online consumer behavior affects purchase decision in GrabFood.....	111
5.2	Recommendations	111
5.2.1	Recommendations for GrabFood.....	111
5.2.2	Recommendation for Future Study	114
GLOSSARY.....		115
REFERENCES.....		116

APPENDIX.....	122
CURRICULUM VITAE.....	130



LIST OF FIGURES

Figure 1.1 Smartphone Penetration in Indonesia 2017-2020 with forecast until 2026.....	17
Figure 1.2 Countries with Highest Percentage of E-Commerce Usage in the World.....	18
Figure 1.3 FnB contributes the largest to GDP in the Industrial Sector.....	20
Figure 1.4 Three major players of OFD.....	21
Figure 1.5 OFD's Top of Mind.....	22
Figure 1.6 Gen Z as the largest generation in Indonesia.....	24
Figure 1.7 OFD's Top of Mind.....	26
Figure 2.1 Framework of Thinking.....	30
Figure 2.2 EKB Model.....	33
Figure 2.3 Model of Consumer Behavior	36
Figure 2.4 Maslow's Hierarchy of Needs	39
Figure 2.5 Consumer Purchase Decision Process	41
Figure 2.6 Example of GrabPIN Authentication.....	48
Figure 2.7 Example of End-to-end encryption.....	48
Figure 2. 8 Generation Demographic.....	49
Figure 2.9 Research Model for the Study	57
Figure 3.1 Research Process	61
Figure 4.1 Grab Logo.....	80
Figure 4.2 GrabFood Logo.....	80
Figure 5.1 Chatbot Shopee.....	112
Figure 5.2 Japan Famous Pancake Coin	113

LIST OF TABLES

Table 2.1 Consumer Characteristics	36
Table 2.2 Online Consumer Behavior Characteristics	44
Table 2.3 Previous Study	50
Table 3.1 Time Frame of Study	67
Table 3.2 Operational Definitions of Variable.....	68
Table 3.3 Likert Scale Description.....	72
Table 3.4 Cronbach's Alpha Measurement Table.....	74
Table 3.5 Likert Interval Scale.....	76
Table 4.1 Respondent Demographic Profile – Gender	81
Table 4.2 Respondent Demographic Profile – Age.....	82
Table 4.3 Respondent Demographic Profile – Internet Usage.....	82
Table 4.4 Respondent Demographic Profile – Respondents Weekly Expenditure.....	83
Table 4.5 Validity Pre-Test Result – Online Consumer Behavior – variable Individual/Consumer Characteristics	84
Table 4.6 Validity Pre-Test Result - Online Consumer Behavior – variable Environmental Influences	84
Table 4.7 Validity Pre-Test Result - Online Consumer Behavior – variable Product/service characteristics.....	85
Table 4.8 Validity Pre-Test Result - Online Consumer Behavior – variable Medium Characteristics	85
Table 4.9 Validity Pre-Test Result - Online Consumer Behavior – variable Merchant/Intermediaries Characteristics	85
Table 4.10 Validity Pre-Test Result – Purchase Decision	86
Table 4.11 Reliability Pre – Test Result for Individual/Consumer Characteristics	86
Table 4.12 Reliability Pre – Test Result for Environmental Influences	86
Table 4.13 Reliability Pre – Test Result for Product/Service Characteristics.....	87

Table 4.14 Reliability Pre – Test Result for Medium Characteristics.....	87
Table 4.15 Reliability Pre – Test Result for Merchant/Intermediaries Characteristics.....	87
Table 4.16 Reliability Pre – Test Result for Purchase Decision	87
Table 4.17 Validity Post-Test Result – Online Consumer Behavior – variable Individual/Consumer Characteristics	88
Table 4.18 Validity Post-Test Result – Online Consumer Behavior – variable Environmental Influences	89
Table 4.19 Validity Post-Test Result – Online Consumer Behavior – variable Product Characteristics.....	89
Table 4.20 Validity Post-Test Result – Online Consumer Behavior– variable Medium Characteristics.....	90
Table 4.21 Validity Post-Test Result – Online Consumer Behavior – variable Merchant/Intermediaries Characteristics	91
Table 4.22 Validity Post-Test Result – Purchase Decision.....	91
Table 4.23 Reliability Post – Test Result for Individual/Consumer Characteristics.....	92
Table 4.24 Reliability Post – Test Result for Environmental Influences.....	92
Table 4.25 Reliability Post – Test Result for Product/Service Characteristics.....	92
Table 4.26 Reliability Post – Test Result for Medium Characteristics.....	92
Table 4.27 Reliability Post – Test Result for Merchant/Intermediaries Characteristics ...	93
Table 4.28 Reliability Post – Test Result for Purchase Decision.....	93
Table 4.29 Descriptive Data Analysis result – Variable Individual/Consumer Characteristics.....	94
Table 4.30 Descriptive Data Analysis result – Variable Environmental Influences.....	94
Table 4.31 Descriptive Data Analysis result – Variable Product/Service Characteristics	95
Table 4.32 Descriptive Data Analysis result – Variable Medium Characteristics	96
Table 4.33 Descriptive Data Analysis result – Variable Merchant/Intermediary Characteristics.....	97
Table 4.34 Descriptive Data Analysis result – Purchase Decision	97
Table 4.35 Kolmogorov-Smirnov Test.....	98
Table 4.36 Heteroscedasticity Test	100
Table 4.37 Multicollinearity Test.....	101

Table 4.38 F-Test	103
Table 4.39 T-Test	104
Table 4.40 Model Summary.....	105
Table 4.41 Regression Equation	105
Table 4.42 Hypotheses Results	106

