

# Consumer Purchasing Behavior on Food Delivery Platforms

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**Abstract:** With the popularity of the Internet, people's lives are gradually developing in the direction of greater convenience, and the proliferation of online shopping platforms has greatly facilitated consumers. Food delivery platforms have developed rapidly in the past two years and are increasingly accepted and used by more and more people since the pandemic started and people's outing is limited. In this paper, we study the factors that influence the purchasing behavior of consumers on food delivery platforms and propose development suggestions for food delivery platforms.

**Keywords:** consumer purchase behavior, food delivery platforms

## 1. Introduction

With the development of e-commerce, people's lives are becoming more convenient. The spread of the coronavirus in early 2020 has forced changes in everyone's lifestyle. Restricted outings have caused people to shift their shopping mode more from offline to online. As a result, food delivery platforms are more accepted and used by customers in this period. In the Philippines, there are two major food delivery platforms, Foodpanda and Grab food. But Grab food is only a segment of Grab, while Foodpanda only provides catering services. This paper focuses on consumers' purchasing behavior on these two food delivery platforms.

Various factors influence consumer purchasing behavior, according to Kotler (1965) <sup>[1]</sup>, these influences are price, quality, availability, service, options and image, which affect the consumer's psychology through channels and thus influence the consumers' purchasing decisions. Moreover, the Marshallian economic model suggests that the factors influencing consumers' purchase decisions are also related to whether the product's value meets personal satisfaction and maximizes utility <sup>[2]</sup>. This model consists of three aspects: economic gain, buying behavior and product pricing, that the consumer prefers to buy a product with a lower price, especially when the price is lower than the consumers' income; if the price is higher than a substitute, the consumer is more likely to buy the substitute <sup>[3]</sup>. This model provides a view an understanding of the marketplace consumer purchasing behavior. According to Delafrooz et al. (2010) <sup>[3] [4]</sup> these specific factors affect online purchasing behavior are flexibility of payment methods, diversity of the product, privacy, security, ease of shopping and convenience. The study shows that consumers have more requirements in the form of internet-based buying than in the traditional form of purchasing. Furthermore, Veblenian socio-psychological model introduces the social and cultural influences to the consumer purchasing behavior. It states that purchasing behaviors are related to the following factors: social class, level of income, culture, family and reference group <sup>[5] [6]</sup>. This theory enriches the above two theories on the factors that influence consumers' purchasing behavior, as consumers' social class, cultural environment and the influence of reference group constantly affect consumers' purchasing behavior.

In addition to considering traditional models of consumer purchase decisions, the unified theory of acceptance and use of technology (UTAUT), a model based on the use of the Internet, can better explain consumers' online purchasing behavior. According to Viswanath (2016) <sup>[7]</sup>, UTAUT can explain more than 70% of consumers' behavioral intention.

Therefore, in this paper, we introduce three UTAUT constructs, which are performance expectation (PE), effort expectation (EE), social influence (SI), and add the perception of risk (PR) as variables to measure purchase intention (PI) and purchase behavior (PB).

## 2. Methodology

This paper is to study consumer purchasing behavior on food delivery platforms in the Philippines. A questionnaire was adapted and revised based on the nature of food delivery industry from the study of Jiang (2017)<sup>[8]</sup> to collect the data. The questionnaire was pre-tested before formal distribution and its Cronbach's alpha was greater than 0.8, indicating the high reliability of the questionnaire.

Table 1 shows the operational definition of the variables and the questionnaire for each of the variable to know how the variables affect purchase intention and thus consumer purchasing behavior.

*Table 1: Operational definitions of the variables and the questionnaire*

Variables	Operational definition	Item
Performance Expectancy (PE)	Consumers' perception of the value that the products and services provided by the food delivery platform bring to them	1. I am able to find necessary and comprehensive product information in the food delivery platform 2. Buying on a food delivery platform saves my time 3. I am very satisfied with the quality of the food purchased on the food delivery platform
Effort Expectancy (EE)	Consumers' perceptions of the ease of mastering the operational mechanisms of food distribution platforms	1. I think it's easy to learn how to place orders on food delivery platforms 2. The ease of use of the food delivery platform is important to me 3. Learning to use a food delivery platform doesn't take a lot of my time and effort
Social Influence (SI)	The influence of the people and environment around consumers on their purchase decisions	1. What people around me buy on food delivery platforms affects my buying decisions 2. Food delivery platform promotion on social media will motivate me to order in food delivery platform 3. Placing an order on a food delivery platform allows me to better integrate into my surroundings
Promoting Factor (PF)	The impact of discounts and bargains offered by food delivery platforms on consumer purchasing behavior	1. I have the financial means to support my order on the food delivery platform 2. Food delivery platform supports customized food to meet my personal needs 3. The personalized service of the food delivery platform is no different from that physical store
Perception of Risk (PR)	Consumer concerns about the uncertainty that may arise in placing orders on food delivery platforms	1. I am worried that my personal information will be compromised if I place an order on a food delivery platform 2. I am concerned about the potential risks of paying on food delivery platforms 3. I am worried that the actual condition of the food ordered on the food delivery platform does not match the image the seller shows
Purchase Intention (PI)	Consumers' willingness to use food delivery platforms	1. I am willing to learn how to place orders on food delivery platforms 2. I am willing to place orders on food delivery platforms 3. I would recommend my friends and family to place orders on the food delivery platform
Purchase Behavior (PB)	Consumer use of food delivery platforms	1. I currently use a food delivery platform to order 2. I always recommend my close ones to shop at food delivery platform 3. I will continue to place orders on food delivery platforms in the future

The following hypothesis is proposed in this paper.

H1: Performance expectation has a significantly positive influence on purchase intention

H2: Effort expectation has a significantly positive influence on purchase intention

H3: Social influence has a significantly positive influence on purchase intention

H4: Promoting factor has a significantly positive influence on purchase intention

H5: Perception of risk has a significantly negative influence on purchase intention

H6: Purchase intention has a significantly positive influence on purchase behavior

### 3. Results

A total of 500 respondents were involved in this survey. Among the respondents, 45% are male and 55% are female. Besides, more than 80% of the respondents are from 18 to 35 years old. As to monthly income, more than half of the respondents receive less than 23,381 Philippine Pesos a month. Moreover, over 60% of the respondents place orders from food delivery platforms more than once a week. It illustrates that the current consumers of food delivery platforms are mainly young adults under 35 years of age. At the same time, they place orders on food delivery platforms frequently.

Table 2 shows the correlations among performance expectation (PE), effort expectation (EE), social influence (SI), promoting factor (PF), perception of risk (PR) and purchase intention (PI). From the results, performance expectation (PE), effort expectation (EE), social influence (SI), promoting factor (PF) positively affect purchase intention (PI) since their Pearson correlation coefficients are greater than 0. Perception of risk (PR) negatively affects purchase intention (PI) since its Pearson correlation coefficient is less than 0. At the same time, the p-values for all correlations are less than 0.05, which indicates significant relationships between the variables. Therefore, performance expectation (PE), effort expectation (EE), social influence (SI), promoting factor (PF) have significantly positive influences on purchase intention, while the perception of risk (PR) has a significantly negative influence on purchase intention.

Table 2: Pearson correlation coefficient matrix <sup>[9]</sup>

		PI
PE	PCCs	0.803
	Sig.	0.000
EE	PCCs	0.889
	Sig.	0.000
SI	PCCs	0.376
	Sig.	0.000
PF	PCCs	0.508
	Sig.	0.000
PR	PCCs	-0.495
	Sig.	0.000

Table 3 shows the correlation between purchase intention (PI) and purchase behavior (PB). The Pearson correlation coefficient is greater than 0, indicating a positive relationship between the two. The p-value of the correlation between the two is 0, showing a significant relationship between purchase intention and purchase behavior. Therefore, purchase intention has a significantly positive influence on purchase behavior.

Table 3: Correlation of PI and PB <sup>[9]</sup>

		PB
PI	PCCs	0.896
	Sig.	0.000

### 4. Recommendations

1) Since the perceived risk to consumers when purchasing on food delivery platforms can negatively affect the willingness to buy, food delivery platforms are further improving the security of their systems to prevent customer information leakage or account theft.

2) Food delivery platforms should work with merchants to give customers customized products to meet their individual needs, just as offline merchants do for their customers.

3) Food delivery platforms should improve the quality of their services and the performance of their web pages in terms of providing opportunities for customers to communicate with merchants about their products so that customers can get more comprehensive information about the products they would like

to buy.

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