

Increasing Satisfaction and Repurchase Intention on Contemporary Food and Beverages Through E-commerce

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Abstract

This study aims to analyze consumption behavior using 2 categories of consumer behavior, namely utilitarian shopping value and hedonic shopping value. Utilitarian shopping value and hedonic shopping value to increase satisfaction and repurchase intention in the contemporary food and beverage business through e-commerce. Nowadays, food and drink are not only basic needs but also a part of a lifestyle. The food industry is currently growing rapidly. According to data from the Ministry of Industry, the food and beverage industry is one of the important sectors that supports the performance of the non-oil and gas processing industry. In addition, the food and beverage industry is one of the sectors that receive development priorities according to the Making Indonesia 4.0 roadmap. Food and beverage products in great demand are various processed drinks made from coffee or tea, korean snacks, and others. These food and beverage products are also easy to obtain by purchasing online. Therefore, this condition becomes something interesting to observe, especially on consumer behavior. This research is quantitative analysis. This research using SEM PLS. The result of this study shows that hedonic shopping value, utilitarian shopping value, and satisfaction influences repurchase intention on an online contemporary foods and beverages. The biggest influence on the repurchase intention of contemporary food and beverages is hedonic shopping value. This study develops previous research, but in this study, it covers many food and beverage products. Respondents in this study were also from all over Indonesia.

Keywords: utilitarian shopping value, hedonic shopping value, satisfaction, repurchase intention

1. Introductions

The food industry is currently growing rapidly. According to data from the Ministry of Industry, the food and beverage industry is one of the crucial sectors that supports the performance of the non-oil and gas processing industry. In the first quarter of 2022, the food and beverage industry contributed more than a third, 37.77% of the GDP of the non-oil and gas processing industry. The food industry's role has a significant impact on national income (kemenperind.go.id). The food and beverage industry grew by 3.75% in the first quarter of 2022, higher than the first quarter of 2021 which reached 2.45%. The food and beverage industry is one of the sectors that get development priorities according to the Making Indonesia 4.0 roadmap.

During the Covid-19 outbreak, the food and beverage industry experienced a decline in growth. However, then the food and beverage industry began to bounce back. The government

launched the National Economic Recovery (PEN) program to protect, maintain and improve the economic capacity of business actors running their businesses during the Covid-19 pandemic. With the implementation of this policy, hopes that the performance of the food and beverage industry, which before the pandemic was able to grow around 7% to 9%, is expected to return to excellence.

Food and drink are a necessity and a part of a lifestyle. Food and drink are inseparable in the daily life of every human being. Humans in their behavior towards consumer goods can be divided into two groups, namely hedonic and utilitarian shopping value. Hedonic consumers have shopping values that tend to be more personal and subjective, namely more on enjoyment (Holbrook and Hirschman, 1982) while utilitarian group consumers have shopping values that tend to be rational and efficient (Darden & Babin, 1994, Chaudhuri, Aboul Nasr, & Ligas , 2010; Griffin, Babin, & Modianos, 2000).

Research conducted by Swari and Giantari (2017) examines the role of consumer satisfaction in mediating the relationship between utilitarian values and hedonic values with consumer loyalty. The results of the study explain that consumer satisfaction can mediate the relationship between utilitarian values and hedonic values with consumer loyalty. It is important for the company to pay more attention to consumer spending motives, such as hedonic values and utilitarian values because these two variables play a role in creating consumer satisfaction and ending up with loyal consumers.

Research by Nova Andriani et al. (2021) analyzed that hedonic and utilitarian shopping values affect satisfaction and repeat purchases in general. However, this study recommends that it be carried out more specifically and with a larger sample coverage of more specific objects.

Based on this, this research is intended to develop from previous studies, especially developing research by Nova Andriani et al. (2021). This study will focus on hedonic and utilitarian shopping values to increase satisfaction and repurchase intentions on online food and beverage purchases in Indonesia. This study aims to examine the effect of hedonic and utilitarian shopping value on satisfaction, the effect of hedonic and utilitarian shopping value on repurchase intention, the effect of satisfaction value on repurchase intention and analyze consumer behavior from contemporary online food and beverage businesses so that business people know the strategies that are used right to keep the business.

The value of hedonic spending is defined by Babin et al. (1994) as an overall assessment of the benefits of experiences and sacrifices such as entertainment and fantasy. Consumers shop more because of their appreciation of the experience than just to fulfill a need. In addition, the value of hedonic consumer shopping is entertainment and emotion that is felt through shopping activities. The abstract characteristics of goods or services can contribute to the affective

elements at the time of shopping and are closely related to hedonic values. This happens when consumers feel their own happiness from shopping activities and shopping because of their own desires, not because of needs. The hedonic shopping value itself in various dimensions has been widely studied in-store shopping (Babin and Attaway, 2000) and is recognized as an important part of the online shopping element (Hoffman and Novak, 1996).

The value of utilitarian spending is more related to considering cognitive aspects such as economic behavior in terms of value for money and time savings (Zeithaml, 1988). Utilitarian value is defined as an overall assessment of the functional benefits and sacrifices made. The utilitarian value is relevant to using online shopping to accomplish a specific task, such as considering shopping more carefully (considering product, service, and feature prices and actual shopping) (Hoffman & Novak, 1996). Ward and Barnes (2001) found that controlled online stores can provide a positive response because it is a cue to provide an assessment of whether the online store can improve shopping performance (such as saving time shopping, best deal) and facilities according to the purpose (finding the best product).

According to Kotler (2009), customer satisfaction is a person's feeling of pleasure or disappointment that arises after comparing his perceptions or impressions of performance that is below expectations; customers are not satisfied. However, the customer is delighted and happy if the performance exceeds expectations. If the perceived performance is below expectations, the customer will feel disappointed. If the performance meets customer expectations, the customer will feel satisfied, whereas if the performance exceeds expectations, the customer will feel delighted. This satisfaction will certainly feel after the customer concerned consumes the product.

Repurchase intention is a positive attitude from consumers toward e-commerce which will result in repurchase behavior. Kim et al. (2012). Repurchase intention occurs in consumers who are interested in making purchases using online stores. Consumers' online shopping will be reviewed in the future, and consumers will be interested in recommending online shopping because they also use online shopping.

In line with research conducted by Swari and Gintari (2017) that it is crucial for the company to pay more attention to consumer spending motives, such as hedonic values and utilitarian values because these two variables play a role in creating consumer satisfaction and ending up with loyal consumers, which means when this happens To support the sustainability of business actors, this research is proposed with the following model:

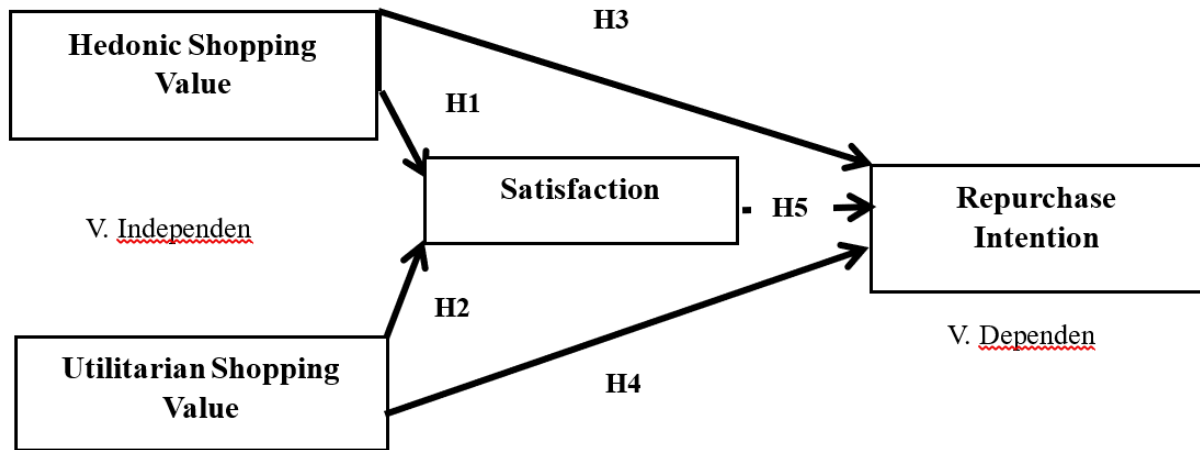


Figure 1: Research Models

2. Research Method

The population in this study are all online shoppers in the territory of Indonesia who have made transactions to purchase contemporary food and beverages through online shopping sites such as gofood, shopee food, grabfood, etc. The sampling method used in this study used non-probability sampling with purposive sampling using a questionnaire. This method was chosen to ensure that only samples that have certain criteria that have been set in the study will be taken as samples (Cooper & Schindler, 2006). The criteria used in this study are as follows:

- a. Have made transactions to purchase food and beverages through e-commerce such as gofood, shopee food, grab food, etc.
- b. Consumers are buyers with an age range of 17-45 years.
- c. Purchase transactions are made at online stores based in Indonesia (Indonesian vendors) with any payment method, either cash or credit.
- d. Online transactions through social media are carried out more than once.
- e. Online shopping for food and beverages is done using e-commerce such as gofood, shopee food, grab food, etc.
- f. The total number of samples that will be used in this study is a minimum of 150 respondents (Hair et al., 2010).

Data collection technique used in this research is an online survey technique. The survey is a primary data collection method that gives questions in the form of a questionnaire to individual respondents (Jogiyanto, 2012). The survey conducted is a survey that is sent online or online using the internet to individuals who have shopped at online food and beverage stores.

Data analysis technique used in this study uses a statistical test approach in the form of variance-based Structural Equation Model (SEM) simultaneous equation analysis. Variant-based SEM is SEM that uses variants in the iteration process or variant blocks between indicators or parameters that are estimated in one latent variable without correlating or connecting with indicators that exist in one other latent variable in the research model (Jogiyanto, 2012). Variant-based SEM that will

The method used is Partial Least Square (PLS) with SMART PLS 2 applications. In PLS, the information obtained is efficient and can be easily interpreted in complex models and can be used on indicators both reflective and formative on latent variables (Jogiyanto, 2012).

3. Results and Discussions

Respondents in this study were selected through purposive sampling with the criteria of buyers who have made food and beverage purchases through e-commerce such as gofood, shopee food, grabfood etc. Respondents were 182 consisting of various regions in cities/regencies throughout Indonesia including the provinces of DKI Jakarta, DI Yogyakarta, West Java, Central Java, East Java, Lampung, West Kalimantan, East Kalimantan, and North Maluku. The demographics of the respondents in this study are shown in detail in Table 1 below:

Tabel 1. Characteristics of Respondents

No	Characteristics of Respondents			
1	Gender	Man	55	30%
		Woman	127	70%
2	Age	17 years - 20 years	55	30%
		21 years - 30 years	76	42%
		31 years - 40 years	50	27%
		> 40 years	1	1%
3	Profession	Students	97	53%
		Self-Employees	14	8%
		Private Employees	25	14%
		Teachers	6	3%
		Civil Servant/BUMN	40	22%
4	Take Home Pay	< Rp1.000.000	30	16%
		Rp1.000.000 – Rp2.000.000	60	33%

Rp2.000.000 – Rp5.000.000	49	27%
Rp5.000.000 – Rp10.000.000	30	16%
>Rp10.000.000	13	7%

Source: Primary Data Processed, 2022

Based on Table 1, most of the respondents were dominated by women, namely 70%, while only 30% were male. The age of the most dominant respondents is around 21-30 years, which is 42% and is a student. If we look further at contemporary food and beverage products, which have recently been found, the facts on the ground show that the consumers are at that age.

Test Measurement Model

Based on the convergent validity and reliability testing, all items met the requirements except for the hedonic shopping value variable, there was 1 invalid statement item, namely HSV3 (0.528), the utilitarian shopping value variable contained 4 invalid statement items so they were not used in further analysis. The statement items are, USV1 (0.546), USV3 (0.592), USV5 (0.684) and USV8 (0.694). The results of validity and reliability testing after eliminating invalid statement items, all statement items on the variable have a loading factor value above 0.7 and an AVE value higher than 0.5. The reliability test shows the value of composite reliability and Cronbach's alpha > 0.7 on all constructs (Hair et al., 2014). Thus, it can be stated that all variables in this study are valid and reliable. The results of testing the validity and reliability are presented in Table 2 below.

Tabel 2. Convergent Validity and Reliability Testing

Construct	Construct Items	Standardized Loading	Cronbach's Alpha	Composite Reliability
<i>Hedonic shopping value</i>	HSV1	0.720	0.858	0.898
	HSV2	0.717		
	HSV4	0.868		
	HSV5	0.857		
	HSV6	0.825		
	USV2	0.746		
<i>Utilitarian shopping value</i>	USV4	0.824	0.813	0.877
	USV6	0.815		
	USV7	0.815		
	SAT1	0.864		
<i>Satisfaction</i>	SAT2	0.857	0.889	0.919
	SAT3	0.798		
	SAT4	0.848		

Construct	Construct Items	Standardized Loading	Cronbach's Alpha	Composite Reliability
<i>Repurchase intention</i>	SAT5	0.794	0.899	0.920
	RI1	0.732		
	RI2	0.801		
	RI3	0.753		
	RI4	0.806		
	RI5	0.831		
	RI6	0.814		
	RI7	0.787		

Source: Primary Data Processed, 2022

Based on the test of discriminant validity shows that all constructs in this research model have met the requirements. In each of the tested constructs, the value of the square root of AVE is greater than the correlation between constructs. This indicates that discriminant validity is met. In detail, the results of discriminant validity testing can be seen in Table 3 below:

Tabel 3. Validity Discriminant Testing

Variables	HSV	RI	SAT	USV
<i>Hedonic shopping value</i>	0.800			
<i>Repurchase intention</i>	0.706	0.790		
<i>Satisfaction</i>	0.755	0.755	0.833	
<i>Utilitarian shopping value</i>	0.666	0.669	0.698	0.801

Source: Primary Data Processed, 2022

Structural Model Test

The results of the structural model test show that the R2 value on repurchase intention is 57%. This shows that the research model is a fit. While on satisfaction, the value is 64%. Based on the results of statistical testing of the five hypotheses proposed as antecedents of repurchase intention, all of them are supported. The intention to repurchase contemporary food and beverage products through e-commerce is directly influenced by hedonic and utilitarian shopping values and satisfaction. Hedonic shopping value has a significant positive effect on satisfaction (0.521) and repurchase intention (0.253) with a p-value <0.05, so H1 and H3 are supported. This is in line with previous research, according to research by Nova Andriani et al. (2021).

Utilitarian shopping value has a significant positive effect on satisfaction (0.349) and repurchase intention (0.215), so H2 and H4 are supported. In addition, satisfaction has a positive

effect on repurchase intention (0.413) with a p-value <0.05, so H5 is supported. The results of hypothesis testing using bootstrapping in detail can be seen in Table 4 below:

Tabel 4. Hypotheses Testing

Hypotheses	(Path coefficient)	Value -t (t-statistic)	p-value	Note
H1: HSV → SAT	0.521	7.182	0,000***	Significant
H2: USV → SAT	0.349	4.341	0,000***	Significant
H3: HSV → RI	0.253	3.409	0,000***	Significant
H4: USV → RI	0.215	2.076	0,019**	Significant
H5: SAT → RI	0.413	3.548	0,000***	Significant

Noted: HSV= *Hedonic shopping value*; USV= *Utilitarian shopping value*; SAT= *Satisfaction*; RI= *Repurchase intention*

p-value<0,05; *p-value<0,000

In the tests carried out, it appears that of the five hypotheses proposed, all of them are supported. Consumer satisfaction with hedonic shopping value, if seen, has a higher value than utilitarian shopping value on consumer satisfaction. This shows that in hedonic shopping value, the aspect of satisfaction is very important compared to utilitarian shopping value. This, when viewed more deeply, is in line with research conducted by Hanzaee and Rezaeyeh (2013) that the higher the value of hedonic shopping for food consumers, the higher the satisfaction felt. Likewise, the intention is to repurchase contemporary food and beverage products online. And when consumers feel higher satisfaction, the intention to repurchase contemporary food and beverage products is also higher.

4. Conclusions

Based on the research conducted, it is crucial for food and beverage industry players who serve online purchases to pay attention to the value of consumer shopping, both hedonic shopping value and utilitarian shopping value. Business actors must understand that if the products they sell are products that are more attractive to consumers with hedonic spending values, their business development should pay close attention to these aspects. This research expands on previous research by Nova Andriani et al. (2021), in this study it covers more specific products, namely modern food and beverage products. Whereas in previous studies it was not specific

The value of shopping is very influential on the satisfaction of consumers who buy food and beverage products online. Both the value of hedonic and utilitarian spending. In hedonic consumers, the more hedonic he is, the more satisfaction he feels. Consumers who feel satisfied have a higher intention to make purchases again, but this may not be the case with utilitarian consumers. This is because, in this study, the context of food and drink that is used as the object of research is food and drink, which is no longer a basic need but rather a secondary need or even a tertiary need, for example, as a lifestyle.

This research was conducted for many contemporary food and beverage products in Indonesia that were purchased online using several applications such as shopeefood, grabfood, gofood and direct online applications. This means that there are still many factors that can lead to satisfaction and repeat purchase intentions. At the time of the in-depth interview, several respondents who were interviewed stated that they made repeat purchases because of the discount or promo factor carried out by business actors through online applications. It is interesting that in the future, this research needs to be developed on more specific products, not the brand but the type of product, for example, food only or only coffee drinks or tea drinks. It also needs to be done with more samples and also adds other variables.

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