

## PART I

### INTRODUCTION

#### 1.1. Background

Current technological developments have shown remarkable progress. Many things from the life sector have used the existence of the technology itself. The development of technology has had a considerable impact on human life in various aspects and dimensions. At this time various kinds of information can be accessed by everyone through online media that does not require someone to sit in front of a television or listen to the radio directly but can be accessed using a computer or smartphone. The development of information technology makes people no longer limited by the limitations of time and place. Now information can be accessed anytime and anywhere. This is supported by the development of information technology networks in the community that are often called the internet.

The internet has become a necessity for every element in society. The internet has become a driver for world change, especially in terms of facilitating human affairs. Starting from the way people communicate, interact with others, even the way people do business. Whenever and wherever it is, as long as the internet is available information and communication can occur.

The development of this technology is used by many companies by establishing online-based businesses. One of the online-based businesses that is currently developing is a motorcycle transportation business or commonly called a motorcycle taxi. Ojek is a non-formal public transportation in the form of a motorcycle. It is called non-formal because its existence does not have an

operating permit. Ojek is used by residents in the village and in the city, because the advantages of other transportation, which are faster and can pass places that are difficult to reach. If previously motorcycle taxis were managed in a conventional and single-ownership manner, now a new online motorcycle taxi business has emerged that is professionally managed. In Indonesia, there are already two online transportation service providers that are currently operating, namely Go-jek and Grab. The increasing competition makes the company must be able to set a marketing strategy so that consumers still have the desire to make purchasing decisions. Decision making is an individual activity that is carried out directly and is involved in obtaining and using services offered so that the individual makes a decision on a service, namely a food purchase decision, namely Go-Food.

One factor that can affect the interest in repurchasing is ease of use. Rahman (2017) defines ease of use as a level where one believes that a computer can be easily understood. Based on the above definition it can be concluded that ease of use will reduce one's effort (both time and energy). Online transportation services offer a variety of services that can make it easier for users to meet their needs such as purchasing food or known as Go-Food.

The interest in repurchasing is basically closely related to price. Prices are an element of mix of income or income for a café or restaurant that sells food. While in the consumer's perspective, prices are often used as an indicator of the value of how these prices are related to the perceived benefits of an item or service, as stated by Tjiptono and Chandra (2016). In order to be successful in marketing an item or service, each company must set the price appropriately. Likewise time also plays an important role in influencing the interest of consumer repurchases so

that efforts to meet the needs and desires of consumers, as well as the accuracy of delivery to offset consumer expectations according to Tjiptono and Chandra (2016).

Panjaitan (2016) stated that in conditions of intense competition, the main thing that must be prioritized is customer satisfaction which will ultimately attract customers to buy a product so that the company can survive, compete and dominate the market. Currently the Go-jek application has been downloaded millions of times on Google Play on the Android operating system.

Based on this background, the authors propose the title "EFFECTS OF DELIVERY PRICE AND SERVICE QUALITY ON SATISFACTION AND REPURCHASE INTENTION: STUDY OF GO-FOOD, INDONESIA."

### **1.2. Formulation of the problem**

The problems formulated in this study are:

1. Does delivery price effect on satisfaction?
2. Does service quality effect on satisfaction?
3. Does satisfaction effect on repurchase intention?

### **1.3. Research purposes**

This research aims to :

1. Test the effect of delivery price on satisfaction.
2. Test the effect of service quality on satisfaction.
3. Test the effect of satisfaction on repurchase intention.

### **1.4. Contribution research**

This research is expected to be useful as a literature contribution and reference for further research for academics. For practitioners or managers of go-food application, the results of this study are expected to help in understanding the effect of attributes on the intention to repurchase at go-food, so that management can continually evaluate and improve the go-food attribute to retain customers.

### **1.5. Scope of research**

The object of this research is the service of go-food located in the city of Yogyakarta.

