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FACTORS INFLUENCING COFFEE SHOP ENTREPRENEUR' INTENTION USING SHOPEE PARTNER APPLICATION

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ABSTRACT

Technological developments in marketing are a great opportunity for entrepreneurs to carry out business activities such as Coffee Shop. One of the innovations currently in development is Online Food Delivery service. ShopeeFood is an online food delivery service that connects buyers with food and beverage sellers through the Shopee Partner application. This study aims to determine the factors that influence the intention of Coffee Shop entrepreneurs using Shopee Partner application with Unified Theory of Acceptance and Use of Technology (UTAUT) theory. The research was conducted to 50 Coffee Shops in Pontianak City by distributing questionnaires. Data were analyzed using the Structural Equation Modeling method with SmartPLS software. The results of the study show that Effort Expectancy and Facilitating Conditions have a significant influence on shaping of Coffee Shop entrepreneurs' intentions to adopt the Shopee Partner application. It shows that Coffee Shop entrepreneurs in Pontianak City prioritize the level of ease of using Shopee Partner application and other supporting resources. Performance Expectancy and Social Influence variables did not affect the intentions of Coffee Shop entrepreneurs as they do not view digital transformation as an opportunity that provides benefits and less responsive to social factors that used and need online food delivery services.

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1. INTRODUCTION

Digitalization in marketing activities is carried out to reach as many target consumers as possible in an efficient and relevant manner. The presence of the digital market is a powerful vehicle for the growth of Micro, Small and Medium Enterprises (MSMEs). One of the digital marketing innovations is Online Food Delivery (OFD) service, which is an internet-based food ordering and delivery system that connects customers with restaurant partners through websites and mobile applications [1]. It was recognized as an alternative strategy to increase sales revenue and for consumers to easily receive products and services [2]. The app provides customers with more comprehensive, up-to-date and accurate information about restaurants and menu choices. Currently, there are several online food delivery services that are the choice of the Indonesian people, such as GrabFood, GoFood, and ShopeeFood. GrabFood and GoFood are pioneers in the online food delivery business in Indonesia, while ShopeeFood is a newcomer. ShopeeFood is a feature of the Shopee application, the largest e-commerce platform in Southeast Asia [3]. Shopee Partner is a specialized application for ShopeeFood merchants that allows food and beverage merchants to easily manage their online sales.

Most F&B businesses have increased delivery services and most of their revenues come from delivery services [4]. It shows that digitization has become a business trend in F&B, including coffee shops. People's lifestyle changes have led to an increase in coffee consumption, which has become an opportunity for coffee shop entrepreneurs[5]. This study attempts to connect food delivery services for food and beverage sellers to develop more effective strategies for digital marketing.

A number of studies have found a positive relationship between attitudes and behavioral intentions in terms of technology adoption. The Unified Theory of Acceptance and Use of Technology (UTAUT) is a widely used model for analyzing and evaluating the level of acceptance and use of applications. UTAUT was first developed by Venkatesh, who concluded that there are four major components that influence user interest in using information technology, namely performance expectations, effort expectations, social influences, and facilitating conditions [6]. This study uses the Unified Theory of Acceptance and Use of Technology (UTAUT) model to identify factors influencing coffee shop entrepreneurs' intention to use the Shopee Partner application as an online marketing media.

2. METHOD

This study uses quantitative methods, namely analyzing data and matters relating to numbers or calculation formulas used to analyze the problem being studied. The type of data used is secondary data, namely the type of data obtained through the processing of the second party from the results of field research and through library research. Sampling is done with objective sampling techniques. The number of study respondents was 50 Coffee Shops in Pontianak City that used the Shoope Partner application as their online sales medium. The number of respondents is determined by using the theory of 10 times of study variables [7]. A research tool is a confidential statement used in a questionnaire. Statements were prepared based on independent variables, namely Performance Expectancy (PE), Effort Expectancy (EE), Facilitating Conditions (FC), Social Influence (SI), and dependent variable, namely Behavioral Intention (BI). Data was collected by distributing questionnaires directly and via Google forms to Coffee Shops with an answer scale of 1 to 7. Data collection results are processed and analyzed using SmartPLS 3.2 software. The data analysis method used in this study consists of three Structural Equation Modeling (SEM). In the first step, measurement model evaluation (outer model analysis) was conducted to test the validity and reliability of the study indicators. The second step is structural model analysis (inner model analysis) to predict the causal relationship between latent variables. The third step, hypotheses testing that performed by examining Path Coefficient values and T-Statistics tests through the bootstrapping method [8].

3. RESULT AND DISCUSSION

Measurement Model Evaluation

Outer model analysis is performed by evaluating the measurement model that verifies the validity and reliability of research indicators. The study construct validity test consists of convergent validity and discriminant validity. Convergent Validity can be checked from the values of loading factors and Average Variance Extracted (AVE). Any indicator that has a loading factor of less than 0.7 is invalid, so it needs to be re-estimate by eliminating invalid indicators, and if the AVE value is 0.5 or more, it can be considered valid [8]. The outer loading and AVE values in Table 1 show that the metrics of the study model are valid for measuring each dimension.

Table 1. Construct Reliability and Validity

Variables	Items	Loading factors	AVE	Composite Reliability	Cronbach's Alpha
Performance Expectancy	PE1	0,967	0,926	0,961	0,920
	PE3	0,957			
Effort Expectancy	EE2	0,978	0,959	0,979	0,957
	EE3	0,980			
Facilitating Condition	FC1	0,966	0,840	0,940	0,904
	FC2	0,919			
	FC3	0,861			
Social Influence	SI1	0,965	0,939	0,969	0,936
	SI2	0,973			

Measurement Model Evaluation

Discriminant validity can be seen from the square root of Average Variance Extracted (AVE) value and the cross loading indicator value of the research model. Table 2 shows that the square root of AVE for each construct is greater than the correlation value between construct and other constructs, as well as Table 3 shows that the cross loading value of indicators on one variable is greater than the other variables, so it can be concluded that all indicators in the model are discriminantly valid. The reliability test can be performed when Cronbach's Alpha and Composite Reliability value is more than 0.7. Table 3 shows that the Cronbach's Alpha and Composite Reliability values of this study model meet the reliability requirements, these dimensions have consistency in measuring their respective variables. Based on the validity test and reliability test above, it can be concluded that this study model is usable.

Table 2. Discriminant Validity (Latent Variable Correlations)

	PE	EE	FC	SI	BI
PE	**0,962**				
EE	0,639	**0,979**			

FC	0,631	0,643	**0,916**		
SI	0,887	0,747	0,702	**0,969**	
BI	0,875	0,702	0,776	0,852	**0,970**

Table 3. Cross Loading

Indicators	PE	EE	FC	SI	BI
PE1	**0,967**	0,750	0,754	0,880	0,892
PE3	**0,957**	0,463	0,441	0,824	0,786
EE2	0,623	**0,978**	0,630	0,759	0,664
EE3	0,629	**0,980**	0,629	0,706	0,708
FC1	0,488	0,599	**0,966**	0,601	0,649
FC2	0,572	0,431	**0,919**	0,624	0,805
FC3	0,674	0,774	**0,861**	0,706	0,653
SI1	0,868	0,784	0,650	**0,965**	0,771
SI2	0,852	0,672	0,707	**0,973**	0,874
BI1	0,889	0,772	0,727	0,896	**0,989**
BI2	0,746	0,744	0,856	0,783	**0,956**
BI3	0,909	0,576	0,678	0,797	**0,965**

Structural Equation Modeling Analysis

Structural model analysis (Inner Model) predicts the causal relationship between latent variables by looking at the determinant coefficient (R Square) and Predictive Relevance (Q Square). As a result of the analysis of the determinant coefficient, the value of R Square is 0.855 with Adjusted R Square is 0.842. Therefore, it can be concluded that Performance Expectancy, Effort Expectancy, Facilitating Conditions, and Social Influence variables simultaneously affect the Behavioral Intention of Coffee Shop entrepreneurs using the Shopee Partner application by 84.2%. Since the effect of exogenous variables on endogenous variables is more than 67%, so the effect is classified as strong impact [9]. The Predictive Relevance (Q Square) test result shows a value of 0.790, the Q Square value is more than zero, which means that the study model has a good observation value [8].

Hypotheses Testing and Discussion

Testing the study hypotheses was performed by looking at Path Coefficient and T-Statistics values. Path Coefficient values in Table 4 shows that Performance Expectancy, Effort Expectancy, Facilitating Conditions and Social Influence variables have a positive effect on the Behavioral Intention variable of Coffee Shop entrepreneurs using the Shopee Partner application. It shows that the value of Performance Expectancy, Effort Expectancy, Facilitating Conditions and Social Influence increases the Coffee Shop entrepreneurs' intention to use the Shopee Partner application.

Table 4. Hypotheses Testing

Hypotheses	Relationship between Variables	Path Coefisien	T Statistics	Conclusion
H1	Performance Expectancy -> Behavioral Intention	0,091	0,099	Positive Not significant
H2	Effort Expectancy -> Behavioral Intention	0,320	2,335*	Positive Significant
H3	Facilitating Condition -> Behavioral Intention	0,557	2,789*	Positive Significant
H4	Social Influence -> Behavioral Intention	0,065	0,243	Positive Not significant

Note: *significant at the 0.05 level

An exogenous variable is declared to have a significant effect on an endogenous variable if the T-Statistics value is more than 1.96 [8](Ghozali, 2014). The T-Statistics value in Table 4 shows that second hypothesis (H2) and third hypothesis (H3) have values of 2,335 and 2,789 respectively at the 5% significant level. It shows that Effort Expectancy and Facilitating Condition variables significantly have a positive effect on the Behavioral Intention of Coffee Shop entrepreneurs using Shopee Partner application.

Conversely, H1 and H4 shows T-statistics value of less than 1.96, which means that Performance Expectancy and Social Influence variables have no significant effect on the Behavioral Intention of Coffee Shop entrepreneurs using Shopee Partner application. Nonetheless, the higher the Performance Expectancy and Social Influence scores of a Coffee Shop entrepreneurs, the more likely their intention to use the Shopee Partner application will increase.

Effort Expectancy refers to how easy a system or technology is for users to use. This variable is measured by the statement whether using the Shopee Partner application can be clearly understood and easy to use [6]. In this study, coffee shop entrepreneurs lack confidence in their ability to overcome difficulties using the Shopee Partner application. Different from previous studies, someone who has long experience using smartphones and mobile applications will ignore the level of complexity that might be felt and choose the level of performance expectation to get the benefits from the mobile application [10][11][12]. This shows a lack of technological literacy among coffee shop entrepreneurs in Pontianak City, so they lack confidence in deciding to use the ShopeeFood application.

Facilitating Condition describes a person's perception of how infrastructure in the form of equipment or knowledge can support the use of a system or technology. The results of this study indicate that conditions that facilitate entrepreneurs are important factor in shaping their intention to adopt the Shopee Partner application. These coffee shop entrepreneurs have the resources needed to use the Shopee Partner application. In line with the previous study, Facilitating Conditions have a significant influence on MSME behavior using technology [13]. Other study also proves that conditions that facilitate a person play an important role in shaping a person's intention to adopt cashless payments [14].

Social influence significantly affects adoption rate of cashless payment technologies [14]. However, this study shows different results on the adoption rate of food delivery applications in Coffee Shops. It happens because of Coffee Shop entrepreneurs' decision to use the Shopee Partner application is not influenced by someone else, whether friends or family, business competitors or customer demands. Other study is in line with the findings of this study, namely Social Influence has no effect on a person's interest using Mobile Commerce[15]. Then found that gender can moderate the impact of social influence. After grouping the variables, Social Influence reveals a dynamic effect. Decisions of female respondents are more susceptible to social influences than male respondents. Since this study did not use variables that moderate the UTAUT factors along with Behavioral Intention, it is expected that future researchers will be able to examine the variables in more detail.

4. CONCLUSION

The results of the analysis in this study, it was found that the factors in the Unified Theory of Acceptance and Use of Technology 2 (UTAUT2) simultaneously have a strong impact of 84.2%. However, after being tested partially, out of the all hypotheses, 2 were accepted. Effort Expectancy and Facilitating Conditions significantly have a positive impact on the Behavioral Intention of Coffee Shop entrepreneurs in Pontianak City. In contrast, Performance Expectancy and Social Influence did not have a significant effect on the Behavioral Intention of Coffee Shop entrepreneurs in Pontianak City.

This study shows that Coffee Shop businesses in Pontianak city are less aware of the performance benefits of the online food delivery application in improving business performance and sales. In addition, the coffee shop entrepreneurs did not pay attention to social influences in deciding to use the ShopeePartner application, whether colleagues, competitors or customer needs. This has a huge impact on business effectiveness, because when a business is unable to follow trends it will be less attractive to customers, in this case especially the millennial groups and productive age who tend to keep up with the times. It is hoped that the role of the government, academics and even online food delivery service providers can support and enhance the expertise of entrepreneurs in running technology-based businesses, thereby increasing the efficiency of businesses and national economies.

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