

Online Food Delivery Application: An Obstacle or an Advantage?

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ABSTRACT

Purpose: This study aims to review how effective the online food delivery application is that is used to optimize MSME income in the culinary field, especially at Seblak Incezz Rejomulyo, Kediri City.

Design/methodology/approach: This is a qualitative study that employs an analytical descriptive approach. The analytical-descriptive approach was chosen because it provides an explanation or elaboration regarding variable objects obtained from the data that has been collected.

Findings: The use of online food delivery services is effective in optimizing sales volume at Seblak Incezz Rejomulyo, Kediri City. In the end, the more sales increase, the entity's income will also increase.

Research limitations/implications: Only focus on one sector of SMEs, so the results cannot be compared with SMEs in other fields.

Practical implications: This research shows that MSMEs need to adapt according to technological developments. This will eventually have an effect on the sustainability of MSMEs because it can increase sales and income for MSMEs.

Originality/value: Seblak Incezz is one of the MSMEs in the culinary field in the city of Kediri, which is growing from year to year.

Paper type: Research Paper

Keyword: Business, Income, MSME's, Online Application

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I. INTRODUCTION

Technology plays an important role in all lines of people's lives because it has helped and facilitated humans in carrying out various daily activities. (Cahya et al., 2021). The internet has become an almost inseparable part of one's life today. With the increasing sophistication of technology, it helps someone to be able to get and convey the information needed easily. It is not surprising that almost all human activities are related to the internet; unlike in the past, it was done manually, without the help of technology, so it is not easy to do something so that time is not efficient.

The function of the internet, apart from being a means of providing information and communication, is also useful for business people or businesses in promoting and marketing their products, as we know that the internet provides all the features that we can put to good use. With the image and video editing features on the internet, we can create unique ad designs so that people will be interested in the products we are promoting. Coupled with the existence of a sophisticated smartphone, it makes everything in this world seem as if we can hold it because of its easy access. Thus, business people can maximize sales so that they get big profits.

In this modern era, people's lives cannot be separated from the internet. Moreover, today's younger generation likes things that are easy, instant, and practical. If they want something, they can simply order it online using their smartphone rather than going to a store or shop first. Therefore, the emergence of online transportation is welcomed by the public because it offers various conveniences, such as low costs, easy access, comfort, and guaranteed security (Wahyusetyawati, 2017). According to Afrianti et al., (2022) Online transportation was developed by institutions by utilizing private vehicles, both two-wheeled and four-wheeled,

which are operated as a mode of transportation by placing an order through the application system. With this application, it is able to facilitate communication between users who want to order transportation services from the driver, after which they will be picked up and delivered to their destination (Yuslye et al., 2021).

Online transportation also contributes to the marketing strategy of a business, one of which is the culinary business. Whereas online transportation is provided by various companies that have assisted business owners in the distribution and promotion of their products. These aided business people begin with large-scale businesses and small businesses, one of which is MSMEs that choose to partner with online transportation companies, particularly in the area of online food delivery (Wulandari & Anwar US, 2021). Online food delivery is an alternative distribution or network for distributing food products, goods, or services to customers who order them through an online application on their smartphone. This enables business owners to be more time efficient in delivering customer orders and reducing customer queues at retail outlets (Rahmawati, 2022). With the high interest of consumers who order through online food delivery, the sales of a business's products will increase so that they can increase their income.

There are applications that offer online food delivery services in Indonesia, such as Gojek with GoFood services, Shopee with ShopeeFood services, Grab with GrabFood services, Maxim with Maxim food and shop services, ViuiT, and many others (Edelia & Aslami, 2022). Gojek in Indonesia was founded in 2010 and provides several services such as transportation, logistics, and goods delivery services before developing its business into food delivery services, namely GoFood (Irmansyah, 2020). Shopee is an electronic commerce (e-commerce) platform that was launched for the first time in Singapore in 2015. Based on a survey conducted by The Asian Prent in 2017, it was revealed that Shopee is the shopping application that is most in demand by Indonesians. Therefore, the ShopeeFood service feature emerged in 2020 and is increasingly in demand by the public (Misno & Sharif, 2020).

In 2012, Grab was launched in Malaysia and officially started operating for the first time in Indonesia in July 2014, followed by Gojek in 2015. The services provided by Grab are almost the same as Gojek's. Grab started adding the GrabFood feature, which is a food delivery service application, in 2012 (Malini & Maghribi, 2021). Maxim is a Russian company that was founded in 2003 and specializes in transportation services. This application only entered Indonesia in 2018, after which it added two new services in 2020, namely Maxim food and shop and Maxim cleaning (Sihite et al., 2021). And then ViuiT. The ViuiT application was only established in 2022 and has yet to spread widely throughout Indonesia because its operations are still limited to several cities in the East Java region such as Mojokerto, Surabaya, Jombang, Nganjuk, and Kediri. ViuiT is headquartered in Surabaya. ViuiT provides its customers with an online food ordering experience as easy as playing on social media. In ViuiT, short videos are presented that invite users to imagine the enjoyment of a recommended dish. ViuiT provides features for its users to interact with other people, chat, or form communities according to their interests.

The use of online food delivery is now an inherent part of business people, adding new appeal to consumers when purchasing a product. This is the background for a business partnering with an online food delivery application, especially in the culinary business. Various kinds of spicy culinary preparations in every region of Indonesia are very interesting and of various types, one of which is popular among young people: seblak. Seblak is a type of traditional Bandung food that consists of boiled raw crackers with additional spices such as chilies, kencur, onions, and flavorings (T., 2014). However, over time, seblak has evolved to include additional food ingredients such as noodles, vegetables, meat, meatballs, chicken feet, and others in addition to the basic ingredients of crackers. This seblak sale is not only in the Bandung area but has spread widely throughout Indonesia.

Every business or business actor has their own choice of which online food delivery application they will partner with in marketing their products. Because each application has its own advantages according to the needs of business people in an effort to optimize sales. Therefore, it is necessary to know how effective the use of online food delivery applications is in business so that product sales increase. So it is necessary to do research to review the utilization of online food delivery applications in optimizing the sales quantity of a culinary business. This study looked at Seblak Incezz Business actors in Rejomulyo, Kediri City. In marketing its products, the Seblak Incezz Business uses several online food delivery applications, including GoFood, GrabFood, ShopeeFood, ViuiT, and Whatsapp. The GoFood application is the first application used by Seblak Incezz to promote its products. Over time, the Seblak Incezz Business has also started partnering with other applications to expand its product marketing, including the GrabFood, ShopeeFood, and ViuiT applications. Seblak Incezz also offers an ordering service via Whatsapp, with the caveat that Seblak Incezz will not send the order, and the customer must pick up the order earlier at the outlet.

II. METHODS

The method used is a qualitative method based on postpositivism philosophy as a foundation for researching scientific objects, researchers who study it as a basic tool, data collection techniques are carried out by triangulation (combining several facts) to seek data validity, inductive data analysis, which ultimately results in research that focuses on the meaning of the object (Sugiyono, 2017). The authors use a descriptive analysis approach in this study. According to (Yuliani, 2018) Descriptive analysis, or descriptive qualitative analysis, is a study to obtain information with actual interpretation. Researchers combine various data from interviews, observations, and documentation to create analyses. Descriptive analysis is focused on solving various questions in research for further study in order to obtain designs that arise in an event. So, qualitative descriptive is a research method that applies a proportional qualitative approach accompanied by an inductive flow, in other words, starting from an explanatory event so that a summary or conclusion can be drawn from that incident.

Data collection methods include interviews and observation. According to (Gulo, 2002) An interview is a form of communication in the form of questions and answers between researchers and interviewees face-to-face or virtually through online media so that the movements or expressions of respondents also become media patterns that complement verbal words. While observation is a systematic description or explanation of social events, behavior, or artifacts. The purpose of observation is to describe something learned related to the events that took place by connecting the individuals involved in the incident or examining the meaning of the event seen from the subjects seen in the event being observed (Haryono, 2020).

III. RESULTS AND DISCUSSION

A. Online Applications: Benefits and Cons

At the beginning of its establishment, Seblak Incezz still used an ordering service (open order) via Whatsapp. As time went on, the orders were getting busier, so the owner opened an outlet on Jln. Raya Sumber Jiput No. 59, Rejomulyo, Kediri City. After some time, Seblak Incezz decided to join the online food delivery service. This decision was made because the owner and employees were having difficulty completing the large number of orders received, making the cooking process and sending orders inefficient. As a result, Olek, online food delivery services play an important role in delivering consumer orders on time. Here are some online food delivery apps that have collaborated with Seblak Incezz:

Table 1. List of Applications used

<i>No.</i>	<i>Application</i>	<i>Early start using</i>
	<i>Go Food</i>	<i>2018</i>
	<i>Grab Food</i>	<i>2019</i>
	<i>Shopee Food</i>	<i>2022</i>
	<i>ViuiT</i>	<i>2022</i>

In the beginning, after setting up an outlet, the online food delivery service that Seblak Incezz first used was GoFood, which is one of the features in the Gojek application. Then, in 2019, they partnered with the GrabFood service, which is one of the features in the Grab app. After that, in 2022, we will add a partnership with ShopeeFood as one of the features in the shopping application that is most popular with the public, namely Shopee. Seblak Incezz has also just partnered with ViuiT in 2022. This application is still relatively new because it was only established around June 2022. The reason the owner chose this application as a form of online food delivery service is because the system is easy, and the marketing is good because there are lots of promotions. The price posted on the marketplace is the application party, so the owner doesn't have to bother setting prices and the price posted is the price according to what is in the stall, this is obviously different from other applications such as Gojek which posts prices is the party Seblak Incezz with an additional 20% of the price because this percentage is a profit taken by Gojek. In the ViuiT delivery order service, payment is made by the courier in cash, just like people who buy directly at the stall. However, this application is not very well known

by the public because there are still few businesses partnering with ViuiT so that its reach is not too broad. Of all the online food delivery services used in Seblak Incezz, the Gojek application is the one that has the most orders or is most in demand by consumers. This is possible because this application has been around for a long time and has earned the trust and goodwill of consumers.

In addition to the online food delivery application mentioned above, Seblak Incezz also provides orders via WhatsApp Business with a predetermined order format. Online payments can be made using OVO, bank transfer, or QR code. As a result, buyers will find it easier and there will be fewer lines because those who have paid in advance will be served first. In ordering via Whatsapp Business, Seblak Incezz does not provide food delivery services, so buyers must still come to the outlet to pick up their orders. In fact, Seblak Incezz has also partnered with the MaximFood application, but now he has decided on a partnership because, according to the owner, applying MaximFood feels a bit complicated and problems often occur; for example, drivers order to outlets manually via the cashier, so orders don't automatically enter through the application. This could be possible because the Maxim application is still new and may still require system maintenance and development so that it requires repair from the center.

Seblak Incezz accepts a variety of payment methods in its online food delivery services, including QR code payments, Shopee pay, Gopay, bank transfers, OVO, LinkAja, and offline payments with COD (cash on delivery), making it easier for customers to make payments as desired. In addition, professionalism is continuously maintained in providing good service to customers, full of hospitality, and not discriminating between consumers who order online or directly at outlets, as well as the availability of WiFi facilities and parking lots. This is an effort to increase customer confidence so that they are satisfied with the services provided and will not give up on coming back to buy various seblak menus at outlets. Online food delivery services are seen as capable of optimizing sales. This is due to the numerous promotions available in the application, such as discounts (price cuts), cashback, and free shipping (shipping costs), which will undoubtedly increase people's interest in purchasing Seblak Incezz, resulting in an increase in orders and, as a result, income. obtained in order to increase the welfare of the Seblak Incezz business

According to information obtained from the owner, the comparison of Seblak Incezz's sales volume before and after using the online food delivery application is considered quite significant compared to previously only using the Whatsapp Business application, where customers may only have purchased from outlets and the surrounding community, then after partnering with several online food delivery service applications, including GoFood, GrabFood, ShopeeFood, and ViuiT, are increasing the number of orders, so that more and more various seblak menus are being sold. The owner also stated that when it rains or is cold outside, it is associated with people's desire to consume something warm, such as seblak, and they will be interested in ordering it through online food delivery, so they don't have to leave the house.

The obstacles experienced by Seblak Incezz related to sales using online food delivery services came from the couriers who delivered the orders. Often, they get emotional and angry because they don't want to stand in long queues and want their orders to be processed first; they also often compare it with other outlets whose service is faster than Seblak Incezz. Several couriers also did not want to re-check receipts from orders that had been previously ordered to ensure that the order that Seblak Incezz had filled was in accordance with the order or not. According to the owner, re-checking the order is important as a form of anticipation of menu errors, because if the courier has left the place, it is no longer Seblak Incezz's responsibility. So, when there is an incorrect order and the consumer complains to Seblak Incezz because the order was wrong, the courier will return the order to the outlet, and it will be replaced with a new menu according to the customer's order. However, in this case, Seblak Incezz suffers a loss from the double cost of shipping couriers who send orders back to customers. Even though several obstacles arose, they had little impact, so online food delivery services were still regarded as effective in optimizing Seblak Incezz sales.

B. Analysis of the Effectiveness and Efficiency of Using Online Applications

The author reviews this from several aspects, which are at the same time indicators of the success of a business, including productivity, level of adaptability, ability to earn profits, and job satisfaction (Hadiyanti & Setiawardani, 2017).

1. **The first aspect is productivity**, where the informant is Owner Seblak Incezz himself stated that using online food delivery services can increase productivity. When using the service, the informant felt that all of the resources involved in this seblak business became more productive for both employees and drivers, as it created jobs for all of them. This productivity can be built from several things, such as maintaining the cohesiveness of employees at work, mutually trying to achieve marketing targets, mutual sharing and interpersonal evaluation, providing bonuses for employees, and trying to expand business targets by conducting business research starting from reviewing prices, products, and competition as well as aggressively innovating in adding new products while remaining focused on maintaining the quality of food taste and arranging attractive food displays.

In order to achieve productivity, Seblak Incezz invites its employees to participate in management and to improve their attitude and professionalism in providing the best service to customers quickly, neatly, and hygienically, as well as to provide consumers with WiFi facilities and hospitality when communicating with customers. Increasing the perception and quality of the product image among buyers in order to increase sales volume. When productivity increases, the amount of seblak sold will also increase more than before. Another thing that was also done was to make a catalog related to the seblak menu listed in the online food delivery service to make it as attractive as possible, starting with displaying good food photo designs and unique menu descriptions as elements in the marketing strategy implemented by Seblak Incezz. The existence of this appealing catalog may increase consumer interest in purchasing seblak, which is marketed through online food delivery services, resulting in an increase in the number of orders.

2. **The second aspect is the ability to adapt a business to the use of online food delivery services.** Every business person who has partnered with online food delivery services needs to have the ability to adapt so that the business they are carrying out runs effectively. This aspect is viewed from the convenience of business actors in operating online food delivery applications and their ability to adapt to the use of these applications. Based on the information gathered, the informants stated that the online food delivery application was simple to use and adapt, such as when receiving orders or placing orders. With database management in the application automatically through the CRM (Customer Relationship Management) system, Seblak Incezz can easily obtain important information such as new orders, ongoing orders, canceled orders, and others.

The existence of this CRM system will improve relations between consumers and Seblak Incezz, as well as provide the basis for managing and making good business decisions so as to help develop the Seblak business. But sometimes there are also problems in the system, such as sudden logging out by itself from applications and slow networks. But this is not a big problem and can still be resolved properly. The features provided by the online food delivery application can be used by merchants to promote their food products and expand the reach of consumers. The presence of the online food delivery application is able to increase the popularity of the culinary business because if the rating (rating) given by the customer is high, it will increase the exposure of Seblak Incezz himself. The informant also stated that even though Seblak Incezz provides online ordering services, consumers who buy directly are still well served.

3. **The third factor is the ability to profit,** in which informants collaborate with several online food delivery applications such as GoFood, GrabFood, ShopeeFood, and ViuiT to offer promotions that entice consumers to purchase seblak sold in the application. Based on the information obtained, the informants stated that online food delivery services were able to optimize sales because of the many promos offered. The increase in sales will have an impact on profits, which will also increase. Where the increase in sales obtained was around 20% to 25%, according to the narrative of the informant, there were still more direct sales at the outlet. Even though the sales of online food delivery services in Seblak Incezz are not very significant, they are still considered effective because they can generate maximum business profit.
4. **The last factor is job satisfaction,** where the informant certainly has his own satisfaction with each online food delivery service, can be seen from which online food delivery service the informant prefers. Based on the experience of the informant, he prefers the GoFood application compared to the others because the display and how to operate it are easy, as are the many promos offered and low shipping costs, so consumers are most interested in it and feel it is most effective in increasing sales volume. In addition, the GoFood application provides compensation if a transaction is canceled. Actually, there is also another application that the informant likes, namely GrabFood, because this application offers the same benefits, namely in the form of promotions. Furthermore, the "scheduled order" feature in GrabFood allows customers to order food ahead of time, and the driver will deliver it at the specified time. The "preferred restaurant" feature offered by GrabFood provides restaurant recommendations that get good ratings from consumers in terms of food quality, price, and hygiene.

Informants have not liked the ShopeeFood and ViuiT applications because they have not partnered for a long time and are not widely known by consumers, so sales through these two applications are not very effective. In operating ShopeeFood, consumers also often complain because the application is rather complicated, the system often has errors, and addresses are sometimes out of sync. Whereas ViuiT is because it is still a new application and there are still rare promos offered, so it has not been able to expand the marketing target of Seblak Incezz itself. Thus, all of the online food delivery service application partners that are used have their own advantages and disadvantages, so that the use of these services is still relevant today. Even some of these applications continue to develop with the addition of new features to maintain their existence in society.

IV. CONCLUSION

According to the findings of the study, online food delivery apps such as GoFood, GrabFood, ShopeeFood, and ViuiT are effective in optimizing sales from culinary business actors Seblak Incezz Rejomulyo, Kediri City. The effectiveness of using the online food delivery application is viewed from several aspects, including productivity, level of adaptability, ability to earn profits, and job satisfaction. Based on the research results, informants stated that the use of online food delivery applications can increase productivity as well as professionalism in providing the best service to customers. After using the online food delivery application, informants stated that it was simple to adapt to the application due to its ease of use. The existence of database management in applications automatically through the CRM system can improve consumer relations and the Seblak business, as well as provide the basis for good management and business decisions that help develop the Seblak business. According to the informant, having partnered with the online food delivery application was also able to have a good impact on increasing the profit generated. This comes from the many promotions offered, starting with discounts, cash back, and free shipping, which will arouse consumer interest in buying Seblak so that when orders increase, the profits generated will increase.

Thus, informants feel satisfied with using online food delivery services because they are able to save energy and time in delivering orders to consumers. According to the informant's narrative, of the several applications used, GoFood was the most preferred by the informant because, according to him, this application was the most in demand by the public and always resulted in a large number of orders when compared to other applications. Online food delivery services sometimes have problems with network system errors because there are many accessors and problems related to drivers, such as menu order errors delivered to customers so that Seblak Incezz bears the double cost of shipping costs for couriers who send orders back to customers. Even though several obstacles arose, they had little impact, so online food delivery services were still regarded as effective in optimizing Seblak Incezz sales.

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