

## The Effect of Price Discount and Service Quality on Online Food Delivery Application on Student's Purchase Decision at Universitas Negeri Yogyakarta

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### Abstract

*This study aims to understand how price sensitivity and limited purchasing power of students affect their purchasing decisions, and how service quality can play a role in increasing customer satisfaction and loyalty. This study is a quantitative study using a causal-comparative approach. This sampling is done using a purposive sampling technique. The researcher aims to collect data from 189 respondents with different backgrounds and characteristics. This research method uses IBM SPSS Statistics 26 software. The first hypothesis in this study is accepted because there is a positive influence between discounts on purchasing decisions. The second hypothesis can also be accepted because there is a positive influence between service quality on purchasing decisions. Price reductions in the form of discounts can increase the attractiveness of a product, make it more affordable, and motivate consumers to buy the product compared to products with normal prices. Quality service can increase customer satisfaction, which ultimately encourages consumers to make purchases. Consumers tend to prefer companies that provide a satisfying service experience because they feel appreciated and cared for. Good service quality will also increase consumer trust in the company, which is a key factor in making purchasing decisions. The limitations of this study were only conducted on students at Yogyakarta State University, so the results may not fully represent the general population of Grab Food users. Researchers examined discounts and service quality as independent variables. The data collected may only reflect conditions at a certain time. Respondents who are students may provide biased answers, especially if they feel that the questions in the questionnaire are too directed or less relevant.*

**Keywords** purchasing decision, service quality, customer satisfaction, customer loyalty.

### INTRODUCTION

There is a popular saying that goes, "customer is the king". The phrase doesn't mean that the customer can ask and do anything or behave disrespectfully to the seller. It means that, customer is the focus and central driver of a business. A happy customer is a loyal customer, and a loyal customer keeps the business afloat. According to Roy and Datta (2022), consumer-oriented marketing has led to the development of buyer behavior as a separate discipline from marketing itself. Consumers are being taken seriously. Consequently, marketers need to learn more about consumer buying behaviors. By understanding consumer buying behavior, marketers can predict future consumer behavior and create marketing strategy accordingly. The challenge is, consumer behavior is widely diverse and, contrary to the belief, sometimes irrational.

Learning about consumer buying behavior is learning about factors which influence consumer purchase decisions. A consumer purchase decision involves a sequence of choices formed by a consumer before making a purchase which starts once the customer has a willingness to fulfill a need. Blackwell *et al.* (2001) argued that consumers pass through



numerous phases before making a decision. The first phase is problem recognition of desired needs or wants. The second phase, consumers begin to seek information from either internal or external sources. Lastly, consumers evaluate the alternatives and select the best which suit them and satisfy their needs.

Sales promotion is arguably one of the factors which significantly affect purchase decisions because most consumers are always looking for the best deal. According to Koksall (2014), sales promotions have significant positive effects on brand preference and consumers purchase intention. This is in line with Blythe (2005), who illustrated that sales promotion plays a significant role in building brand awareness that can later result in purchase decisions. According to Zoellner and Schaeffers (2015), price promotion is one of the main strategies frequently used by marketing managers to increase sales. Sales promotion forms a positive brand image, conveys information, improves and elevates sales, adds value to the products or services, and differentiates themselves from competitors.

One of the reasons companies use sales promotion is to win the market against competitors. Especially in the current digitalization era, business competition is fierce. Let's take an example of the food delivery industry. GrabFood competes against GoFood, Shopee Food, and some other new competitors in the market. As of 2021, GrabFood has the lowest number of application downloads compared to GoFood and Shopee Food. Thus, it is reasonable to use sales promotion to attract new users and create repurchases. According to Wibawa (2020), promotions, discounts, and service quality influence consumer's repurchase interest. Repurchase interest is formed after customers purchase products and services because there is a feeling of satisfaction.

According to Wikipedia (2024), Grab, formally incorporated as Grab Holding Inc., is a developer for ride-hailing, food delivery, and digital payment services on mobile devices that operates in Cambodia, Indonesia, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam. Grab is publicly listed on Nasdaq as GRAB. It is the parent company for Jaya Grocer, Trans-cab Services Pte Ltd, and OVO. Jaya Grocer is a Malaysian upscale supermarket chain in Peninsular Malaysia. Trans-cab Services Pte Ltd is a Singaporean traditional taxis company. Meanwhile, OVO, officially registered in Indonesia as PT Visionet Internasional, is a digital payment service based in Jakarta, Indonesia. It was established in 2017 with an e-money license from Bank Indonesia.

Online food delivery services in Indonesia face several significant challenges despite their rapid growth. One of the main issues is the mismatch in food quality with consumer expectations, with a survey by Snapcart (2023) showing that 38% of consumers complained about food that was not fresh or different from the image on the app. Another issue is late delivery, especially during peak hours, with Google Consumer Insights noting that 27% of customers were frustrated by late deliveries. In addition, perceived high service fees are a frequent complaint, with many consumers dissatisfied with additional costs such as delivery fees and app taxes. Another issue is the dependence on a stable internet network, especially in remote areas, which makes the service less accessible. Not only that, a report by Statista (2023) also noted that 22% of users experienced difficulties with refunds or complaint handling, indicating the need for improvements in customer service. All of these issues show

that while OFD offers convenience, improvements in service quality, logistics efficiency, and cost transparency are needed to meet consumer expectations.

As the competition between start-ups intensified, business players needed to create strategies to win the competition. According to Jogiyanto (2007), purchase intention is influenced by perceived ease of use and perceived usefulness. Those are the key factors in technology or application acceptance. Perceived ease of use is defined as the extent to which a person believes that using a technology will be less of an effort and has a significant effect on purchasing decision. Meanwhile, perceived usefulness is the extent to which individuals believe using a technology will improve their work performance or activities.

Businesses need to strategically offer discounts to customers. If discount is used improperly, it can negatively impact businesses profit, diminish perceived value of a businesses products or services, and it might attract bargain hunters. Bargain hunters are those customers who are only interested in deals and may not repurchase the products or services when it is not on discount. If a discount is offered too frequently, customers might question the quality or value of what the business is offering. They might only buy when there is a discount. This can harm the business in the long run.

From the background described, the purpose of this study is to explain and analyze the influence of promotion discount on consumer purchase decisions. The Author is specifically discussing the promotion discount offered on Grab application

## **LITERATURE REVIEW**

### **Consumer Behavior Models**

#### **1. Howard - Sheth Model (1969)**

There are three degrees of learning in the model: extended issue solving, limited problem solving, and routineized behavior. Consumers engage in extensive problem solving (EPS) when their knowledge and opinions about brands are restricted and they actively seek information about a variety of other brands. There is a limited amount of problem solving (LPS) that occurs when the consumer's knowledge and perceptions about brands are only partly formed. Consumers engage in routine response behavior (RRB) when they are inclined to make a purchase at a certain brand because of their knowledge and views about the brand and its alternatives.

#### **2. Bettman's Information Processing Model of Consumer Choice (1979)**

This approach introduces the idea of consumer process information. The concept underlines that consumers' information processing ability is limited and they seldom perform comprehensive investigation of available options. Consumers are more likely to use basic decision-making methods, according to this model (heuristics). The consumer will be able to make an informed decision based on all of the available options, as a result of this.

#### **3. Kotler's Black Box Model (2004)**

Three major components of the model are: environment, buyer's black box, and buyer responses. Environment in this model consists of stimuli provided by the firm as well



as external stimuli. Marketing stimuli includes elements of marketing mix. External stimuli refer to factors in the broader marketing environment that indirectly influence consumers (i.e., economic, technological, social, cultural). Buyer's Black Box represents the buyer's characteristics and internal decision-making process of the buyer, who may not fully understand all factors influencing their choices. Within the black box, the customer considers past experiences, beliefs, desires, and objectives when making a buying decision. It includes personal preferences and attitudes toward the product-market fit and the value creation process. Lastly, the black box model has a component of buyer's responses. After purchase, the buyer's responses can be influenced by the product's performance. The Black Box Model of Consumer Behavior offers valuable insights into how consumers make purchasing decisions. While it may be challenging to pinpoint exactly why someone makes a specific purchase.

### **Purchase Decisions**

According to Kotler and Keller (2016) consumer behavior refers to buying behavior of individual end consumers and households who buy goods and services for personal consumption. All the final consumers combined make up the consumer market. According to Widiarsa and Sulistyawati (2018), purchasing decisions can be defined as a continuous process, which refers to the consistency of wise actions taken to bring satisfaction in needs. The indicators of purchasing decisions according to Kotler and Keller in Sriratnasari (2017), Dewi and Sudiksa (2019), Aaker (2008) are as follows:

- a. Needs: individuals begin to recognize the problem or need so that a decision arises to make a purchase.
- b. Public: decision making in which individuals have been interested in seeking more information through mass media.
- c. Benefit: purchasing decision-making process in which individuals have previously used information to evaluate its benefits.
- d. Recommended purchase: before deciding to buy individuals get advice and recommendations from others.
- e. Stability to buy: a strong desire in the minds of consumers to buy.

### **Marketing Mix**

One of the areas which companies need to focus on is marketing. Businesses need marketing for various reasons. To name a few, it needs marketing to increase sales, to build and maintain reputation, to create brand awareness, and many more. According to McCarthy (1960), a set of marketing tools that the firm uses to pursue its marketing objectives in the market is called marketing mix. Marketing mix consists of the 4Ps, those are: products, price, place, and promotion.

Product represents product or service designed to satisfy customer needs and wants. Price represents how much the cost for producing the product or delivering the service and how much consumers are willing to pay for it. Place represents the area to where the product

or service is distributed. Lastly, promotion represents activities and mediums to communicate the product or service to the consumers.

### **Marketing Communications**

Developing a good product or service, pricing it attractively, and making it accessible to consumers are not enough to create sales. Companies need to communicate their products or services to the stakeholders (i.e., consumers, government, and general public). Every contact with stakeholders that the company makes leaves an impression that can affect stakeholders' views of the company. Thus, it is important to have an integrated marketing communication mix to deliver an aligned message across channels to the stakeholders.

#### **1. Promotional Tools**

Kotler (2022) classifies marketing communication tools into five categories, those are: advertising, sales promotion, public relations, personal selling, and direct marketing. Advertising is visual, written, or auditory communication of product or service to consumers through printed, digital, or other medium. It can reach broad consumers and it is used to build product image, brand awareness, and trigger quick sales. Second, sales promotion is free product or service offered and price reduction given to consumers by the company. It offers three distinctive benefits, those are: communication, incentive, and invitation. It incentivizes consumers to make transactions immediately. Third, public relation is a deliberate, planned, and sustained effort to establish and maintain mutual understanding between the company and public. It is used to maintain product image and relationship with the general public. It is used to build a company's credibility in the eyes of the public. Some tools can be used in public relations, such as: publication, events, news, speeches, public-service activities, identity media, and many more. Fourth, personal selling is a direct and personal approach to communicate with consumers in person. It is characterized by personal confrontation or immediate and interactive relationship between the consumer and the company through its representative. The relationship built by the company is personal and usually being cultivated in the long run. Some examples of personal selling are sales presentation, sales meeting, incentive programs, and fairs and trade shows. Lastly, direct marketing is personal and customized communication with consumers via any communication channel. The message is delivered to consumers personally through mediums, such as: direct mail, telemarketing, and internet marketing. The difference between the fourth and fifth marketing tools than the other three is, it is more personal and customized. Companies need to target who they want to deliver the message to.

#### **2. Sales Promotion**

According to Blattberg and Neslin (1990), sales promotion consists of a diverse collection of incentive tools, mostly short term, designed to stimulate trial, or quicker or greater purchase, of particular products or services by consumers or the trade. Sales promotion can be classified into three types, those are: consumer promotion, trade promotion, and business and sales force promotion. Whereas advertising offers a reason to buy, sales promotion offers an incentive to buy. Both marketing tools should be used



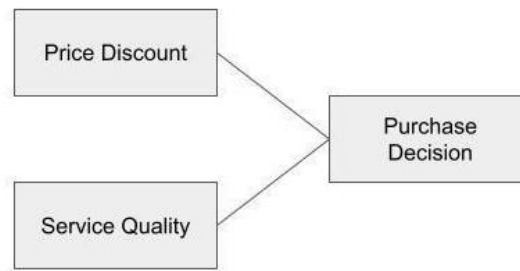
hand in hand. The use of sales promotion is proven to be more effective when it is used together with advertising. However, based on recent trends, businesses spend more marketing budget on the use of sales promotion than advertising. Before, the percentage of sales promotion from the total marketing budget was around 40%, now it is around 65% - 75%. If the competitors use sales promotion, the company must be under greater pressure to use sales promotion. Especially if the consumers see their products or services are similar to one another. Furthermore, the use of advertising is at rising costs and at risk for media clutter and legal restraints. Sales promotion can be used to attract new buyers, to reward loyal buyers, and to increase repurchase rate of occasional buyers. New buyers can be categorized into three types, those are: users of another brand in the same category, users from other categories, or brand switchers. Sales promotion particularly tends to attract brand switchers. Brand switchers are primarily looking for good deals and very rarely turned into loyal buyers. In a market where products and services are similar, sales promotion doesn't seem to alter market share permanently. In contrast, sales promotion will alter market share permanently in a market where products and services have great dissimilarity. The challenge for business is to use sales promotion to balance short term and long term objectives. When used excessively, sales promotion might devalue products or services in consumer's minds, decrease brand loyalty, increase consumer price sensitivity, and a myopic business goals. However, some companies argue that sales promotion is helpful in adjusting short-term variations of supply and demand, help companies to test how high their list price is, and promote consumer awareness of prices, thus, it will gives consumer satisfaction when they feel like a smart shopper.

### 3. Brand Image or Consumer Perception of the Brand

According to Kotler (2012), brand image is a vision and belief that is buried in the minds of consumers, as a reflection of associations that are held in consumers' memories. Brand image is a representation of the overall perception of the brand and is formed from information and experience of the brand (Temaja and Yasa, 2019). According to Venessa and Arifin (2017), brand image is an association or belief that exists in the minds of consumers to be different from other brands such as labeling, letter designs or special colors.

## Conceptual Framework

This research will examine how price discount (X1) and service quality (X2) affects consumer purchase decisions (Y1).



**Figure 1.** Conceptual Framework

### Research Hypothesis

Price cuts can create a sense of urgency for consumers to make a purchase immediately, because they feel they are getting the benefit of a lower price. This increases purchase intention, especially for products that are considered attractive or in demand. However, the effects of price discounts can vary depending on the product context and consumer loyalty to the brand. In some cases, consumers may perceive price cuts as a sign of lower quality, which can affect their perception of the brand or product. Research by Wahyudi (2017) shows that price discounts have a significant effect on purchasing decisions for Azwa Perfume consumers in Pekanbaru. In addition, research by Sabilla and Santoso (2018) revealed that price discounts have a positive and significant effect on purchasing decisions for Alfamart Dharmawangsa consumers in Surabaya. Another study by Risma and Sukmawati (2023) found that price discounts have a positive and significant effect on purchasing decisions for Shopee application users in North Aceh. However, Sinaga et al. (2023) in their research at the Irian Medan Supermarket found that price discounts have a positive but insignificant effect on purchasing decisions, while in-store displays have a significant effect.

H1: Price Discount has an influence on Purchase Decision.

Quality service can enhance customer experience, which in turn strengthens customer relationships with the company. Service quality dimensions such as reliability, responsiveness, assurance, empathy, and tangibles contribute directly to consumers' positive perceptions of the company. Conversely, poor service quality can lead to customer dissatisfaction, which risks increasing churn rates and harming the company's reputation. Therefore, companies need to focus on improving service quality to retain and attract new customers. Research by Wahyuni (2023) shows that good service quality significantly increases purchasing decisions. In addition, research by Andriani (2021) found that electronic service quality significantly affects purchasing decisions. Another study by Solehudin (2022) revealed that service quality and price simultaneously affect purchasing decisions.

H2: Service Quality has an influence on Purchase Decision



## METHOD

This research is quantitative research using a causal – comparative approach. The population of this research is all Students at Yogyakarta State University. The technique used by researchers for this study is to use the nonprobability sampling technique, namely a sampling technique that does not provide equal opportunities or chances for each element or member of the population to be selected as a sample. The nonprobability sampling technique used in this sampling is to use the purposive sampling technique, namely the selection of samples based on certain assessments or certain criteria from the researcher. This research will use questionnaires as the method of data collection. Thus, the data will be primary data which is collected directly from respondents. The questionnaires will be distributed by hardcopy or through Google link to respondents. The researcher is aiming to gather data from 189 respondents with different backgrounds and characteristics. The data analysis method used is the statistical analysis method using IBM SPSS Statistics 26 software. Data analysis is a research activity in the form of a process of compiling and managing data in order to interpret the data that has been obtained.

### Validity and Reliability Instrument

Validity and reliability tests are used in this research. Validity is the extent to which a research study measures what it claims to measure without being affected by extraneous factors or bias. In contrast, reliability is the degree to which the research results are consistent and stable over time and across different samples, methods, and evaluators. This research is measuring validity and reliability using factor analysis to assess construct validity. Construct validity assesses whether the measurement instrument accurately measures the theoretical construct it is intended to measure.

### Descriptive Statistics

There are three descriptive statistics, namely the variables provided by frequency, measures of central tendency, and dispersion. Frequency is the frequency of the number of individuals in various departments for a sample of companies that are increasingly high as shown in the output (Ghozali, 2018). This study uses an interval scale, so that the average value is sought. The average value is the result of the average value of the questionnaire results for each respondent.

### Classical Assumption Test

#### *Normality Test*

The normality test aims to test whether in the regression model, the dependent and independent variables both have a normal or abnormal distribution (Ghozali, 2018). The normality test in this study was carried out using the Kolmogorov-Smirnov test, the data is said to be normally distributed if it has a test probability value greater than 0.05 (Ghozali, 2018).

### **Multicollinearity Test**

According to Ghozali (2018) the Multicollinearity Test aims to test whether the regression model finds a correlation between independent variables. A good regression model should not have correlation between independent variables, if the independent variables are correlated with each other, then these variables are not orthogonal. To detect the presence or absence of multicollinearity in the regression model, it can be seen from the tolerance value and variance inflation factor (VIF). Tolerance measures the variability of the selected independent variables that cannot be explained by other independent variables. So a low tolerance value is the same as a high VIF value (because  $VIF = 1/\text{tolerance}$ ). The cut-off value commonly used to indicate multicollinearity is a tolerance value  $> 0.10$  and the same as a VIF value  $< 10$ .

### **Heteroscedasticity Test**

According to Ghozali (2018) the homogeneity test is a test of analysis requirements regarding the feasibility of data to be analyzed using certain statistical tests. This homogeneity test is carried out with the Variation Homogeneity Test and the Bartlett Test. The Homogeneity Test is carried out to determine whether the data in variables X and Y are homogeneous or not. To test homogeneity, SPSS version 25.0 for Windows is used. Decision making in this homogeneity test is:

- 1) If the significance value (sig.) on Based on Mean  $> 0.05$  then the data has a homogeneous variance.
- 2) If the significance value (sig.) on Based on Mean  $< 0.05$  then the data has a non-homogeneous variance.

### **Hypothesis Testing**

Regression analysis is a statistical technique that is useful for examining and modeling relationships between variables. Multiple regression is often used to overcome regression analysis problems that result in relationships between two or more independent variables. The multiple linear regression equation model is as follows:

$$Y = a + bX$$

Description:

Y: dependent variable

a: regression constant

bX: derivative value or increase in independent variable

### **Determination Coefficient Test**

According to Ghozali (2018) the coefficient of determination ( $R^2$ ) is The coefficient of determination ( $R^2$ ) essentially measures how far the model's ability to explain the variation of the dependent variable. The determination coefficient test is carried out to determine how far or what percentage of variable X affects variable Y. This is done by looking at the Adjusted  $R^2$  value.



### T Test (Partial)

The testing tool used in this study is multiple regression analysis. The t test is used to show how far the influence of one explanatory/independent variable individually in explaining the variation of the dependent variable, where  $\alpha = 0.05$  (Ghozali, 2018).

Hypothesis acceptance criteria:

If sig. t < 0.05 then  $H_a$  is rejected.

If sig. t > 0.05 then  $H_a$  is accepted.

### F Test

The F test is a test of regression coefficient simultaneously. This test is carried out to determine the effect of all independent variables contained in the model together (simultaneously) on the dependent variable. The F test is used to test one of the hypotheses in research that uses multiple linear regression analysis (Ghozali, 2018). The F test is used to determine the effect of independent variables together (simultaneously) on the dependent variable. The results of the F test are seen in the ANOVA table in the sig. column with the following criteria:

- 1) If the probability value is < 0.05, then it can be said that there is a significant joint influence between the independent variables on the dependent variable.
- 2) If the probability value is > 0.05, then there is no significant joint influence between the independent variables on the dependent variable.

## RESULT AND DISCUSSION

This research was conducted in Indonesia, without mentioning a specific city or location. The population is assumed to be infinite because the number of Grab application users is currently more than 135 million users. In this study, the sample to be used is 189 samples.

**Table 1. Respondent Profile Based on Gender**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	107	56.6	56.6	56.6
	Male	82	43.4	43.4	100.0
	Total	189	100.0	100.0	

Source: Processed Primary Data (2024)

Based on Table 1, it shows that the majority of respondents in this study were female, namely 107 respondents with a percentage of 56.6%, while the majority of respondents were male, namely 82 respondents with a percentage of 43.3%.

**Table 2. Respondent Profile Based on Age**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	< 17 years	22	11.6	11.6	11.6
	> 28 years	46	24.3	24.3	36.0
	17 - 22 years	24	12.7	12.7	48.7
	23 - 28 years	97	51.3	51.3	100.0
	Total	189	100.0	100.0	

Source: Processed Primary Data (2024)

Based on Table 2, it is known that the majority of respondents in this study were aged 23 - 28 years, namely 97 respondents with a percentage of 51.3%, those aged over 28 years were 46 respondents with a percentage of 24.3%, those aged 17 - 22 years were 24 respondents with a percentage of 12.7%, while those aged less than 17 years were 82 respondents with a percentage of 43.3%.

### a. Descriptive Statistics

The following are the descriptive statistical results of the respondents' responses:

**Table 3. Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
PD1	189	1.00	5.00	3.6984	.76426
PD2	189	2.00	5.00	3.6561	.80769
PD3	189	2.00	5.00	3.6720	.83047
PD4	189	2.00	5.00	3.5661	.87648
PD5	189	2.00	5.00	3.6931	.81280
PD6	189	2.00	5.00	3.6138	.80822
PD7	189	2.00	5.00	3.6138	.84678
PD8	189	1.00	5.00	3.6561	.87106
PD9	189	2.00	5.00	3.5503	.85294
PD10	189	2.00	5.00	3.5873	.78486
DI1	189	2.00	5.00	3.6190	.81401
DI2	189	1.00	5.00	3.6772	.86083
DI3	189	2.00	5.00	3.4656	.94257
DI4	189	2.00	5.00	3.6561	.80769
DI5	189	1.00	5.00	3.5132	.86669
DI6	189	1.00	5.00	3.5397	.97017
SQ1	189	2.00	5.00	3.6138	.82773
SQ2	189	2.00	5.00	3.4603	.93670



SQ3	189	2.00	5.00	3.6878	.78748
SQ4	189	2.00	5.00	3.7037	.80361
SQ5	189	2.00	5.00	3.5873	.86236
SQ6	189	2.00	5.00	3.7354	.74653
SQ7	189	2.00	5.00	3.6508	.80210
SQ8	189	1.00	5.00	3.5026	.90286
Valid N (listwise)	189				

Source: Processed Primary Data (2024)

Based on the descriptive statistical results of the respondents' responses, it is known that on average, respondents in this study answered on a scale of 4 out of the 5 scales proposed.

### *b. Instrument Test*

#### *Validity Test*

The values seen for the validity test are the KMO value, Bartlett's Test of Sphericity, MSA and Factor Loading. The following is a table of the results of the data validity test:

**Table 4. Validity Test Results**

No.	Variable	Code	KMO > 0,5	Sig < 0,05	MSA > 0,5	Factor Loading > 0,5	Result
1	Purchase Decision	PD1	0,934	0,000	0,948	0,986	Valid
		PD2			0,903	0,925	Valid
		PD3			0,962	0,895	Valid
		PD4			0,947	0,874	Valid
		PD5			0,955	0,852	Valid
		PD6			0,920	0,910	Valid
		PD7			0,915	0,939	Valid
		PD8			0,943	0,870	Valid
		PD9			0,961	0,949	Valid
		PD10			0,885	0,964	Valid
2	Prices Discount	DI1	0,919	0,000	0,945	1,000	Valid
		DI2			0,924	1,000	Valid
		DI3			0,936	1,000	Valid
		DI4			0,898	1,000	Valid
		DI5			0,911	1,000	Valid
		DI6			0,909	1,000	Valid
3	Service Quality	SQ1	0,921	0,000	0,898	0,933	Valid
		SQ2			0,939	0,986	Valid

No.	Variable	Code	KMO > 0,5	Sig < 0,05	MSA > 0,5	Factor Loading > 0,5	Result
		SQ3			0,911	0,960	Valid
		SQ4			0,925	0,902	Valid
		SQ5			0,939	0,950	Valid
		SQ6			0,915	0,944	Valid
		SQ7			0,900	0,886	Valid
		SQ8			0,952	0,994	Valid

Source: Processed Primary Data (2024)

Based on the table above, it shows the results of the main test data validity test from 189 respondents to test the research variables, namely Purchase Decision, Prices Discount and Service Quality meet the requirements and are declared valid. The data in this study were processed using IBM SPSS software version 26 with the following explanation:

The Service Quality variable has 10 main questions with codes for each indicator, namely PD1, PD2, PD3, PD4, PD5, PD6, PD7, PD8, PD9 and PD10 have a KMO value > 0.5; Sig value < 0.05; MSA value > 0.5 and factor loading > 0.5. Based on the values shown, the Purchase Decision variable has met the requirements and is declared valid in this study.

The Prices Discount variable has 6 main questions with codes for each indicator, namely DI1, DI2, DI3, DI4, DI5 and DI6 have KMO values > 0.5; Sig value < 0.05; MSA value > 0.5 and factor loading > 0.5. Based on the values shown, the Prices Discount variable has met the requirements and is declared valid in this study.

The Service Quality variable has 8 main questions with codes on each indicator, namely SQ1, SQ2, SQ3, SQ4, SQ5, SQ6, SQ7 and SQ8 have KMO values > 0.5; Sig value < 0.05; MSA value > 0.5 and factor loading > 0.5. Based on the values shown, the Service Quality variable has met the requirements and is declared valid in this study.

### Reliability Test

This study tested the reliability of the items using the internal consistency reliability test, where the test was conducted and measured using the Cronbach alpha coefficient, composite reliability and corrected item total correlation. Table 5. below are the results of the reliability test.

**Tabel 5. Reliability Results**

No.	Variable	Code	Cronbach's Alpha value > 0.7	Result
1	Purchase Decision	PD1	0,951	Reliabel
		PD2		
		PD3		
		PD4		
		PD5		



No.	Variable	Code	Cronbach's Alpha value > 0.7	Result
		PD6		
		PD7		
		PD8		
		PD9		
		PD10		
2	Prices Discount	DI1	0,924	Reliabel
		DI2		
		DI3		
		DI4		
		DI5		
		DI6		
3	Service Quality	SQ1	0,931	Reliabel
		SQ2		
		SQ3		
		SQ4		
		SQ5		
		SQ6		
		SQ7		
		SQ8		

Source: Processed Primary Data (2024)

Based on table 5, it is known that all variables, namely Purchase Decision, Prices Discount and Service Quality have a Cronbach Alpha value > 0.6, so it can be said that all variables are reliable.

### c. Classical Assumption Test Results

#### Normality Test Results

The following is a table showing the results of the normality test in this study:

**Table 6. Normality Test Results**  
**One-Sample Kolmogorov-Smirnov Test**

		Unstandardized Residual
N		189
Normal Parameters <sup>a,b</sup>	Mean	.0000000
	Std. Deviation	1.98461081
Most Extreme Differences	Absolute	.092
	Positive	.084
	Negative	-.092

Test Statistic	.092
Asymp. Sig. (2-tailed)	.151 <sup>c</sup>

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.

Source: Processed Primary Data (2024)

Based on table 6. it is known that the test results for normality can be seen from the Kolmogorov-Smirnov sig. value of  $0.151 > 0.05$ , it can be said that this data is normally distributed.

### *Multicollinearity Test*

The following is a table showing the results of multicollinearity in this study:

**Table 7. Multicollinearity Test Results**  
**Coefficients<sup>a</sup>**

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
Prices_Discount	.138	7.226
Service_Quality	.138	7.226

- a. Dependent Variable: Purchase\_Decision
- Source: Processed Primary Data (2024)

Based on table 7. it is known that the value for Tolerance  $> 0.1$  and VIF  $< 10$ . So it can be said that the data in this study are free from multicollinearity. This means that there is no correlation between the independent variables in this study.

### *Heteroscedasticity Test*

The following is a table showing the results of Heteroscedasticity Test in this study:

**Table 8. Heteroscedasticity Test Results**  
**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.851	.511		3.619	.000
Prices_Discount	-.245	.057	-.807	-.307	.270
Service_Quality	.168	.047	.674	.596	.414

- a. Dependent Variable: ABS\_RES
- Source: Processed Primary Data (2024)



Based on table 8, it can be seen that the results of the heteroscedasticity test for each independent variable have a significance value  $> 0.05$ , so it can be said that heteroscedasticity occurs.

**d. Hypothesis Testing**

**Coefficient of Determination ( $R^2$ )**

The following is a table showing the results of Determination Coefficient Test ( $R^2$ ) in this study:

**Table 9. Results of Determination Coefficient Test ( $R^2$ )**

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.958 <sup>a</sup>	.917	.916	1.99525	1.894

a. Predictors: (Constant), Service\_Quality, Prices\_Discount

b. Dependent Variable: Purchase\_Decision

Source: Processed Primary Data (2024)

Based on table 9, it is known that the adjusted R Square value is 0.916, which means that the Prices Discount and Service Quality variables can influence the Purchase Decision variable by 91.6% and the remaining 8.4% is influenced by other variables.

**F Test**

**Table 10. F Test Results**

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8185.729	2	4092.865	1028.091	.000 <sup>b</sup>
	Residual	740.472	186	3.981		
	Total	8926.201	188			

a. Dependent Variable: Purchase\_Decision

b. Predictors: (Constant), Service\_Quality, Prices\_Discount

Source: Processed Primary Data (2024)

Based on table 4.10, it is known that the sig. F value is  $0.000 < 0.05$ , which means the model fits.

*t-test*

**Table 11. t-Test Results  
Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
1 (Constant)	1.960	.782		2.505	.013
Prices_Discount	.446	.087	.291	5.121	.000
Service_Quality	.856	.071	.682	12.007	.000

a. Dependent Variable: Purchase\_Decision

Source: Processed Primary Data (2024)

1. First hypothesis

Based on table 11. it is known that the significance value for the Prices Discount variable is  $0.000 < 0.05$  with a coefficient value of 0.446 so that it means that the first hypothesis in this study is accepted. So there is a positive influence between Prices Discount on Purchase Decision.

2. Second hypothesis

Based on table 11. it is known that the significance value for the Service Quality variable is  $0.000 < 0.05$  with a coefficient value of 0.856 so that it means that the second hypothesis in this study is accepted. So there is a positive influence between Service Quality and Purchase Decision.

**Prices Discount on Purchase Decision**

The significant value for the Prices Discount variable is  $0.000 < 0.05$  with a coefficient value of 0.446 so that it means that the first hypothesis in this study is accepted. So there is a positive influence between Prices Discount on Purchase Decision.

Discount prices have a significant positive effect on consumer purchasing decisions. Discounts are often used as a marketing strategy to attract customers' attention and encourage them to make purchases. Price reductions in the form of discounts can increase the attractiveness of a product, make it more affordable, and motivate consumers to buy the product compared to products at normal prices. Based on research by Rachmawati and Fatchurrohman (2020), discounts can stimulate buying impulses because consumers feel they are getting more value from the transactions they make. In addition, discounts can give the impression that the product is of good quality, even at a lower price, which speeds up the decision to buy (Anwar & Elok, 2021). Discounts can also influence purchasing decisions by creating a sense of urgency among consumers. Research by Suryani (2020) shows that time-limited discount promotions increase consumers' tendency to buy immediately before the opportunity is lost. This phenomenon is related to the theory of consumer behavior, where uncertainty and fear of missing out (FOMO) can encourage faster action. In this context, discounts become a very effective element in stimulating purchases because consumers feel that they will miss the opportunity to get a cheaper price if they do not act immediately.



Price reductions also provide a positive signal about the economic value of a product, which encourages consumers to believe that they are making a profitable decision. This is reinforced by the findings of Dewi and Mulyana (2019), which show that discount prices contribute greatly to customer satisfaction levels, which in turn increases the likelihood of consumers making repeat purchases. Discounts not only increase purchase volume but also strengthen customer loyalty, because consumers feel appreciated and benefit from lower prices without sacrificing product quality.

The implications of this study's results indicate that price discounts are an important factor influencing students' purchasing decisions. Therefore, service providers need to optimize discount-based promotional strategies, such as providing special discounts for students, end-of-month discounts, or coupon-based loyalty programs. With the increasing appeal of price discounts, delivery service applications can contribute to the growth of the digital economy among students. This also encourages healthy competition among service providers, which ultimately improves service quality and customer satisfaction.

### **Service Quality on Purchase Decision**

The significance value for the Service Quality variable is  $0.000 < 0.05$  with a coefficient value of 0.856 so that it means that the second hypothesis in this study is accepted. So there is a positive influence between Service Quality and Purchase Decision.

Service quality has a significant positive influence on consumer purchasing decisions. Quality service can increase customer satisfaction, which in turn encourages consumers to make purchases. Consumers tend to prefer companies that provide a satisfying service experience because they feel valued and cared for. In addition, good service quality can create long-term relationships between companies and consumers, which increases the likelihood of customers making repeat purchases. This indicates that adequate service not only meets customer expectations but also provides added value that directly influences purchasing decisions (Pratiwi and Haryanto, 2020).

In addition, service quality plays an important role in building a positive corporate image. Customers who are satisfied with the quality of service they receive will be more likely to provide recommendations to others, which can expand the customer base. These word-of-mouth recommendations are often the deciding factor in new purchasing decisions. In this context, high service quality can increase customer loyalty and strengthen brand image in the market. This also shows that superior service quality not only influences one-time purchasing decisions but can continue in the long term (Rahmadani and Saputra, 2019).

Good service quality also increases consumer trust in the company, which is a key factor in making purchasing decisions. Consumers who are satisfied with the services provided are more confident in making further transactions. This trust is an important foundation for building long-term relationships and ongoing customer loyalty. Consistent service quality also creates a positive impression that strengthens purchasing decisions (Indrayani and Widiastuti, 2021).

The implications of this research result show that service providers can understand that service quality is not just a complement, but an important element that influences

consumer purchasing decisions. Investment in superior service will have a positive impact on all parties involved. Students as consumers will get a better experience through quality service, such as timely delivery and clear application information. This encourages customer satisfaction which can affect long-term loyalty.

## CONCLUSION

Based on the results of the analysis that has been carried out, the conclusions of this study are prices Discount has a positive influence on Purchase Decision. This means that the higher the discount given, the higher the Purchasing Decision of Yogyakarta State University students to use the Online Food Delivery Application service. Service Quality has a positive influence on Purchase Decision. This means that the better the quality of service provided, the higher the Purchasing Decision of Yogyakarta State University students to use the Online Food Delivery Application service.

The recommended suggestion is GrabFood management can strategically implement discounts to increase transactions, Positive service quality contributes to purchasing decisions, so GrabFood must continue to improve the user experience at all stages of the service, from food search to delivery, Strategies that combine discounts with high service quality can have a greater impact on purchasing decisions and Management must regularly monitor the impact of price cut strategies and service quality improvement initiatives on purchasing decisions using analytical data.

In further research, it is recommended to include additional variables such as customer satisfaction, user loyalty, and user experience in analyzing purchasing decisions on the GrabFood application, it is recommended to expand the scope of respondents not only to students of Yogyakarta State University but also to other universities or different demographic segments, in addition to quantitative methods, future research can consider qualitative approaches, such as in-depth interviews or focus group discussions, to dig deeper into the reasons behind the influence of discounts and service quality on purchasing decisions and in further research, it is recommended to make comparisons with similar applications such as GoFood or ShopeeFood to determine the extent to which GrabFood's pricing strategy and service quality are more effective than competitors.

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