

# **CRITICAL FACTORS ON SME MANAGERS' ADOPTION OF ONLINE DELIVERY SERVICE APPLICATION**

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## **ABSTRACT**

The primary purpose of the study is to investigate critical pressures on SMEs' managers in adopting online delivery service application. The research investigates five variables to understand the critical pressure that influences how SMEs' managers adopt online delivery service application. The number of 266 SMEs' managers who already use Go-Food service were surveyed using both online and offline comprehensive questionnaire. The data were utilised to analyse the hypothesised relationships through PLS-SEM. The five variables under the framework of institutional theory and technology acceptance model significantly provide pressures in the shaping of managers' attitudes toward the use of online delivery services. In detail, perceived usefulness (PU) and perceived ease of use (PEU) are appearing to be the most substantial pressures that influence the attitude of the SMEs manager in adopting a new technology of online delivery service, followed by normative pressure (NP), coercive pressure (CP) and mimetic pressure (MP) respectively. Then, this study also shows that attitude has a significant effect on behavioural intention to adopt new technology of online delivery service. The low transparency of SMEs managers to provide information has had an impact on the lack of adequate questionnaires to be analysed. The findings of this study include several matters that relate to many parties such as SMEs managers, app developers of online food delivery service, government and other institutions involved in encouraging technology adoption for SMEs. This research is the first study in Indonesia that combines the two theories related to personal and social-institutional context to investigate critical pressures on the adoption behaviour of SMEs managers in the food business sector.

**Keywords:** Online delivery service; Go-Food service; Go-Jek app; Structural equation modelling; Institutional theory; Technology acceptance model; Behavior intention; SMEs

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*Received: 26 August 2018*

*Accepted: 9 September 2019*

## **1. INTRODUCTION**

Technology becomes a critical element that gives a powerful impact on the change of business organisation. Recently, the emergence of digital technology has become a sign of a new stage of the industrial revolution. In this stage, the paradigm of an industrial economy is facing rapid changes in all aspect of the business such as finance, human resource development, supply chain management, production, and marketing (Han, Seok, & Kim, 2017). Consequently, the rapid changes in the technological aspect will affect all size of business organisation, including Small

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and Medium-sized Enterprises (SMEs). This changing situation will seem easy for large companies because they have capital and capacity to respond. Unfortunately, the rapid changes are a big challenge for most of SMEs due to SMEs are categorised as business which has total assets of around Rp50 million to Rp10 billion (Bank Indonesia and LPPI, 2015). Moreover, SMEs have some other weaknesses such as insufficient managerial skills, lack of financial access, highly competitive business environment, and high rate of business failure (Teima et al., 2010; Arasti, 2011; Fatoki, 2014; Mutegi et al., 2015; Lusimbo & Muturi, 2016).

In other hands, SMEs has mainly been placed as an essential economic sector to achieve national financial stability and competitiveness through increasing employment rates and household incomes (Fatoki, 2014; Pimoljinda & Siriprasertchok, 2018). At this point, the ability of SMEs managers in adopting various new digital technologies becomes a critical issue for their survival and growth. Because the operationalisation of the SMEs business does not separate ownership from management since they are operated privately (Han et al., 2017), the managers always take significant roles in determining business strategies to face the rapid changes. In effect, the level of the adoption process will determine how big the contribution of SMEs in the economic development of the country.

Based on the data issued by the Indonesian Central Bureau of Statistics in the second quarter of 2017, SMEs in the food sector gave the highest contribution to the Indonesian gross domestic products (GDP). Also, BEKRAF (2019) revealed that culinary business is the first engine of growth within Indonesia's creative industry, contributing approximately 41.40% GDP, which is the highest contribution among other sub-sectors. In line with the data, a small creative industry in food and beverage in Indonesia is in a high growth rate due to the emergence of digital technology. Launched as an online transportation service in Indonesia (Fauzi, 2018), Go-Jek application has extended its service beyond transportation service. It has also developed the mobile-based application service with online food delivery service, namely Go-Food.

Moreover, the online delivery service has significantly helped SMEs in the food business sector in selling their products. Therefore, Chief Commercial Expansion Go-Jek, Catherine Hindra Sutjahyo, explained that there is approximately 300.000 food merchants have registered as partners that sell their products to the Go-Jek users in 2018. Impressively, the application is used by 70%-80% food merchants who are categorised as SMEs (Setyowati, 2018).

The phenomena could be best described by using the Technology Acceptance Model (TAM) proposed by Davis (1989). This theory explains merely that managers of SMEs use online delivery service technology because the managers believe that technology simplifies their business activity in delivering their food products. Also, it confirms that the managers are switching to use an online delivery service because the managers perceive that the technology is easy to use. It has extensively been discussed in the previous studies such as electronic commerce (Henderson & Divett, 2003); electronic payment (Miliani, Purwanegara, & Indriani, 2013; Chin & Ahmad, 2015); wireless internet (Lu, Yu, Liu, & Yao, 2003); online consumer behaviour (Koufaris, 2002); and e-learning (Park, 2009).

However, the TAM theory only focuses on individual factors of the users in adopting new technology (Yang, Lu, Gupta, Cao, & Zhang, 2012). If the phenomenon of an online delivery service adoption is associated with an entire social-environmental context, the TAM theory cannot

explain clearly about the underlying factors of the adoption process. In other hands, Cooper & Zmud (1990) stated that social influences have long been considered as a critical element in explaining adoption behaviour. Therefore, the adoption of the online food delivery service by SMEs in food business sometimes is not merely influenced by individual factors of the managers but rather to the social influence. Referring to the business environment context, any strategy employed by managers in the company, the managers always consider all factors that may directly or indirectly impact to the business performance such as customers, suppliers, competitors, technology, regulation, and economic condition (Daft, 2008:65).

An institutional theory can clearly explain the process in which managers are involved in the institutional context of the business environment of the SMEs. Lawrence & Shadnam (2008) stated that institutional theory is a theoretical framework for analysing social (mainly organisational) phenomena, which notices the social world as significantly comprised of institutions – enduring rules, practices, and structures that set conditions on the action. Dacin, Goodstein, & Scott (2002) also stated that institutional theory became a simplified and convincing explanation for both individual and organisational action. In this particular context of the research, the adoption of the online delivery service by SMEs managers is categorised as an institutional process where institutional context forces SMEs managers to be isomorphic – similar to each other, in the form and practice.

Though, the involvement of the social pressures has been investigated by limited previous researchers such as technology adoption of financial electronic data interchange (Teo, Wei, & Benbasat, 2003); mobile payment (Yang et al., 2012; Nguyen, Cao, Dang, & Nguyen, 2016); electronic learning (Jan, Lu, & Chou, 2012). Moreover, Kabir, Saidin, & Ahmi (2015) had conducted extensive literature research on e-payment adoption for recent studies with a total number of 51 empirical papers published between 2010-2015 by employing a meta-analysis technique. They found that the most common theory used in determining e-payment adoption were TAM, Unified Theory of Acceptance and Use of Technology (UTAUT) and only one empirical research dealing with an institutional theory which related to the social pressure.

In another hand, institutional theory comprises a comprehensive discussion related to social pressure which extensively might influence the adoption process. However, there is no much attention among researchers to social pressure as significant factors in triggering people or institution in adopting new technology. At this point, Do managers of SMEs have considered the dynamic change of the business environment such as technology, customers behaviour and suppliers in formulating business strategy? Ignoring some factors in formulating business strategy will make managers find difficulties to adapt to the changing situation. Then, as the importance of SMEs in the economic development of Indonesia, investigating what key pressures that stimulate SMEs managers in adopting new technology in running their business become a critical point. Therefore, this study will broadly investigate how to do managers of SMEs in food business shape attitude and behavioural intention on the adoption process of online delivery service by employing institutional theory and the Technology Acceptance Model (TAM). The results of the current research will help us to understand how SMEs' managers, especially in the food industry, develop their business and adapt to the rapid change of the technology. Additionally, it can be used as either references or consideration for the Indonesian government in providing specific regulation and infrastructure on a digital industry that supports the performance of SMEs in other sectors.

## 2. LITERATURE REVIEW

### 2.1. *Institutional Theory*

The institutional theory is a social world which comprised of institutions enable to endure rules, practices and structures that set conditions on the action (Lawrence & Shadnam, 2008). Also, the focus of the institutional theory is on the pursuit of legitimacy in the eyes of critical societal stakeholders and accentuates the significance of the institutional environment as attitudes and behaviours of social actors (Grewal & Dharwadkar, 2002).

Previously, the institutional theory came from two ideas of previous researchers who researched in the area of organisation theory such as Meyer & Rowan (1977) and Dimaggio & Powell (1983). Firstly, Meyer & Rowan (1977) explained that organisation in modern societies are in the highly institutionalised context of various professions, policies, and programs, which serve as powerful myths. Then, the critical idea established in this work was that formal organisational structure has a symbolic aspect in addition to its functional aspect, and this symbolic aspect is influential both in the decision to adopt a structure and in gaining legitimacy and better survival chances for organisations. Secondly, Dimaggio & Powell (1983) promoted an idea that institutional context forces organisations to be isomorphic meaning that the member of organisations is forced to be similar to each other both in form and practice. Next, Dimaggio & Powell (1983) introduced three mechanisms of isomorphic processes, namely coercive, mimetic, and normative.

#### 2.1.1. *Coercive Pressures*

Dimaggio & Powell (1983) explained that coercive pressures are defined as both formal and informal pressures applied on social actors, which are either people or organisation, to adopt the same attitudes, behaviours and practices as they feel pressured to do so by more influential actors. Then, the pressures in the coercive aspect are generated from various sources like regulatory agencies, suppliers, customers and other vital constituents (Teo, Wei, & Benbasat, 2003; Harcourt, Lam, & Harcourt, 2005).

In this particular context, the emergence of digital technology has dramatically changed customer behaviour. In reality, most of the modern customers want something in a much more straightforward and faster step, and the example is how they get food. In response to that situation, Go-Jek application designed Go-Food service, which provides a simple food delivery service. By making use of the application, customers will easy to find and buy the desired food listed in the app. Meanwhile, food merchants will also get more benefits when they use the Go-Jek app, especially Go-Food service, because they will directly be connected to million users of the Go-Jek that also become their potential buyers. In a modern marketing perspective, customers become a critical point for every business in developing a marketing strategy. Companies must consider their customers' needs and behaviour before developing a marketing strategy. If the business cannot follow and meet customers' needs, customers will ignore their products and services. At this very point, the coercive aspect seems fully generated from customers and suppliers' pressure. Food merchants may adopt Go-Food service because they assume that their million potential customers already exist in the application. If they do not adopt the app, they will probably lose their potential customers. Hence, the following hypothesis is proposed.

**H1a.** Managers of SMEs in the food business who perceived coercive pressure have higher possibility to use an online food delivery service application.

### 2.1.2. *Mimetic Pressures*

Dimaggio & Powell (1983) explained that mimetic pressures force social actors to seek examples of established behaviours and practices to follow through voluntarily and consciously copying the same behaviours and practices of other high-status and successful actors. In other words, if an influencing person does something successfully, it will become the inspiration for other people doing the same thing. Additionally, Teo, Wei, & Benbasat (2003) shed light that by imitating some actions from the first-mover, the actors can reproduce the same thing but minimal in effort and risk. In the business organisation context, mimetic pressure may cause a business organisation becomes more dynamic and tend to be similar to other organisations in their environment (Dimaggio & Powell, 1983). Moreover, Burt (1982) explained that the reasons why business organisations imitate other business organisations because those business organisations are in the same area of economic position and share similar goals, produce related commodities, share identical customers and suppliers, and undergone similar constraints.

80% of food merchants registered in Go-Food service are categorised as SMEs. SMEs are mostly start-up business that no much knowledge and capacity in designing good strategy to develop their business. Consequently, understanding the environment of the food business industry around them, including competitors, is a great idea to start actions. They found that their competitors that provide a delivery service using Go-Food service can improve their business performance. At this very point, food merchants may adopt the Go-Food service because they feel their competitors in the same industry that have already used Go-Food service get success. Also, by imitating what their competitors do, the food merchants do not want to leave behind by their competitor and still have a competitive advantage. Therefore, the following hypothesis is proposed.

**H1b.** Managers of SMEs in the food business who perceived mimetic pressure have higher possibility to use an online food delivery service application.

### 2.1.3. *Normative Pressures*

Dimaggio & Powell (1983) shed light that the normative pressures may guide social actors who have not adopted the innovation to experience discord and hence discomfort when peers whose approval they value adopted the innovation. Then, (Flanagin, 2000) stated that social actors are more likely to copy a particular action if a large number of other actors has taken that action. Social actors are forced to adopt specific behaviour due to their expectation for legitimacy and not necessarily for suitability. At this very point, in gaining legitimacy in the food business, food merchants should follow the current issue related to delivery service to customers. Food merchants assume that they will lose their market and get trouble in improving their business performance if they do not follow the current trend in the business industry, namely delivery service. In other words, food merchants may adopt Go-Food service because they are influenced by a specific condition where a large number of food merchants around them using Go-Food service. Hence, the following hypothesis is proposed.

**H1c.** Managers of SMEs in the food business who perceived normative pressure have higher possibility to use an online food delivery service application.

## **2.2. Technology Acceptance Model (TAM)**

Technology Acceptance Model (TAM) constitutes a popular theory dealing with the adoption of new technology that was proposed by Davis (1989). Then, Davis (1989) illustrated that people considering to use or not to use an application to the extent they believe it will help them perform their job better. So, it refers to a variable of perceived usefulness. Next, although potential users understand that new technology is useful for them, they may not use the latest technology because the system is hard to use. Then, it refers to a variable of perceived ease of use. Based on the previous empirical studies, personal beliefs which consist of the TAM dimension namely perceived usefulness and perceived ease of use is substantial as predictors of intention to use electronic commerce (Henderson & Divett, 2003); electronic payment (Miliani, Purwanegara, & Indriani, 2013; Chin & Ahmad, 2015); wireless internet (Lu et al., 2003); online consumer behaviour (Koufaris, 2002); and e-learning (Park, 2009); and mobile payment services (Nguyen, Cao, Dang, & Nguyen, 2016). In the Go-Food service context, then, food merchants may proceed to adopt Go-Food service if they feel that Go-Food service is useful and contribute to their work and easy to use it. Hence, the following hypotheses are proposed.

**H2a.** Managers of SMEs in the food business who perceived usefulness have higher possibility to use an online food delivery service application.

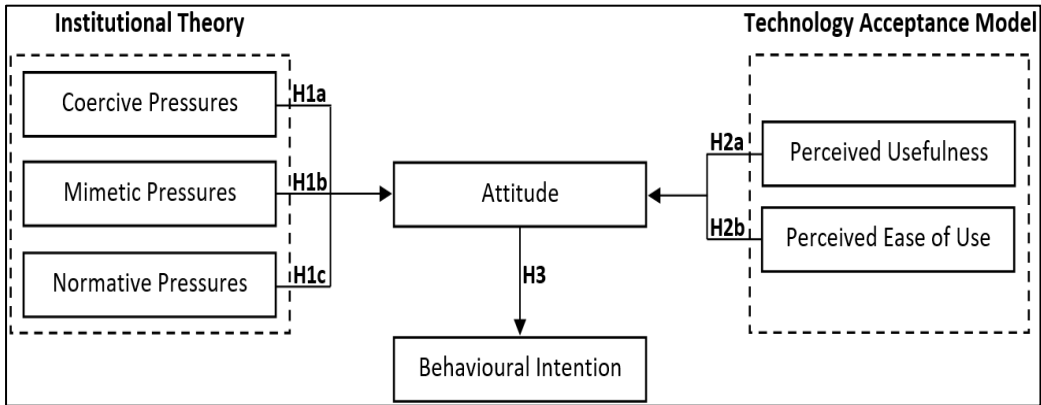
**H2b.** Managers of SMEs in the food business who perceived ease of use have a higher possibility to use an online food delivery service application.

## **2.3. Attitude and Behavioural Intention**

Jan et al. (2012) stated that attitude and behavioural intention are two widely examined variables in the literature of technology acceptance. Then, Ajzen (1991) indicated that attitude explained about individual's general feeling of desiring toward some particular technology system. Meanwhile, behavioural intention encompasses the user's motivational factors that influence the usage of the technology system. In this particular context, behavioural intention constitutes a willingness to use and adopt Go-Food service. Referring to the previous research in a different context, Park (2009) and (Jan et al., 2012) revealed that individual attitude has a significant influence on the intention to use e-learning. Consequently, the following hypothesis is proposed.

**H3.** Managers' attitude of SMEs in the food business will positively influence their behavioural intention to use an online food delivery service application.

Figure 1: Conceptual Framework



### 3. RESEARCH METHODOLOGY

#### 3.1. Measures

There were some steps in designing the questionnaire to measure the research model. Firstly, the researcher conducted a literature review to find a research instrument in the previous empirical studies. In this step, not all previous studies explicitly provide research instrument. In response to that condition, the researcher conducted the second step by developing a new measurement scale which was based on some theoretical literature and employed a pilot survey project. In the pilot survey project, we administrated questionnaire of 35 test items to 80 respondents then we evaluated their loading factors scores by using WarpPLS 6.0 software. Hair, Ringle and Sarstedt (2011) stated that the loading factor of indicators should be higher than 0.70. Therefore, ten indicators do not meet with the minimum requirements, namely six test items in a coercive variable, one test item in a mimetic variable, and three test items in perceived usefulness. Finally, there were only 25 test items that meet the acceptable criteria as presented in Appendix A. Then, 25 test items in the constructs will be measured using a five-point Likert-type scale (ranging from 1 = strongly disagree to 5 = strongly agree). Also, due to all of the target respondents were Indonesian, the questionnaires were designed by using *Bahasa*. Then, Table 1 below shows the construct definitions of the variables and the related literature.

Table 1: Construct Definition

Construct	Definition	Test Item	References
Coercive Pressure (CP)	A certain condition in which business environment, particularly customers, forces managers of SMEs in the food business to adopt an online delivery service.	3 (three) items	(Dimaggio & Powell, 1983); (Teo et al., 2003)

Mimetic Pressure (MP)	A certain condition in which successful competitor forces managers of SMEs in the food business to adopt an online delivery service.	3 (three) items	
Normative Pressure (NP)	A certain condition in which a large number of food business forces managers of SMEs in the food business to adopt an online delivery service.	4 (four) items	
Perceived Usefulness (PU)	The level of managers of SMEs in the food business who feel that online delivery service is useful.	3 (three) items	(Davis, 1989);(Nguyen et al., 2016)
Perceived Ease of Use (PEU)	The level of managers of SMEs in the food business who feel that online delivery service is easy to use.	5 (five) items	
Attitude (AT)	Managers' feeling of desiring of SMEs in the food business in using an online delivery service.	4 (four) items	(Park, 2009); (Jan et al., 2012)
Behavioural Intention (BI)	Managers' motivation of SMEs in the food business in using an online delivery service.	3 (three) items	

### 3.2. Subject and Procedure

The population for this research is the registered food merchants who use Go-Food service in the Go-Jek application. According to the official website of Go-Jek that is [www.go-jek.com](http://www.go-jek.com), there are approximately 300.000 registered food merchants in the Go-Jek application. In other words, the total population is about 300.000 managers of SMEs in the food business. Then, PLS-SEM is a statistical approach to analyse the obtained data. Therefore, Ghozali (2008) suggested that one technique to determine how many samples in PLS-SEM is five to ten times the indicators of overall latent variables. In this study, the measurement scale consists of 25 indicators. As a result, the minimum sample size of the research is about 5x25 or as high as 125. At this point, the author targeted minimally getting 50 respondents for each city to minimise the generalisation issue of the research results.

Meanwhile, the research sampling method applied in this research is a non-probability sampling method which is judgment sampling. The research questionnaire was distributed to the managers of food merchants in four big cities in East Java such as Surabaya, Gresik, Sidoarjo, and Malang by employing both online and offline questionnaire. Those four cities are categorised as big cities in East Java Province where the province was experiencing positive economic growth, higher than the national economic growth of Indonesia (The Indonesian Central Bureau of Statistics, 2018).



The time frame of data collection was from April to May 2018. During the period, the researcher entirely collected 266 completed questionnaires.

### 3.3. *Statistical Analysis*

In analysing the research framework, the author used WarpPLS 6.0 version as a PLS-based SEM software (Kock, 2017). Its flexibility and its comparatively high statistical power make the PLS method particularly adequate for SEM applications that aim at prediction or theory building and confirmatory theory testing (Hair et al., 2011). Then, the researcher followed a two-step process that involves separate assessments of the measurement models and the structural model (Hair et al., 2011). Firstly, because the measurement models of the research are reflective, it should be assessed by their reliability and validity. The reliability test is based on the score of composite reliability and the loading factor of the indicators. Meanwhile, the validity test is based on convergent validity and discriminant validity. Secondly, for the evaluation of the structural model, the primary evaluation criteria are the  $R^2$  measures and the level and significance of the path coefficients.

## 4. RESULTS

### 4.1. *Respondents Overview*

The respondents of the research were managers of SMEs in the food business that operate their business in East Java, especially in Surabaya, Gresik, Sidoarjo, and Malang. Their companies have already been connected to Go-Food service in the Go-Jek application. The profile of the sample selected to achieve the purpose of this study related to how long they run the business. Among 266 samples of the research, there were about 35.4 per cent of the respondents (n=94) that have operated the business for 1-3 years, 31.2 per cent (n=83) for more than five years, 25.9 per cent (n=69) for less than one years, and 7.5 per cent (n=20) for 4-5 years.

### 4.2. *Measurement Model*

In this stage, the study evaluated the reliability and validity of the measurement models. The study tested the reliability of the constructs was based on the composite reliability that should be higher than 0.70. Meanwhile, indicator reliability is based on indicator loadings that should be higher than 0.70 (Hair et al., 2011).

**Table 2:** Result Summary of Reliability and Validity Test

Latent Variable	Indicator	Reliability Test		Convergent Validity Test	Discriminant Validity Test
		Loading Factor	Composite Reliability	AVE	
Coercive Pressure (CP)	CP4	0.780	0.816	0.598	Yes
	CP5	0.832			
	CP9	0.703			
	MP1	0.797	0.908	0.768	Yes

Latent Variable	Indicator	Reliability Test		Convergent Validity Test	Discriminant Validity Test
		Loading Factor	Composite Reliability	AVE	
Mimetic Pressure (MP)	MP2	0.920			
	MP3	0.908			
Normative Pressure (NP)	NP1	0.814			
	NP2	0.865	0.905	0.704	Yes
	NP3	0.836			
	NP4	0.841			
Perceived Usefulness (PU)	PU2	0.755			
Perceived Ease of Use (PEU)	PU5	0.841	0.845	0.646	Yes
	PU6	0.813			
	PEU1	0.768			
Attitude (AT)	PEU2	0.847	0.915	0.683	Yes
	PEU3	0.849			
	PEU4	0.811			
	PEU5	0.853			
Behavioral Intention (BI)	AT1	0.824	0.905	0.703	Yes
	AT2	0.837			
	AT3	0.846			
	AT4	0.847			
Behavioral Intention (BI)	BI1	0.913	0.947	0.857	Yes
	BI2	0.927			
	BI3	0.937			

*Notes:* AVE (Average Variance Extracted)

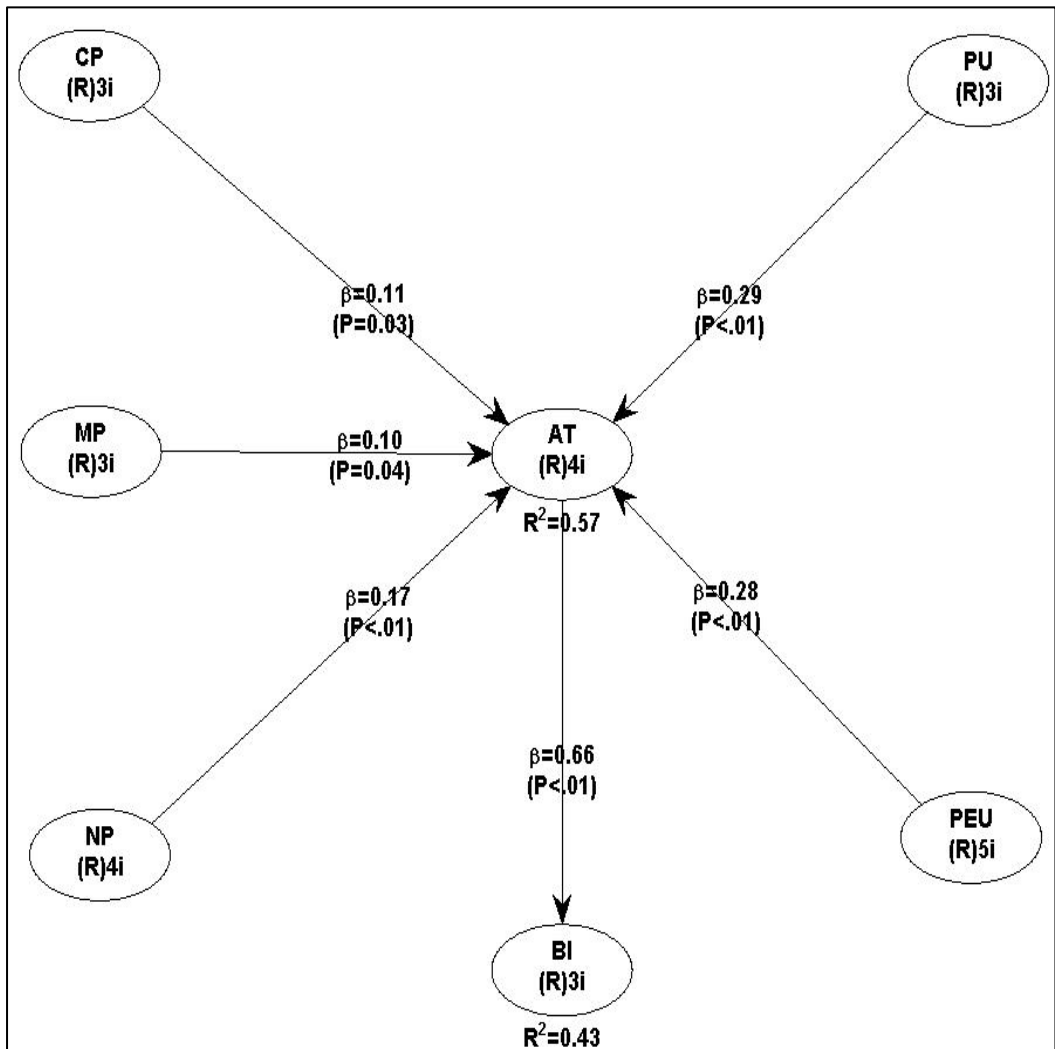
At the same time, the study also tested two types of validity test, namely convergent and discriminant validity. Convergent validity is based on the AVEs, which should be higher than 0.50. Discriminant validity considers the Fornell-Larcker criterion. It indicates that the AVE of each latent variable should be higher than any other latent constructs. Also, discriminant validity considers a score of each indicators' loading that should be higher than all of its cross-loading (Hair et al., 2011). Table 2 presents the results test of reliability and validity.

It can be observed from Table 2 that composite reliability are ranging from 0.816 to 0.947 and a loading factor of the indicators are ranging from 0.703 to 0.937, which are higher than the widely accepted range of 0.70. Therefore, those demonstrate the reliability of the data. The AVE value is also more than 0.50 (ranging from 0.598 to 0.857), which further ensures the convergent validity. Then, the discriminant validity was confirmed with the help of AVE and loading factors. It can be investigated that the AVE of latent variables is coming out to be higher than AVE of other constructs. Then, the loading factors of the indicators are higher than all of its cross-loading. In short, those indicate the validity of data.

### 4.3. Structural Model

After observing the reliability and validity of the measurement model, the primary evaluation criteria of the structural model are the  $R^2$  measures and the level significance of the path coefficients (Hair et al., 2011). The construct of the structural model has been employed in WarpPLS 6.0 (See Figure 2), and the following output was generated:

**Figure 2:** Test Result of the Structural Model



Accordance with Figure 2, the variance  $R^2$  from PLS-SEM output are an attitude (AT) 0.57 and behavioural intention (BI) 0.43. For marketing research studies,  $R^2$  values of 0.75, 0.50, or 0.25 for endogenous latent variables in the structural model can be described as substantial, moderate, or weak respectively (Hair et al., 2011). Therefore, the model fit of the structural model is fair because the  $R^2$  of the structural model are categorised weak to moderate.

The level significance of the path coefficients in the study can also be observed in Figure 2. The minimum criteria of the research concerning  $p$ -values should be less than 0.05. Then, it can be observed that all of six hypothesis **H1a** ( $p$ -value:0.03), **H1b** ( $p$ -value:0.04), **H1c** ( $p$ -value: <0.01), **H2a** ( $p$ -value: <0.01), **H2b** ( $p$ -value: <0.01), and **H3** ( $p$ -value: <0.01) are accepted. Moreover, according to the  $\beta$  values, PU ( $\beta$ =0.29) and PEU ( $\beta$ =0.28) are appearing to be the strongest pressures that influence the attitude of the SMEs manager in adopting a new technology of online delivery service, followed by NP ( $\beta$ =0.17), CP ( $\beta$ =0.10), and MP ( $\beta$ =0.11) respectively. Also, it can be observed that attitude AT ( $\beta$ =0.66) enables to give a strong influence on the behavioural intention of SMEs manager in adopting online delivery service.

## 5. DISCUSSION

The influence of social aspects is a critical aspect that has been discussed in explaining adoption behaviour (Cooper & Zmud, 1990). However, the relationship is not widely linked and empirically tested in the context of SMEs in Indonesia. This study investigates the factors that pressure how SMEs in food business adopt online delivery service. The two-theoretical framework of TAM and institutional theory are expected to address issues that have not been discussed previously.

Based on the statistical analysis above, it indicates that both institutional theory (CP, MP, and NP) and TAM theory (PU and PEU) have a significant influence in shaping managers' attitude and behavioural intention in adopting online delivery service. It can be observed that coercive pressure (CP) give substantial social pressure to the managers of SMEs in adopting online delivery service. The managers of SMEs perceive various pressures from both customers and suppliers. The managers believe that they can get higher sales growth and their customers feel satisfied unless they provide a Go-Food service. Also, the Go-Food developer has designed the application accordance with the GPS (Global Positioning System) and Google Map so that it is possible for food merchants who are not in a strategic area; they are still easy known by the potential buyers. Therefore, this benefit from the application, which is considered as an application supplier for food merchant, give pressure to the managers of SMEs in adopting the application. Their customers will easily reach their food merchant unless they use Go-Food service. The results indicate that the degree of coercive pressure perceived by the managers of SMEs in the food business has higher possibility to use an online food delivery service application.

Another pressure in the framework of institutional theory is mimetic. The managers of SMEs perceive mimetic pressure when the managers feel that their competitors have already performed good business with using new technology. Then, the managers have evaluated that other food merchants that use Go-Food service have more sales compared to those who do not apply. Also, the managers assume that other food merchants that provide Go-Food service are perceived favourably by their customers and the business community. Consequently, by evaluating the success achieved by a competitor, the managers perceive pressure to do the same. Managers worry

that if they do not use Go-Food service that has been used by competitors, then the potential for losing competitive advantage will be more significant. This result indicates that the level of pressure from competitors will provide significant influence for managers to adopt Go-Food service.

Among the three pressures within the framework of the institutional theory, the normative pressure is the most influential pressure that stimulates the attitude of managers to adopt Go-Food service. Managers feel that the pressure to adopt emerges as Go-Food service becomes a regular service among today's food business people. Managers then feel that if they do not take the usual steps taken by most food business, then they will feel left behind and lose in their business competition. At this point, it indicates that the level of normative pressure perceived by managers of SMEs will influence the strategic action of the managers in adopting Go-Food service. These outcomes are consistent with findings of the previous research which stated that three isomorphic pressures enable to give pressure and influence the adoption process of technology (Teo, Wei and Benbasat, 2003; Harcourt, Lam and Harcourt, 2005).

Next, TAM theory with variables of PU and PEU was found to be the most strong pressures for SMEs managers in adopting online delivery service. Perceived usefulness of the online delivery service application is indicated as the most potent dimension in putting pressure on SMEs managers. Managers feel that the application can promote their food products to potential buyers. Technically, the Go-Food application is connected to Go-Jek's online transportation users. In the app, if the user opens the Go-Food, then it will show all the list of the nearest food merchants where they are. Thus, the managers feel this application is handy because it can display the profile of their outlets and menus presented to Go-Jek application users. Also, with the promotion indirectly through this application simultaneously has increased the cost efficiency for business operations and ability to support the progress of their food business. Therefore, perceived usefulness variable is proven to provide intense pressure to SMEs' managers in shaping the attitude to adopt online delivery service application.

No matter how good the technology is and how much benefit a technology provides, if the operationalisation of the application is challenging to implement, the adoption process will be constrained. The results of this study indicate that there is no reason for SMEs managers in Indonesia not to adopt this application because managers say that the application of Go-Food online delivery service is a simple and friendly user. The results of the study revealed that the ease of running the app provides a strong impetus to managers of SMEs in the food business in adopting the online delivery service application.

Then, the emerging pressure of the above five variables proved significant in influencing the attitude of the SMEs managers in responding to the Go-Food services. The most potent attitude affecting managers is that the use of Go-Food applications is a good business strategy. On the marketing aspect, brands of food outlets automatically appear on the Go-Jek application that is potentially seen by thousands of Go-Jek application users who want to order food delivery services. On the business operational aspect, there is no need for recruitment of courier personnel in providing food delivery service to their customers because the Go-Jek application will give the courier via Go-Food service and the courier service fee is charged to the consumer. Therefore, the easiness and benefits of the Go-Food service for the advancement of food business can cognitively affect the manager's attitude and provide strong motivation to use Go-Food services to handle

delivery service at their food outlets. This results of the research indicate that the manager's attitude has a significant influence in the actualisation process of adopting the online delivery service through the Go-Food service.

## 6. CONCLUSION

The social pressure within the institutional theoretical framework which includes coercive pressure (CP), mimetic pressure (MP), and normative pressure (NP) significantly influences the shaping of managers' attitudes (AT) toward the use of Go-Food services. In another hand, perceived usefulness (PU) and perceived ease of use (PEU) in the framework of TAM significantly influence the manager's attitude toward Go-Food services. Furthermore, among those five factors, perceived usefulness (PU) and perceived ease of use (PEU) provide stronger pressures to the SMEs' managers attitude toward the Go-Food service. Then, the attitude (AT) that has been formed with the existence of some of these pressures encourages managers to take real action in adopting Go-Food services. Therefore, this study also shows the attitude (AT) has a significant effect on behavioural intention (BI) to adopt new technology.

Theoretically, the results of the study are expected to contribute to the development of knowledge primarily related to institutional theory and technology acceptance model (TAM) on the adoption of the online delivery service application. The influence of personal perception supports the adoption process of SMEs in using such kind an online delivery service application through the technology acceptance model and social pressures from institutional theory.

The findings of this study include several matters that relate to many parties such as SMEs managers, app developers of online food delivery service, government and other institutions involved in encouraging technology adoption for SMEs. For SMEs managers, they should upgrade their sensitivity to the dynamic business environment related to their customers, suppliers and competitors. In other words, SMEs managers should necessarily be more driven to adopt current technologies that develop their competitive advantage. For app developers of online food delivery service, due to the perceived usefulness and the ease of use make users more confident to use the application, they should continuously develop their application with rich useful features and more user-friendly app. For government and other institution interested in developing SMEs, they should design various training programs for SMEs managers about the current technologies for business purpose that enable to increase their business performance. Also, they should importantly educate SMEs managers regarding marketing literacy where through understanding the essence of marketing, then, the SMEs managers can automatically enhance their sensitivity to the current change of business environment to adapt the existing technology actively.

This current research found difficulty in gaining huge responses from the respondents. The low transparency of SMEs managers to provide information has had an impact on the lack of adequate questionnaires to be analysed. Therefore, the next researcher could develop the technique in collecting the data to get better responses. Then, the results of this study indicate that the predictive level of the research model is categorised as a moderate model, so it is possible to use other variables to increase the predictive level of this research model.

## ACKNOWLEDGEMENT

The current research was financially supported by the Research Center and Community Service, Sekolah Tinggi Ilmu Ekonomi Perbanas Surabaya, Indonesia, grant no. 1296/Tg.20003/10/17. In developing the ideas presented here, The author has received helpful input from Dr. Soni Harsono, SE., M.Si. and Dr. Luciana Spica Almilia, SE., M.Si. Also, the author, thanks to the committee of the 5<sup>th</sup> International Conference on Business and Banking (ICBB) and the anonymous reviewers for their feedback.

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## APPENDIX A: Test Items of the Research Instrument

Variable	Source	Indicators	
		Bahasa	English
Coercive Pressure (CP)		<i>Gerai makanan kami akan mengalami peningkatan penjualan jika menyediakan layanan pesan antar.</i>	Our food merchants will get more sales if providing a delivery order service.
		<i>Pelanggan kami merasa puas saat gerai makanan kami menawarkan layanan pesan antar melalui Go-Food.</i>	Our customers are feeling satisfied when our food merchants offer a Go-Food service.
		<i>Gerai makanan kami mudah dijangkau oleh calon pembeli saat menggunakan layanan Go-Food.</i>	Our food merchants are easily reached by our potential customers when using Go-Food service.
Mimetic Pressure (MP)	Dimaggio & Powell (1983) and Teo et al. (2003)	<i>Gerai makanan di sekitar kami yang menggunakan layanan Go-Food memiliki tingkat penjualan lebih tinggi dibandingkan gerai makanan yang tidak menggunakan layanan Go-Food.</i>	Food merchants around us that use Go-Food service have more sales than those who do not.
		<i>Gerai makanan di sekitar kami yang menggunakan layanan Go-Food dirasakan baik oleh pelanggan mereka.</i>	Food merchants around us who use Go-Food service are perceived favourably by their customers.
		<i>Gerai makanan di sekitar kami yang menggunakan layanan Go-Food dirasakan baik oleh masyarakat sekitar.</i>	Food merchants around us who use Go-Food service are perceived favourably by others in the food business.
Normative Pressure (NP)		<i>Banyak gerai makanan yang telah menggunakan layanan Go-Food.</i>	Many food merchants have already used Go-Food service.
		<i>Layanan Go-Food merupakan layanan yang populer diantara para pebisnis makanan.</i>	Go-Food service is ordinary service among food merchants.
		<i>Layanan Go-Food adalah layanan pesan antar yang efisien.</i>	Go-Food service is an efficient delivery service.
		<i>Layanan Go-Food sangat cocok dalam bisnis makanan modern.</i>	Go-Food service is very suitable in the modern food business.
Perceived Usefulness (PU)	Davis (1989) and Nguyen et al. (2016)	<i>Menggunakan layanan Go-Food meningkatkan efisiensi biaya pada gerai makanan kami.</i>	Using Go-Food service improves our cost-efficiency.
		<i>Layanan Go-Food bisa juga mempromosikan produk-produk makanan kami kepada banyak calon</i>	Go-Food service can also promote our food products to a

		<i>pembeli potensial.</i>	large number of potential customers.
		<i>Layanan Go-Food berguna bagi kemajuan bisnis gerai makanan kami.</i>	Go-Food service is beneficial for the improvement of our food merchants.
		<i>Menggunakan layanan Go-Food mudah bagi gerai makanan kami.</i>	Using Go-Food service is accessible to our merchants.
		<i>Mudah untuk mengoperasikan layanan Go-Food.</i>	Operating Go-Food service is accessible.
Perceived Ease of Use (PEU)		<i>Operasionalisasi layanan Go-Food jelas dan mudah dipahami.</i>	The operationalisation of Go-Food service is clear and understandable.
		<i>Layanan Go-Food merupakan sebuah layanan yang sederhana.</i>	Go-Food service is a simple application.
		<i>Mudah untuk menggunakan layanan Go-Food.</i>	Using Go-Food service is easy.
Attitude (AT)		<i>Menggunakan layanan Go-Food adalah sebuah ide cemerlang untuk bisnis gerai makanan kami.</i>	Using Go-Food service is a good idea for our food merchants.
		<i>Kami merasa bahwa menggunakan layanan Go-Food menyenangkan.</i>	We would feel that using Go-Food service is pleasant.
		<i>Menurut pendapat kami, sangat disarankan untuk menggunakan layanan Go-Food bagi pebisnis makanan.</i>	In our point of view, it would be desirable to use Go-Food service.
	Park (2009) and Jan et al. (2012)	<i>Kami akan berlanjut menggunakan layanan Go-Food dalam aktivitas bisnis gerai makanan kami.</i>	We would continue to use Go-Food service in our business activity.
Behavioural Intention (BI)		<i>Menggunakan layanan Go-Food untuk menangani layanan pesan antar adalah sesuatu yang saya lakukan di masa mendatang.</i>	Using Go-Food service for handling our food business is something I would do in the future.
		<i>Kami akan melanjutkan menggunakan layanan Go-Food untuk menangani layanan pesan antar gerai makanan kami.</i>	We would continue to use Go-Food Service for handling our delivery order service.