

Analysis of Customer's Intention of Meituan Delivery

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Abstract. Nowadays, with the Internet's explosive growth in the twenty-first century, online shopping appeals to customers since it is more convenient. In 2019, with the emergency of the COVID-19 pandemic, there are more customers now choosing online food delivery platforms. Therefore, the number of users of Meituan is increasing. In this case, the study aimed to examine how the Marketing Mix Theory (Price, Product, Place, Promotion) affects customers' attention to use the online delivery platform by using SWOT Analysis. This paper further developed previous studies by analyzing customers' intentions during COVID-19. The study's findings indicated that the four factors Marketing Mix theory (product, promotion, price, and place) all have a significant impact on customers' purchasing intention on Meituan Delivery during COVID-19. However, with a better situation of COVID-19, there will be fewer customers choosing an online delivery platform. Thus, it is recommended that online delivery platform should increase their promotions to promote customers' intentions more.

Keywords: Customer's intention; Marketing Strategy; SWOT Analysis; COVID-19.

1. Introduction

1.1 Research Background

With the Internet's explosive growth in the twenty-first century, many online shopping platforms have emerged such as online food delivery platforms. Online shopping appeals to customers since it is more convenient, comfortable, and convenient for them [1]. Online shopping allows customers to have more options such as selection, and product comparison. The working population has less time in big cities. An increasing number of people choose to use online food delivery platforms. Besides, customers can spend less money by using online food delivery platforms. That is because almost all food that can be delivered is cheaper than dine-in and online delivery platforms often organize promotions with restaurants for customers.

The COVID-19 pandemic has recently altered the commercial environment, which heavily relies on internet transactions [2-5]. This is due to the fact that stay-at-home orders had been the principal measure chosen by many countries when it came to preventing the rapid spread of the new coronavirus (SARS-CoV-2). Due to this, there has been a growth in the trend of using online transactions over the past few years. As of 2019, there were 4.574 million Internet users globally, or 58.7% of the world's population, and this number is expected to keep increasing, according to Internet World Statistics [6]. As mobile applications grow more common across various internet platforms, restaurant meal delivery has begun to attract markets and customers globally [7].

Nowadays, there are various online food delivery platforms. This research will be conducted by analyzing two large online food delivery companies which are Meituan Delivery. Meituan was established in 2010 with a primary business strategy that focuses on meal deliveries based in Beijing, China. Meituan Delivery offers local food deliveries, consumer goods, and retail services including eating and entertainment in China. It is one of the biggest online food delivery companies in China. Studies have shown that 31% of customers ordered more through online delivery platforms in China during the COVID-19 pandemic [8]. The previous author has reported that there are lots of factors that can affect customers' intentions to use online food delivery services. According to Lydia Nafarin's research, both limited-quantity scarcity and limited-time scarcity have a direct impact on customers' purchasing intention [9]. Additionally, perceived originality significantly and favorably

influences desirability. Additionally, earlier research has looked into the main determinants of Grabfood customers' choices, which are promotion and trust.

Even though there has been much research on online meal delivery services, as a growing number of people utilize them as a result of the COVID-19 pandemic, the competition for food delivery platforms is becoming more and more intense. Therefore, marketing strategies used by online delivery platforms are very important which can attract more customers and make their platforms more competitive.

Therefore, how do online delivery platforms attract customers during COVID-19 pandemics? is very crucial to analyze which will be conducted in this research by a study comparing the differences and similarities between Meituan and Food panda.

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Therefore, how do online delivery platforms attract customers during COVID-19 pandemics? is very crucial to analyze which will be conducted in this research by a study comparing the differences and similarities between Meituan and Foodpanda. Based on the above discussion, this research plan will review the research conducted on online food delivery platforms by analyzing Meituan Delivery. In this research, the Marketing Mix Theory and SWOT method will be used to analyze how Meituan and Grabfood attract customers during the COVID-19 pandemic.

1.3 Structure of This Paper

Based on the above discussion, this research plan will review the research conducted on online food delivery platforms by analyzing Meituan Delivery. In this research, the Marketing Mix Theory and SWOT method will be used to analyze how Meituan and Grabfood attract customers during the COVID-19 pandemic.

2. Literature and Review

2.1 Definition & Development

Numerous studies have been published that evaluate the 4P (Price, Product, Place, and Promotion) Marketing Mix Theory's function. In 2011, Basirat et al. examined how the customers make decisions based on Marketing Mix (4Ps) by using fuzzy AHP methodology [10]. Nine years later, Ana investigated how the Marketing Mix Theory affected the Tenun Ikat industry's marketing product performance in Bandar Kediri by drawing on the concept of Survey and SPSS application [11].

To determine the effects of the 4P Marketing Mix Theory, Xueqian 2021 compared Zoom Business and Google meet to analyze the popularity of Zoom Video Communications by using a survey [12]. In 2022, Desi et al. published a paper that analyzed the role of the Marketing Mix theory on purchasing decisions of handicraft products by using Survey and SPSS applications [13].

Borden initially claimed the Marketing Mix Theory, which has 12 components. It can be a crucial tool for businesses to develop marketing plans. McCarthy distilled the Marketing Mix Theory over some time into four essential components: Product, Price, Place, and Promotion. The success of the

business depends on the product. The product's cost, design, and quality are all included. When a company wants to introduce a new product, this is the major factor that is taken into account. The business must then decide on product pricing. The price is the selling price of the product which is the most considered factor by customers. It depends on the cost of the product and how much the customers are willing to pay. The company must then decide where they will sell their goods, including both offline and online. Due to the ability to try the goods before buying them, the offline store can provide customers with a better shopping experience. Additionally, buyers have more options for a company's items and a more convenient way to buy online purchasing. Moreover, promotion is a crucial marketing tactic that may help a company better engage with its clients and increase brand recognition. A company can use radio, television, social media, and other media to advertise its products to encourage customers to make purchases. As a result, a company's marketing strategy depends heavily on the Marketing Mix Theory.

2.2 Important Results

The product can influence customers' purchasing intention which means that high-quality products can attract more customers. This argument has been verified by many researchers. In 2020, Ana found that the product had an impact on Tenun Ikat Small Industry's marketing product performance in Bandar Kediri while exploring the impact of the Marketing Mix Theory on this sector of the economy [11]. One year later, Xueqian Cao found that Zoom Video Communications attract more customers compared to Google meet during the pandemic as its product meet the demand of the customers [12]. In 2022, Desi found that the product significantly affects customers' purchase intention in the research of customers' purchase decisions for Ulos Handicraft Products [13]. Customers favor products that can satisfy their demands. All of the studies reviewed here support the hypothesis that product influences customer's intention.

Also, the price has an effect on customers' purchasing intention which means that higher prices lead to lower purchasing intention of customers. Numerous research has been published that discuss how important product prices are. Some scholars have verified that lower price is beneficial to customers' purchasing intention because of the research results of Basirat 2021. However, Ana, Xueqian Cao, and Desi argued in their research that the customer's intention to purchase is unaffected by price [11-13]. In the research of reflection on purchase decisions for Ulos Handicraft Products, Desi found that the amount of customer purchases is independent of the price charged for Ulos products, the price has no impact on consumers' decisions to buy those products [13].

In addition, place influences customers' purchasing intention. It means that a better place can promote customers' purchasing intention. In 2021, Basirat and Desi demonstrated that place promotes customers' purchasing intentions [10, 13]. However, Ana has argued in the research that place doesn't influence marketing performance [11].

Besides, promotion can increase customers' purchasing intention. Customers are more likely to purchase products with promotions. Basirat and Ana have verified that promotion influences marketing performance in their research [10, 11]. In 2022, Desi demonstrated that promotion has a significant influence on customers' purchasing intention by using a survey and SPSS application [13].

2.3 Summary

Collectively, these studies outline a critical role of the Marketing Mix Theory. The Marketing Mix Theory has a significant influence on the customer's purchasing intention. However, as the emergence of the COVID-19 pandemic and the information age expands, this paper should clarify how the online delivery platforms attract customers and what should they do to stimulate their customer's purchasing intention on ordering food on their platforms.

3. Method

3.1 Research Design

Previously studies have based their criteria for selection on fuzzy AHP methodology, adopting a multidimensional preference (MDPREF) algorithm, Survey, and SPSS application. However, in this paper, a Strength, Weakness, Threat, and Opportunity (SWOT) analysis will be used to examine how the 4P Marketing Mix affects customers' purchasing intentions when utilizing Meituan. An important strategic tool, SWOT analysis can assist businesses in identifying their areas of strength, vulnerability, threat, and opportunity. It can be used to assess a company's situation and examine an organization's internal and external settings.

3.2 Meituan Delivery

Meituan is one of the largest online delivery platforms in China which include dining, traveling, entertainment and delivery. The company was operated in Beijing and was established in 2010 by Wang Xing. The business ran various websites and apps for various services, such as Dazhong Dianping, and Meituan Bike. The online food delivery platform of Meituan is called Meituan Delivery which is the pioneer in China's online food delivery market. Meituan has become the market leader in the online delivery platform. Total revenues of Meituan delivery in 2021 was 39,116 million which has increased 12% compared to 2020 which might be caused by COVID-19 pandemics [14]. The daily average of food delivery transactions grew to 38.9 million, a 58.9% rise from the previous year [15]. For Meituan, pricing strategy is the key marketing strategy to its success. In order to attract more consumers and increase customers' purchasing intention, the prices of products on Meituan Delivery are usually lower than those of offline stores. Nonetheless, Meituan Delivery has still increased its profit with a marketing strategy of small profits but quick turnover. Also, Meituan differentiates pricing according to different regions of the city. By using the data collected by Meituan Delivery, it charges different prices for the same product. For instance, near the school, students have limited monthly living expenses and weak spending power. When ordering food, price should be the first consideration for customers. To accommodate the needs of the pupils, the product's price will decrease. Consumers have more purchasing power and higher standards for goods and services in the city's wealthier neighborhoods. Meituan Delivery will also bargain with business owners [16]. This pricing strategy has enabled Meituan Delivery to develop customers' purchasing intentions.

Promotions have always attracted customers most desire to buy, and Meituan Delivery has made good exploit of this marketing strategy. Meituan Delivery has a variety of promotions. The most common promotion of Meituan delivery is the full reduction promotion. For instance, customers can get a 20-yuan discount when they spend 100 yuan. Although most of them don't want to spend that much, they always try to make up for the full reduction. This promotion effectively increased customers' purchasing intention to buy more products on Meituan Delivery. Besides, Meituan also provides no-threshold vouchers to its members. If consumers want to enjoy this promotion, they have to purchase Meituan Members. To use these vouchers, lots of customers choose to buy products or food on Meituan Delivery which has promoted customers' purchasing intention and increased Meituan's profitability.

The service of Meituan Delivery is very attentive. Customers can directly contact the restaurants when they are browsing the page even though they haven't made orders. If customers have any questions about the food, they can contact Meituan's customer service, and they can rapidly get replies and feedback.

Also, Meituan Delivery provides many places for customers to order food by using its platform. At present, Meituan Delivery is providing PC and mobile terminals. Although the number of users on the PC side is relatively small, there are still a large number of people who are accustomed to computers ordering meals from Meituan Delivery. At present, among the orders of Meituan Delivery, the number of orders on the PC side accounts for about 30%, and the number of orders on the mobile side accounts for 70%. The most successful point of Meituan Delivery is the implantation of Meituan

Delivery into WeChat. At present, most of the orders received by Meituan on the mobile app are from Meituan on WeChat. According to data, there are currently 650 million Chinese people using WeChat. If customers want to order food online, after opening the auxiliary function of WeChat, they can find Meituan Delivery. Customers always consider convenience, so the chance of using Meituan takeout is greatly increased.

In conclusion, lower prices, full reduction promotion, no-threshold vouchers, attentive vouchers, and various online places for customers using the Meituan platform are the key strengths of Meituan Delivery which promote customers' intention of using Meituan Delivery.

3.3 SWOT-Analysis

3.3.1 Strength

For Meituan, pricing strategy is the key marketing strategy to its success. To attract more consumers and increase customers' purchasing intention, the prices of products on Meituan Delivery are usually lower than those of offline stores. Nonetheless, Meituan Delivery has still increased its profit with a marketing strategy of small profits but quick turnover. Also, Meituan differentiates pricing according to different regions of the city. By using the data collected by Meituan Delivery, it charges different prices for the same product. For instance, near the school, students have limited monthly living expenses and weak spending power. When ordering food, price should be the first consideration for customers. To accommodate the needs of the pupils, the product's price will decrease. Consumers have more purchasing power and higher standards for goods and services in the city's wealthier neighborhoods. Meituan Delivery will also bargain with business owners [16]. This pricing strategy has enabled Meituan Delivery to develop customers' purchasing intentions.

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3.3.2 Weakness

However, product quality problems have damaged the brand reputation of Meituan Delivery. Many customers have responded that the food they ordered on Meituan Delivery does not match the pictures on the platform. It decreases customers' purchasing intention on Meituan delivery as customer satisfaction has dropped significantly which leads to the decreased number of users on Meituan Delivery and decreased revenues of Meituan.

Secondly, Meituan didn't strictly select restaurants which means their services are not qualified. That's because product hygiene issues of Meituan Delivery have been emerging one after another, often reported by the news media. The hygienic conditions of the kitchens of the merchants are not up to standard, and some have no business licenses at all. This led to the decreased customer loyalty and purchasing intention of Meituan.

Thirdly, discounts on Meituan delivery limit the number of orders per day which caused inconvenience to consumers. Meituan offers a limited number of orders which is four times a day. When consumers place orders four times a day, they can no longer enjoy any discounts. It has greatly affected customers' purchasing intentions.

Based on the above observations, lower customers' intention of using Meituan Delivery is caused by Meituan's poor product quality, unqualified services, and inconvenient promotions.

3.3.3 Opportunity

For Meituan, with the emergence of the COVID-19 pandemic, the Chinese government encourages people to have meals at home. However, there are lots of young people who are not good at cooking which significantly boosts the number of people using online platforms for food delivery. Customers who don't good at coking have to order food online which allows Meituan Delivery. Moreover, as the level of catering informatization continues to accelerate, Meituan Delivery can exploit new technologies to grasp user needs and improve service quality, product quality, and user experience to increase its customer's purchasing intention. Also, the Chinese online food delivery market is large enough. A large number of customers use online food delivery platforms which can meet the needs of lazy people who can eat delicious food without going out. If Meituan takes this opportunity by improving its promotions and decreasing the prices of its products, it can increase its larger customer base and attract more customers to buy products on its platform. This can help Meituan increase its competencies with its competitors such as Ele Me and make it the largest market share of the Chinese online delivery market.

3.3.4 Threats

Due to the success of food delivery, there are now more and more food delivery platforms, such as Elle Me and Koubei Delivery. Customers varieties of platforms to choose from. This has led to fierce competition in the delivery market. Moreover, Baidu delivery has a considerable market share in both the campus takeaway market and the home takeaway market. There is a lot of competition for Meituan and they have to innovate its platform to attract more customers and increase customers' purchasing intention. The increasing completions may affect customers' intention on purchasing products on the Meituan Delivery platform. Since there are more choices for customers when they order online delivery food, customers may be attracted by the other platforms which have better promotion strategies or pricing strategies. Also, China's catering industry is not healthy enough and is prone to litigation disputes. Insecure food will reduce customers' purchase intention. It can affect customers' loyalty to Meituan Delivery if Meituan cannot make sure quality of its products.

4. Results & Discussion

According to the analysis results of Meituan Delivery, the current study discovered that the Marketing Mix Theory (4P) had successfully promoted customers' purchasing intention on all online delivery food platforms. In this study, it was discovered that cheaper prices encouraged customers to use Meituan Delivery. Many student consumers have been inspired to make purchases by Meituan

Delivery's variable commodity costs, which have greatly benefited it. Meituan's coupon promotion technique has also drawn a lot of customers and increased their frequency of purchases. Additionally, a variety of Meituan's online platforms provide clients with a simple and rapid purchasing process, which may boost the customer's frequency of purchases on Meituan Delivery platforms. Furthermore, Meituan Delivery's attentive services increase client loyalty and purchasing intent. Moreover, Meituan can make use of the COVID-19 pandemic's opportunity which makes it gain more users. However, the results of this study revealed that Meituan delivery has several flaws, including issues with poor product quality, unqualified services, and a limited number of discounts. These flaws lower client purchase intent and decrease Meituan Delivery's profitability. Besides, Meituan's growing competition is a major concern because customers may decide to use other platforms instead of them. It is advised that Meituan Delivery enhance its promotional strategies to attract more clients and encourage those clients' propensity to make purchases. Based on the above observations, the Marketing Mix Theory (4P) influences customers' purchasing intent.

This result supports Desi, Xueqian Cao Ana's theory that pricing affects a customer's intention to buy. This is in accordance with Basirat's earlier findings, which indicated that the factors of product, place, and promotion have an impact on customers' intention to buy. However, the current research's findings contradict Ana's earlier work, which claimed that place has no bearing on marketing effectiveness.

5. Conclusion

In conclusion, this study showed, through the application of SWOT Analysis, how the Marketing Mix Theory (4P) had an impact on customers' intentions to purchase Meituan Delivery during the COVID-19 pandemic. The findings of this study demonstrated that lower pricing, attentive services, a variety of places, and promotions successfully enhance customers' intention to buy. However, this method of analysis has some limitations. For instance, it is unclear where the relative reference to the evaluation of benefits and drawbacks is. By employing this strategy, it is unclear whether an advantage is comparable to the competitors or a comparison with a company's past. Additionally, this study doesn't address other variables like client age or gender that may influence their intent to buy which could be done in future studies.

Overall, this research provides solutions and methods for companies who want to analyze consumer intentions through SWOT Analysis. Other food delivery platforms can summarize the experience and improve them by comparing the SWOT of Meituan Food Delivery. In addition, this paper takes Meituan as an example to provide reference suggestions for all food delivery platforms. For example, improving marketing methods can promote customers' purchase intentions, and lowering prices can attract more customers to buy.

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