

MSc. In Marketing

*The effects of promotions on the decision of customers to  
choose a delivery application to purchase food online in  
Ho Chi Minh City*

By

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## ABSTRACT

**Title:** The effects of promotions on the decision of customers to choose a delivery application to purchase food online in Ho Chi Minh City.

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**Introduction:** Food delivery has become an increasingly popular service in Ho Chi Minh City (HCMC) as a result of technological advancements and changes in consumer preferences. This has led to intense competition among food delivery applications (FDAs) operating in HCMC. As a result, FDAs have been offering promotions to customers as a way to gain an advantage over their competitors. Promotions, such as discounts or free delivery, have the potential to influence customer behavior and purchasing decisions, which can ultimately affect an FBA's market share and revenue.

**Objective:** The objective of this study is to investigate how promotions influence customer behavior and decision-making processes when selecting a food delivery application in Ho Chi Minh City.

**Method:** A comprehensive literature review was conducted, drawing on previous academic books, journals, and papers as evidence for this study. Specific research questions and two hypotheses were formulated to guide the research. Data was collected through surveys and analyzed using statistical methods.

**Finding:** The results show that promotions have a significant impact on customers' decisions to choose a delivery application when ordering food online in Ho Chi Minh City. Discounts and free delivery were found to be particularly effective at influencing customer behavior.

**Conclusion:** This study contributes to our understanding of consumer behavior in Vietnam's growing food delivery market. The findings suggest that businesses operating in this market should consider offering promotions such as discounts or free delivery to attract and retain customers. This research may also have implications for other industries or regions beyond Ho Chi Minh City's food delivery market.

## **DECLARATION**

### **Submission of Thesis and Dissertation**

#### **National College of Ireland**

#### **Research Students Declaration Form**

*(Thesis/Author Declaration Form)*

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Title of Thesis: **The effects of promotions on the decision of customers to choose a delivery application to purchase food online in Ho Chi Minh City.**

Date: **08/05/2023**

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## ABBREVIATIONS LIST

<b>No.</b>	<b>Abbreviations</b>	<b>Definitions</b>
1	HCMC	Ho Chi Minh City
2	FDA	Food Delivery Application
3	RO	Research Onion

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## CHAPTER 1. INTRODUCTION

Chapter 1 has three main sections, include the study's background, the dissertation objectives and the dissertation structure which will provide an overview for the research.

### 1.1. Study's background

#### 1.1.1. Vietnam economy briefly

The economy of Vietnam has been developing sharply in recent decades. The influx of foreign investment has reportedly played a significant role in the expansion of the nation's economy, according to (Hung, 2005). This is mainly as a result of the fact that foreign investment brings in fresh resources, cutting-edge technology, and industry-leading techniques that may be leveraged to enhance economic operations and promote economic growth. Since businesses invest in local resources and labor, foreign investment also offers a source of employment. Furthermore, foreign investment may also bring in more foreign companies, which may expand trade and market opportunities.

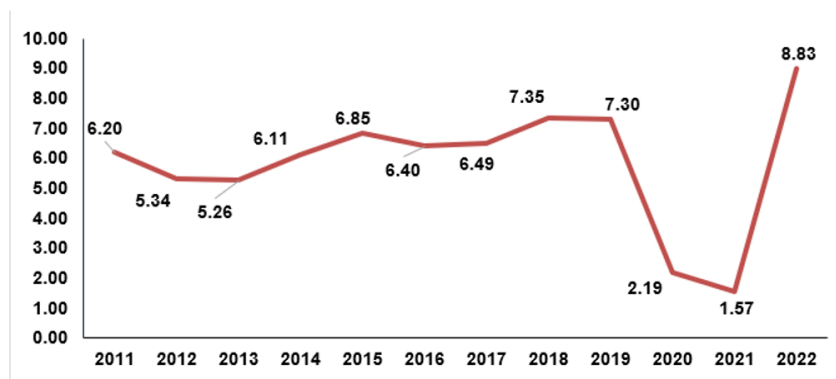


Figure 1: GDP growth in 9 months over the years.  
Source: General Statistics Office of Vietnam

In the August 2022 Review Report, the World Bank (WB) stated that Vietnam's economy is getting better after two years of disturbance due to the Covid-19 pandemic. According to Statistics Office of Vietnam, GDP growth in first three quarters of this year had clear recovery with an estimated growth rate of 13.67% over the same period last year. Vietnam was ranked ninth globally and first in Southeast Asia by Nikkei Asia for its progress in recovering from the Covid-19 pandemic. The population of Vietnam is 99,276,471 as of 06/12/2022 according to the United Nations and is expected to welcome its 100 millionth citizen in 2023. By 2030, Vietnam is anticipated to rank as the tenth-largest global consumer

market. Thanks to the rise in customer demand for convenience and the use of technology by market actors, Vietnam's food delivery business has experienced impressive growth in recent years. Economic expansion is a major factor in the industry's predicted trajectory of growth. The increasing of Vietnam's GDP will benefit the food delivery sector, according to (Ngoc Bao Tu Nguyen, Gu-Hong Lin, Thanh-Tuan Dang, 2021). Consumption of food delivery services will rise as disposable incomes increase because consumers will have more budget to spend on them.

### **1.1.2. The role of Ho Chi Minh city in Vietnam economy**

HCMC has contributed a crucial role in the economic expansion of Vietnam in recent years. The port of HCMC processes more than one-third of the nation's total exports, and foreign direct investment has increased by more than 20% over the past five years, according to (Pham Ngoc Tram, Dinh Tran Ngoc Huy, 2021). The city's thriving and swiftly growing technological sector, which includes both manufacturing and services, has significantly aided the growth of the national economy. According to Le Thi Huynh Mai, Director of HCMC Department of Planning and Investment, HCMC advantageous geographic location, at the crossroads of Southeast and Southwest Asia, as well as its role as Southeast Asia's hub and entry point for international trade, have all contributed to the region's growth. The city is luring investment and developing into a hub for regional trade with both domestic and foreign counterparts, which has a significant impact on the region's progress.



Image: Ho Chi Minh City at night

*Source: Phan Anh, Nguoi Lao Dong News*

Moreover, according to Le Thi Huynh Mai, in the period 2016 - 2020, Ho Chi Minh City contributed the highest to the growth rate of the Southeast region and the Southern key economic region, contributing 3.48 percentage points, the remaining localities of the

Southeast region contributed 2.03 percentage points to the 5.51% growth rate of the whole region. Ho Chi Minh City is the center of banking, finance, science and technology, health, education - training of the region, providing high quality products and services, training human resources, serving medical examination and treatment. diseases, support research and development for businesses in the region. As of January 2023, according to World Population Review, the population of HCMC reached 9,320,866 people. The population growth rate in HCMC is very fast, according to statistics, the number of populations here will increase by about 2.28% every year. On average, the population of the city will increase 1,000,000 people every 5 years, this makes HCMC is one of the largest city in Southeast Asia regard population. Thanks to its large population, the demand for services is very high, include food delivery service. Additionally, the city's economy recovered very quickly, at the end of last year, GRDP was negative 6.78%, by the first quarter of 2022 it was 1.88% and according to the estimated assessment in the first 6 months, GRDP increased by 2.5 - 3% and by the end of the year, the city can reach 6-7%, said Vo Han Hoan, Vice Chairman of HCMC People's Committee.

Therefore, it can be said that HCMC is an important part of the Vietnamese economy, and can be consider the economy leader for the whole country. That is the reason why the author choose HCMC is the location for the research.

### **1.1.3. FDAs in Vietnam**

In recent years, food delivery apps have grown in popularity in Ho Chi Minh City, with brands like Gojek, Grab, and ShopeeFood becoming household names. According to (Tran, 2021) report on sustainability, these apps have had a beneficial economic impact on the city, primarily because they have improved job chances. According to the report, these apps generated over \$1 million in anticipated gross revenue and over 1,550 new jobs in HCMC. In recent years, the demand for food delivery service is increasing sharply in HCMC, that leads to the rise of FDAs. Many people have an additional source of income thanks to these FDAs, who are frequently part- or full-time employees to be the driver for the apps. Due to the pandemic's outbreaks that people stay at home, demand for food delivery services has only risen, creating more job opportunities. FDAs in HCMC have introduced a variety of incentives and bonuses to draw and keep drivers, including flexible work schedules, sign-up bonuses, and performance-based rewards. In turn, this has increased the number of drivers

ready to work for these businesses, thus increasing the economy. In 2021, LG Nam, T An, and N Thi conducted a study to examine the social effects of meal delivery applications in Ho Chi Minh City (HCMC). The authors discovered that more consumers in HCMC are utilizing meal delivery apps due to its convenience, which has increased the number of eateries that provide delivery services. The local economy has benefited from the growth of meal delivery services since it has given delivery drivers, restaurant employees, and other relevant professions additional employment opportunities.



Image: Deliverymen are waiting for their clients to pick up food at an office building in Ho Chi Minh City

*Source: Dao Phuong, Hue Lam*

In Ho Chi Minh City, the development of technology has completely changed how people buy food. Customers now have the ease of placing food orders from the comfort of their own homes thanks to the development of delivery applications. Nevertheless, choose which delivery application to use is not always simple. Customers' decisions to select a delivery service to order meals online in Ho Chi Minh City might be significantly influenced by many reasons, including promotions like discounts and free delivery. The influence of promotions on consumers' decisions to select a delivery service when ordering food online in Ho Chi Minh City will be examined in this essay.

The rise of technology has revolutionized the way people purchase food online in Ho Chi Minh City. With the emergence of delivery applications, customers now have the convenience of ordering food from the comfort of their own homes. However, the decision of which delivery application to choose is not always an easy one. Promotions, such as discounts and free delivery, can have a significant impact on the decision of customers to choose a delivery application to purchase food online in Ho Chi Minh City. According to

(Tung X. Bui, Truc Le, Wayne D. Jones, 2006), one promotional strategy that has proven effective is offering discounts or free delivery for customers. This strategy not only encourages new customers to try the service but also creates a positive first impression that can lead to repeat business. This paper will explore the effects of promotions on the decision of customers to choose a delivery application to purchase food online in Ho Chi Minh City.

Vietnam is the 15<sup>th</sup> largest population country in the world. Among Southeast Asia nations, Vietnam have become a promising market where many international food delivery technology platforms are doing business, including GrabFood (Singapore), ShopeeFood (Singapore), Baemin (South Korea), GoFood (Indonesia).

People are no stranger to the image of long lines of delivery man queuing at milk tea shops or restaurants to wait for takeaway items, especially in two central cities, Hanoi and HCMC. Since the global pandemic breakout affected consumer behavior, the trend of ordering food online has exploded in Vietnam. This trend is becoming more and more frequent. Despite the coronavirus pandemic, online ordering food market still rose in 2020. This trend is expected to keep growing to next year, attain over \$38 million and sustaining a 5-year average rate of expansion of 11%. The Covid-19 pandemic has contributed to the success of the food delivery service.

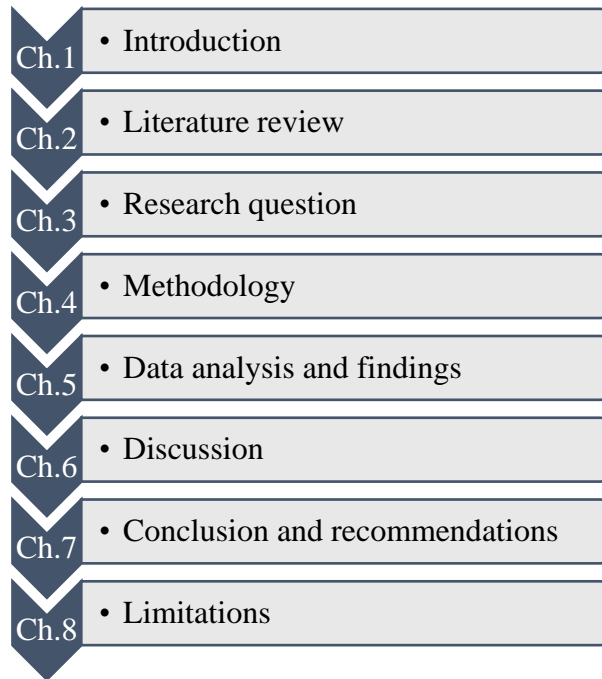
## **1.2. Objective of dissertation**

The objective of this dissertation is to look into how promotions affect consumers' decisions on which delivery service to use while ordering food online in HCMC. This dissertation will specifically look at how various promotions, such discounts, free delivery, and loyalty programs, affect consumer choice. Moreover, convenience, cost, and other aspects will all be discussed in this dissertation as decision-making criteria for customers.

The research presented in this dissertation will shed light on how promotions affect consumers' decisions to order meals online in HCMC and which delivery service to use. FDAs will profit from this research since it will provide them a better grasp of how to use promotions to draw clients and grow their market share. Customers will also profit from this research because it will give them more knowledge about how to choose wisely when making an online food buy and delivery application.

### 1.3. Dissertation's structure

This dissertation will be structured as follow:



Chapter 1 gives an overview of the study background such as Vietnam economy and the importance of Ho Chi Minh city for the country's economy; this chapter also introduce about FDAs in Vietnam and goals for this dissertation. After, chapter 2 provides a comprehensive literature review with previous academic book, journal, paper, which can be consider as the academic evidence for this study. Then, chapter 3 states the clear and specific research question and 2 hypotheses of the research. Next, chapter 4 illustrates how the author design the study, the method of this research and ways to collect and analyst data. Then, in chapter 5, the author will reveal the data collected and findings. After that, the answer for the research question is revealed in chapter 6. Next, in chapter 7, an academic conclusion will be stated with summaries of parts before and some recommendations to apply in reality and to next studies. Finally, in chapter 8, the author shows limitations of the research.

## CHAPTER 2. LITERATURE REVIEW

Chapter 2 provides a comprehensive literature review with previous academic book, journal, paper, which can be consider as the academic evidence for this study.

### 2.1. FDA trend in Vietnam

A significant demand mover in the 21<sup>st</sup> century may be changing food preferences, such as rising consumption of upscale cuisine and eating out more frequently. Food preferences may be impacted by a number of aspects, as well as income growth, urbanization progress, demographic changes that are structural in nature, environmental and health concerns, the presence of more women in the workforce, and changes in retail business. (Andreyeva, T., Long, M.W. and Brownell, K.D., 2010) . A nation's demand structure is greatly impacted by higher food prices, which have different effects on different populations. In contrast to the urban poor, who are only consumers and may experience worsening food security conditions as a result of higher prices, the rural poor may gain from increased prices if they are net producers. (Vu, L. and Glewwe, P., 2011).

Meal producers and consumers now connect in a whole new way because to the growth and widespread use of food delivery platforms and mobile applications. The term "FDAs" refers to a mobile service which enables quick and easy offline delivery of food to customers (Chaiyawit M. et al, 2021). The FDAs are divided into two categories: the company-created apps and the apps used by users to order food through third-party food delivery services. (Goh M. L. et al, 2021). FDAs are a new type of mobile technology that connects catering companies with their consumers via an online-to-offline delivery service. (Chaiyawit M. et al, 2021).

Vietnam's retail environment is being renovated more quickly due to the COVID-19 outbreak. It not only encourages the swift uptake of marketplaces and e-commerce channels, along with takeout and delivery services for food, but it is also igniting new trends, such as a rising demand for "do-it-yourself" restaurant meals, which are expected to generate significant growth opportunities for consumer companies. (Deloitte, 2022). After being heavily influenced by the Covid-19 epidemic, online shopping has now established itself as one of peoples' most common and important methods of consumption. According to numerous studies, this approach will remain common and upheld even during the new normal. (Ha, 2021). Many digital behaviors have been hastened by COVID-19 and the



lockdowns that went along with it, which has also sped the transition to modern trade and e-commerce platforms. As these newly embraced digital behaviors turn into lifelong habits, this trend is anticipated to continue in the future: According to one projection, Vietnam's e-commerce market would grow three times, from USD 13 billion in 2021 to USD 39 billion in 2025. (Deloitte, 2022)

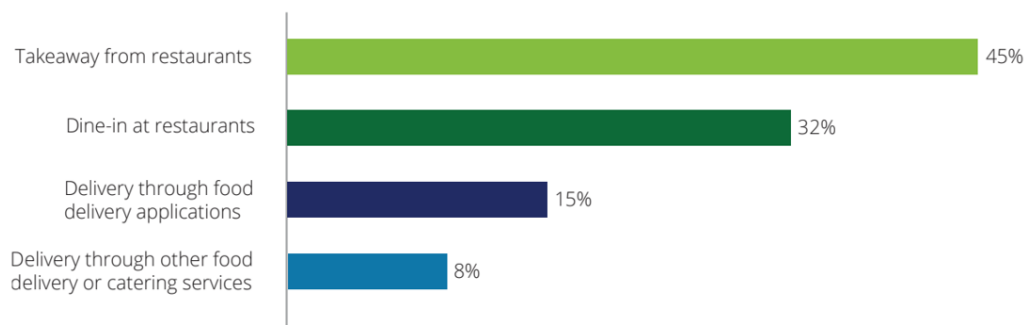


Figure 2: The most popular purchasing options for culinary products consumed outside the home in Vietnam  
Source: Deloitte (2021)

According to Vietnam Buyer Survey by Deloitte (2021), even while Covid-19 has highlighted the rapid adoption of food delivery and takeaway services due to social isolation regulations discouraging individuals from dining at physical places (Figure 1). Before the pandemic, this tendency had been going on for a while, and it was likely brought on by the advent and growth of ride-hailing companies in this quickly growing market.

In a survey conducted by the research firm Q&Me in December 2021 of both genders from 18 to 40 years old, in major Vietnamese cities like Hanoi, HCMC, and Da Nang, 83% of participants stated using a food delivery service. From 62% in 2020, this figure has increased dramatically. Up to 77% of people who order food online utilize FDAs on their smartphones.

## 2.2. FDA brands in Vietnam

In Vietnam, there are 5 popular FDAs including: GrabFood, Baemin, ShopeeFood (formerly Now), GoFood, and LoShip.



Figure 3: 5 popular food delivery brands in Vietnam

The marketplace for FDAs in Vietnam is thought to be expanding rapidly, especially as more foreign businesses join. The competition among applications for market share is still heated,

becoming even more so as Baemin picks up speed to catch up to the front-runner GrabFood. According to Reputa Vietnam, GrabFood has a 33.3% market share in the industry conversation, followed by Now with a 23.1% share and Baemin with a 21.9% share.

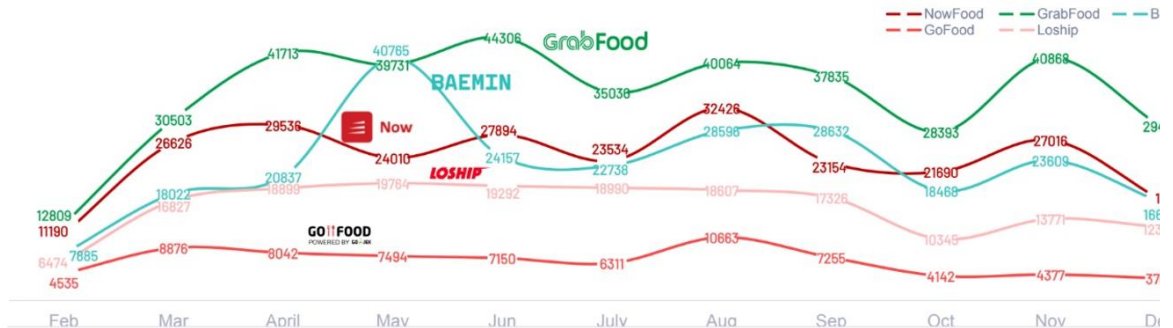


Figure 4: Social network topic trends around food delivery services

Source: Reputa

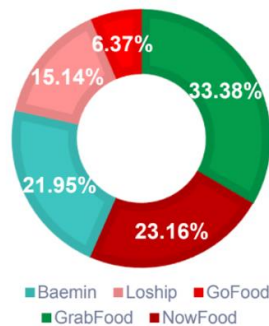


Figure 5: Market share discussion top 5 FDAs in Vietnam

Source: Reputa

### 2.3. The behavior of online customers

Customer happiness, which is generated from expectations of the buying experience, is a key component in influencing customer behavior and attitude when shopping online. (Li N. and Zhang P., 2002). (Tran et al, 2016) states there are five aspects which influence Vietnamese youth's online buying behaviors.

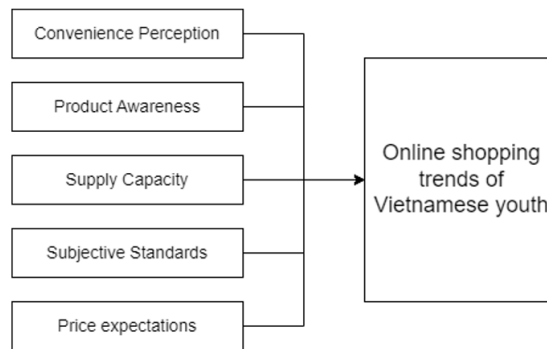


Figure 6: Model of the elements influencing Vietnamese youth's online buying preferences (Tran et al, 2016)

The marketing mix, commonly referred to as the 4Ps or the marketing mix, is a well-known framework for the marketing process. The 4Ps must be critically analyzed in marketing in order to determine the advantages and values that a service offers to the client. Advertising, public relations, bonuses, and personal selling are just a few examples of the many promotion-related strategies used to explain to customers the qualities and advantages of a service.(Dubicki, 2010)

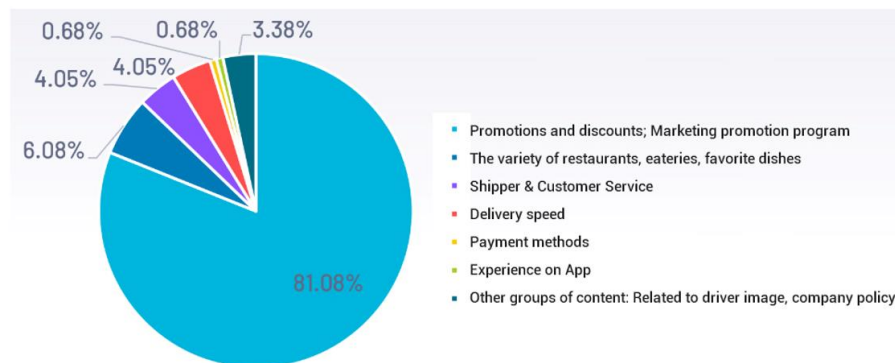


Figure 7: Food delivery services contents users are most interested  
Source: Reputa Vietnam

The majority of respondents used discount and promotion services, as shown in the figure. According to Reputa's data, "Incentives and promotions" (which account for 81.08% of customer satisfaction) are the primary factor. Speed is not usually the deciding factor; in fact, they care more about which service offers the largest discounts than they do about delivery time (which is just 4.05%). Additionally, clients use services the most during the dinner hour, and several restaurants have successfully used this fact to increase orders.

Customer service expectations have been profoundly impacted by the growth of FDAs. Customers now anticipate more from dining experiences at restaurants, according to (Jiseon

Ahn, Jookyung Kwon, 2021). This is due to the popularity of food delivery applications. Customers now demand services beyond the standard dining experience from eateries. Customers anticipate that restaurants will offer speedy delivery, straightforward online ordering, and accurate menus through the meal delivery app. Customers increasingly want restaurants to offer a seamless overall experience, and the FDA is a significant component of this (Jiseon Ahn et al, 2021).

## **2.5. Customer satisfactions of FDAs**

The success of an FDA depends on customer satisfactions. The speed of delivery, the caliber of the cuisine, the app's usability, customer support, and the convenience when using app are just a few of the elements that can influence a client's satisfaction with an FDA. One of the most crucial aspects of a customer's happiness with a meal delivery service, according to (Fakfare, 2021), is the speed of delivery. Consumers demand delivery times that are shorter, which can be met by streamlining the order processing process, offering a variety of delivery options, and optimizing the delivery routes.

The use of FDAs has significantly increased in recent years as more customers realize the value of them (Zheshi Bao, Yun Zhu, 2021). These apps offer many benefits, including the ability for users to order food from the convenience of their homes, reducing the need to go to a restaurant or shop. Also, consumers have access to a large range of food selections, which frequently makes it simpler for them to locate something that meets their requirements and preferences. Additionally, consumers can often save time by using meal delivery apps to place orders fast and easily. They frequently offer discounts and coupons as well, allowing customers to save money on their purchases. Also, food delivery apps let establishments access a wider audience of clients.

Businesses in the restaurant industry should prioritize raising FDAs among their customers. FDA can be used to speed the ordering process and improve the customer experience, according to an article by (Fakfare, 2021) in the International Journal of Gastronomy and Food Science. Restaurants can provide customers more peace of mind by using the most recent technologies, including GPS tracking and mobile ordering, to give them real-time updates on the status of their orders. FDA can also be used to provide discounts and loyalty incentives to clients, which can boost happiness even more. Also, FDAs give restaurants

useful consumer data that may be used to create more specialized marketing campaigns and enhance the dining experience.

#### **2.4. Promotion types of FDAs**

According to (Jun Li, Mark A. Bonn, Juan Wang, Meehee Cho, 2021), the most popular promotional strategies for FDAs are vouchers, discounts, and rewards; in there, vouchers and discounts could impact customers most, followed by rewards. Also, the study discovered that referral programs, and loyalty programs were less successful than the other promotional tactics. The results of this study show that meal delivery apps should concentrate their marketing initiatives on deals and coupons to boost user engagement and loyalty. Promotional offers have become increasingly important for food delivery apps as a way to increase user engagement.

A study by (Dipanti Joshi, Dr. Viral Bhatt, 2021) published in the PalArchs Journal of Archaeology of Egypt in 2021 analyzed the effectiveness of promotion campaigns in increasing user engagement for food delivery apps. The paper stated that promotion had a positive effect on customer engagement, with those who received offers being more likely to use the app and order food than those who did not receive offers. The study also revealed that the types of promotions had an impact on user differently, with discounts and free delivery being the most popular and effective offers.

The effectiveness of social media campaigns for FDAs has recently been the subject of substantial research. The International Journal of Information Management published Alalwan's study on the efficacy of social media campaigns for FDAs. Understanding the link between social media campaigns and patronage was the main goal of Alalwan's research. Alalwan discovered that the success of social media marketing efforts significantly influenced client loyalty. Alalwan specifically discovered that consumers who are exposed to successful advertising campaigns are more likely to remain devoted FDAs customers. Alalwan also discovered that a customer's loyalty was significantly influenced by elements including the food's quality, price, and convenience of the delivery service. In order to maintain client loyalty, food delivery apps must develop powerful and compelling social media campaigns. The study concludes by showing that customer loyalty for food delivery apps might benefit from the success of social media advertising (Alalwan, 2020).



Image: promotional programs of Baemin, GrabFood and ShopeeFood in Vietnam

In Vietnam, immediately after being founded, applications with different ways of launching communication strategies and promotions have been vying to dominate the market. Top brands of FDAs such as GrabFood, ShopeeFood and Baemin have been releasing their promotion programs weekly and monthly to attract customers. These programs include free delivery, discounts, bonuses, and accumulate points programs. According to (Jinwoo Song, 2022), CEO of Baemin Vietnam, apps with many incentives are more likely to retain users. Speed is not always the dominant point, what customers really care about is which service has the most promo codes instead of speed of delivery (Anh, 2021).

## 2.5. Barriers for promotions of FDAs in Vietnam

Investing in promotion campaigns can help FDAs quickly dominate the market, but also creates an unsustainable direction and causes an imbalance in the target market. The e-commerce industry in Vietnam is expanding and keeping up with new consumer preferences. According to predictions made by Google, Temasek, and Bain & Company, Vietnam's e-commerce would reach 32 billion USD in the next three years and significantly boost the country's whole digital economy. Vietnam's e-commerce is expected to reach 52 billion USD by 2025 and rank among the three biggest markets in the region. One of the industries with the most promise is online food delivery, in particular. Almost 85% of users of transportation and food delivery services are digital citizens of Vietnam, according to Google.

According to (Jinwoo Song, 2022), CEO of Baemin Vietnam, investing in promotion helps applications quickly dominate the market and have a larger number of users but the disadvantage of focusing on promotional codes is that it creates an unsustainable way to dominate the market and causes an imbalance for the target market, apps with many incentives will retain customers. However, if users stick with an application just because there is a good promotion, they will turn away when the promotion is no longer available.

Focusing on the user's experience when using the application, meeting their needs, and encouraging continued usage of the application is the key element for e-commerce enterprises to increase competitiveness. use. Applications must utilize and improve high-tech science procedures due to the nature of operating in the digital market in order to provide users with the finest experience. E-commerce companies must also practice social responsibility and work toward sustainable development.

### CHAPTER 3. RESEARCH QUESTIONS

The food delivery market in HCMC has growth really fast in recent years. As a result, the competition among FDAs has become more intense. One method for FDAs to gain an advantage over their competitors is by offering more and more promotions to their customers. Promotions, such as discounts, voucher, or free delivery, can influence customers' purchasing decisions.

Understanding the impact of promotions on customers' decisions when choosing an FDA to order food online is crucial for FDAs operating in HCMC. If promotions do indeed influence customers' decisions, FDAs may want to allocate more resources to promotional activities to attract and retain customers. In contrast, if promotions do not have a significant impact on customers' decisions, FDAs may want to focus on other strategies, such as improving the delivery speed, expanding restaurants. Therefore, investigating the relationship between promotions and customers' decisions can provide valuable insights for FDAs operating in HCMC, which can help them make informed decisions about their marketing strategies.

For this study, there is 1 research question and 2 hypotheses as below:

**Research question:** Do promotions affect HCMC customers' decisions when choosing an FDA to order food online?

**Hypotheses 1:** Promotions affect customers' decisions when choosing an FDA to order food online.

**Hypotheses 2:** Promotions do not affect customers' decisions when choosing an FDA to order food online.



## CHAPTER 4. METHODOLOGY

Research is as a preferred pastime that focuses on effectively learning new information and so enhancing one's understanding of the subject. It outlines particular steps the researcher takes to describe their research challenge, create goals, and present their findings using information gathered during the examination period. (Kothari, 2004).

Two key strategies for producing a useful study are primary and secondary research methodologies. Secondary source is the source founded from earlier academic papers, or other trustworthy journals, reports, websites, etc. The RO model of Saunders et al. (2019) is a useful idea to describe the factors and develop the study's methodology.

### 4.1. Philosophy

Research philosophy refers to the set of beliefs and assumptions that underpin a researcher's approach to inquiry (Frank, 2003). According to (Qutoshi, 2020), the research philosophy is the foundation of the research design and methodology, as it shapes the way the research question is formulated, the data collection methods used, and the analysis and interpretation of the data.

There are different types of research philosophies, and researchers can choose the one that best fits their research question and objective. According to (Katherine A. Tamminen, Zoë A. Poucher, 2020), there are four main research philosophies: positivism, interpretivism, realism, and pragmatism. Interpretivism research philosophy is one of the most commonly used research methodologies in social sciences. This research philosophy is based on the belief that reality is subjective and can only be understood through interpretation. Interpretivism research methods also often involve the use of reflexivity, which involves reflecting on the researcher's own biases, assumptions, and values that may influence the research process and findings (Husam Helmi Alharahsheh, Abraham Pius, 2020). According to Saunders *et al.*, (2019) the basis of interpretivism is to develop fresh, in-depth interpretations of social contexts and worlds. This kind is suitable for research on the perspectives of people in various groups.

The research philosophy guiding this study is interpretivism, which emphasizes the subjective nature of reality and the importance of understanding individuals' perspectives. This philosophy aligns with the aim of exploring the effects of promotions on customers' decisions to use food delivery applications in HCMC, as it allows for an in-depth

understanding of the human experiences and meanings associated with this phenomenon. Additionally, interpretivism supports the use of qualitative research methods, which are well-suited to exploring complex social phenomena and small samples.

Moreover, Saunders et al (2019) stated that the second layer of the RO includes deductive and inductive method. Deductive is a style of reasoning in which general premises are followed by specialized conclusions. This approach is predicated on the notion that if the premises are true and logical, then the conclusion must likewise be true, according to (Evans, 1982). The inductive approach, by contrast, is a style of scientific thinking that proceeds from individual observations to broad generalizations. It is used to create theories based on empirical data, which may subsequently be tested through further study (David R. Thomas, 2006). The deductive method creates a hypothesis based on an current theory before framing a strategy to assessment them. (Silverman, 2013). In contrast, the inductive method allows you grow your own concepts. (Bryman, 2012). Thus, to create a strategy for this study, the inductive approach is the most suitable.

In conclusion, interpretivism would be a suitable philosophy for the research because the goal of this study was to explore customers' and businesses' human viewpoints. The author also chooses the inductive approach for the study. Additionally, Saunders et al (2019) recommendation of typical philosophy approaches used for the study: qualitative analysis methods, small samples, and inductive.

#### **4.2. Methodological choice**

There are three choices of methodological for the study, including qualitative research, quantitative research, and mixed methods.

Quantitative research is a scientific process that entails gathering numerical data and statistically assessing it. In order to ascertain the link between variables, a large sample size is studied and analyzed. It is possible to test ideas, spot trends, and draw conclusions using this kind of study because it is quite objective. According to (Allen, 2017), quantitative study goals to create knowledge and encourage the understanding of the social world. According to (Mohajan, 2020), in order to find patterns and relationships between variables, quantitative research collects and analyzes numerical data; with the help of this method, researchers can make confident findings and test their theories.

In contrast to quantitative research, qualitative research refers to a set of research methods used to explore subjective experiences, attitudes, and behaviors of individuals and groups (Patrik Aspers & Ugo Corte, 2021). Data gathering methods for qualitative research frequently include observations, interviews, document analysis, and data coding and thematic analysis. Instead of only quantifying a phenomenon, the aim of qualitative research is to get profound understanding and insights into it. Several disciplines, including sociology, psychology, anthropology, and education, among others, might benefit from qualitative research. Qualitative study emphasizes on several methods and takes a revelatory, standardizing approach to its subject (Denzin & Lincoln, 1994).

The methodology chosen for this study is qualitative research, which is appropriate given the interpretive research philosophy adopted. Qualitative research allows for a deeper understanding of the subjective experiences, attitudes, and behaviors of individuals and groups. This aligns with the aim of exploring the effects of promotions on customers' decisions to use food delivery applications in HCMC, as it requires an in-depth understanding of the human experiences and meanings associated with this phenomenon. Qualitative research methods, such as observations, interviews, and thematic analysis, are well-suited to exploring complex social phenomena and small samples, which is also in line with the recommendations of (Saunders et al, 2019). Therefore, the choice of qualitative research methodology is justified and appropriate for this study.

### **4.3. Strategy**

The study aims to comprehend people and societal viewpoints. A case study and interview are therefore essential in qualitative research design. Case study includes analyzing a single element to specify its crucial features and make overviews. (Bryman, 2012).

The study aim is to find out effects of promotion on customers' decisions when ordering food online on FDAs. The author plans to observe the response of customers on their real experience through non-numbered data. The case study and interviewing method support gaining a thorough knowledge. There are 3 primary forms of interview techniques: unstructured, structured, and semi-structured forms.

The unstructured interview technique is a method of qualitative data collecting where the interviewer has a rough notion of what to ask but does not adhere to a planned set of questions. (G.Burgess, 1982) asserts that using this strategy enables a more natural

interaction between the interviewer and the interviewee, which may lead to the discovery of unexpected insights and data. When discussing intricate subjects that need for a more in-depth comprehension of the interviewee's viewpoint, this strategy is especially helpful.

One of the strategies for data collection most frequently employed in social science research is structured interviews. An organized survey that is given to a sample of participants is known as a structured interview. According to (André Queirós, Daniel Faria, Fernando Almeida, 2017), the advantages of structured interviews include the ability to gather substantial volumes of data from a broad sample of participants, the ability to account for interviewer bias, and the opportunity to compare findings across research.

Using semi-structured interviews as a research tool can yield insightful information and rich data about intricate phenomena. Semi-structured interviews, according to (Hanna Kallio, Anna-Maija Pietilä, Martin Johnson, Mari Kangasniemi Docent, 2016), are particularly helpful when examining subjects that are challenging to research using standardized survey methods. This method enables flexible inquiry and enables participants to give more in-depth and complex answers. Semi-structured interviews also give researchers the chance to delve into unanticipated themes and concepts that might not have been foreseen beforehand.

Among these three types, semi-structured interviews resemble a conversation in which participants applying for a variety of purposes can freely express their opinions on a fascinating subject through their actions, experiences (Saunders et al., 2019). Hence, semi-structured interview and case study are chosen for strategy of the research.

#### **4.4. Time horizon**

The time due of a project is the timeline in which it is planned to be completed (Saunders et al, 2019). The cross-sectional time horizon, over which the information collection is required, has formerly been determined. When data is congregated at a certain time, it is recognized as a snapshot time collection. (Flick and Uwe, 2011). Using a cross-sectional temporal horizon, researchers can gather data at a specified period. To investigate a specific occurrence, behavior, or attitude, social science research frequently uses this approach. According to (Christie, 1987), cross-sectional research is commonly used in economics to examine the relationships between different variables or factors

This task often involved writing a thesis and had a due time. Additionally, one of goals of the study was to do an interview to look at how customers perceived promotions when using FDAs. Therefore, choosing a cross-sectional study is necessary.

#### **4.5. Techniques**

Information collection and analysis count on the chosen methodology (Bryman, 2012). The methodology chosen at this time in the research makes a generous influence to its general validity and reliability. (Saunders, M., Lewis, P., & Thornhill, A., 2007).

As stated above, the study uses qualitative research and interviews. By using data collected on customers who are living in HCMC, the research attempted to investigate consumer attitudes and business perspectives regarding promotions when ordering meals by using FDAs through online channels.

#### **4.6. Sample selection**

The author has deliberately chosen to focus on Generation Z and Millennials who have spent a minimum of two years living in HCMC, Vietnam. These age groups, ranging from 18 to 35 years old, are known for their strong familiarity and comfort with technology, including the use of FDAs. The author specifically aims to capture the perspectives of individuals who are frequent users of food delivery apps, as evidenced by the requirement that participants have ordered food at least five times through these apps in the past 12 months.

To ensure a balanced representation, the author has set a total group size of 15 participants, with an equal split between genders. This approach takes into consideration potential gender differences in FDA usage and preferences. Furthermore, the author's criterion of at least two years' residency in HCMC ensures that participants are familiar with the local food delivery landscape, while also considering the age range most likely to be active users of the internet for both personal and professional purposes.

Table 1 provides a concise summary of interviewee details such as age and occupation, as well as an overview of customers' attitudes and behaviors when it comes to purchasing food on FDAs.

<b>No.</b>	<b>Age</b>	<b>Career</b>	<b>Buy online food on FDAs at least 5 times through FDAs in the past 12 months.</b>	<b>Name of using apps</b>	<b>Preferring channels for purchasing food</b>
1	27	HR specialist	Yes	Grabfood, ShopeeFood, Baemin	Online
2	23	Marketing specialist	Yes	Baemin, Grabfood	Online
3	30	Software engineer	Yes	Baemin, ShopeeFood, Loship	Online
4	25	Primary school teacher	Yes	Baemin, Grabfood	Online
5	24	Financial analyst	Yes	ShopeeFood, Baemin	Online
6	22	Sales staff	Yes	Grabfood, Loship, ShopeeFood	Online
7	31	Administrative staff	Yes	Loship, Grabfood, ShopeeFood	Online
8	28	Sales staff	Yes	Baemin, Grabfood	Online
9	29	HR manager	Yes	ShopeeFood, Baemin	Online
10	33	Graphic designer	Yes	Grabfood, Baemin, ShopeeFood	Online
11	18	Student	Yes	Baemin, Grabfood, ShopeeFood	Online
12	22	Graphic designer	Yes	ShopeeFood, Baemin, Grabfood	Online

13	19	Student	Yes	Loship, ShopeeFood, Baemin	Online
14	24	IT staff	Yes	Grabfood, Baemin,	Online
15	35	Web developer	Yes	Baemin, Loship, ShopeeFood	Online

#### **4.8. Data collection**

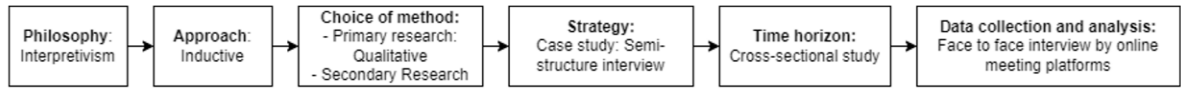
Due the far distance (Ireland and Vietnam), the offline interview could not be performed. To tackle with this problem, the interview via online communication application such as Facetime, Messenger, WhatsApp, or online meeting platforms such as Microsoft Team, Google Meet, and Zoom will be the best solution for this problem.

The questions in this interview focus on participants' experiences with FDAs and their use of promotions or discounts. Questions are asked in the interview are around themes such as frequency of use, selection criteria, promotion usage, price sensitivity, promotion awareness, issues encountered, and overall experience. The aim is to draw out information about participants' experiences, decision-making processes, and the impact of promotions on their behavior regards FDAs, in order to suggest improvements to promotion and discount strategies used by FDAs.

The author chooses online meeting platforms for online interview because they are popular professional meeting application and integrate many functions such as meeting recording, auto-subtitle, etc. They were all outstanding in helping the researcher collect data.

The author will carry out the interviews in Vietnamese to make certain that the subjects comprehend the questions and give truthful answers. Then the whole will be translated into English. This strategy guarantees that the respondents are at ease and capable of clearly expressing themselves in their native tongue while simultaneously enabling an appropriate translation of their comments into English for analysis and reporting needs. The interviews' use of Vietnamese reflects the study's linguistic and cultural background, and the subsequent translation makes sure that the results may be successfully conveyed to an English-speaking audience.

In summary, the study will be conducted with the following procedures as in the figure:



#### **4.9. Pilot Study**

In this research, a pilot study is not needed as the study design is well-established, the research topic is close and easy to understand with the interviewee, and the procedures are straightforward with minimal risk to participants. Additionally, the research budget and timeline do not allow for a separate pilot study.

#### **4.10. Ethical consideration**

The researcher prioritizes the ethical considerations of the study by ensuring that all interviewees are informed about the research and provided with an agreement form to fill out before scheduling the interview time. By doing this, it is made sure that before consenting to participate, participants are fully informed about the study's nature and goals.

All personal information gathered for the study, including data and information from the interviews, is securely preserved to ensure the participants' privacy and confidentiality. The researcher makes sure that everything is password-protected and kept on the author's personal laptop, which is only accessible by the researcher, including data and interviewee information. This precaution aids in data security and guards against unwanted access.

The study's objectives are also fully disclosed to participants during the invitation period, and the data collection procedure places a strong emphasis on getting fully informed permission. By doing this, it is made sure that participants are aware of the study's goals. The researcher takes steps to choose suitable interview subjects in accordance with the objectives of the study and ensures that their consent to participate is gained voluntarily and without any coercion.



## CHAPTER 5. DATA ANALYSIS AND FINDING

Chapter 5 of this study focuses on the data analysis and findings of the author obtained from the interviews conducted with Generation Z and Millennials living in HCMC, Vietnam, who have used FDAs for a minimum of two years.

### 5.1. Summary of interviewees

Total 15 interviewees are Generation Z and Millennials from 18 to 35 who have spent a minimum of two years living in HCMC, Vietnam. They have been living in HCMC for at least 2 years. Participants have ordered food at least five times through these apps in the past 12 months.

### 5.2. Findings

Through the interview, overall, total 15 respondents concur that promotions are an important factor to take into account when placing an order for food, leading researchers to draw the conclusion that promotions have an impact on customers' decisions when choosing a food delivery service in HCMC. Moreover, respondents also stated some issues with promotions and give suggestions to improve promotion programs on FDAs. As mentioned in point 2.3, according to Reputa's data, "Incentives and promotions" (which account for 81.08% of customer satisfaction) are the primary factor. Speed is not usually the deciding factor; in fact, they care more about which service offers the largest discounts than they do about delivery time (which is just 4.05%).

#### 5.2.1. Aspects impact to customer's decision-making

Firstly, it was discovered that buyers' decision-making process includes price comparison. Before making a decision, customers frequently examine the costs of food products across several restaurant delivery apps. For example, interviewee number 4 stated *"I used to compare the prices of food on different food delivery apps before ordering. Price is an important factor when I decide to order food online. I often review the prices of dishes, shipping and other costs across different apps to make a sound decision on pricing"*. This implies that customers' price sensitivity is a vital factor to take into account when selecting an app to place an online food order. Promotions like sales or limited-time offers on food items can have a significant impact on how users perceive the overall worth of a product and how they choose an app.

Secondly, customers learn about promotions via a variety of channels, such as social media, emails, or app notifications. Interviewee number 11 said *“I am often aware of FDA promotions by means such as email, in-app messages, app notifications, or following on the apps' Facebook pages”*. This emphasizes how crucial it is for food delivery apps to use excellent communication and marketing techniques to let users know about current sales. Customers are more likely to examine those apps when they are aware of alluring promos since they believe they will get greater offers or savings on their food orders. Additionally, it was discovered that the timing and frequency of promotions had an effect on how customers made decisions. Customers claim that timely promotions, such as daily or weekly specials, flash sales, or seasonal deals, grab their attention and make them feel compelled to place an order. Limited-time offers encouraged customers to act right away and place an order so they could take advantage of the promotion before it ended, they said.

Thirdly, it was clear from the comments how promotions affected customers' general use of FDAs. Customers reported that appealing promotions had a favorable impact on their decision to order meals from a particular app, and promotions were regarded as an incentive for selecting one app over another. For instance, interviewee number 12 stated *“I think the promotion offered by FDAs has a big impact on my overall experience with the app. Attractive and reasonable promotions help me save money, increase the attractiveness of the application and motivate me to use the application more often”*. This emphasizes how crucial promotional tactics are in influencing consumers' opinions, preferences, and loyalty towards a specific food delivery service. Participants noted that they place more orders from an app that routinely offers appealing discounts because it tempts them to try out new eateries, sample new cuisines, or splurge on their favorite foods. Promotions were seen as a chance to stretch their money, experiment, and sample a variety of cuisines without breaking the bank. This implies that marketing for food delivery apps can boost user engagement, boost order volume, and raise customer lifetime value.

### **5.2.2. Issues with using promotions**

When using FDAs, interviewees have also complained about issues they faced such as unclear terms and conditions, expiration dates, and usage limitations while using promotional codes. This implies that in order to prevent confusion or dissatisfaction among customers, FDAs must make sure that their promotion codes are properly stated, simple to

comprehend, and devoid of any ambiguity. Customers' overall experience and perception of the app may be positively impacted by making sure that promotions are clear, simple to use, and hassle-free. The following are issues with promotions when customers use FDAs:

Unclear terms and conditions: Due to ambiguous terms and conditions, customers have complained that promotions have caused them problems. This includes promotions with murky or convoluted rules, limitations, or other conditions that are not made explicit to clients. Customers might not completely comprehend minimum order criteria, restrictions on particular restaurants or cuisines, or time limits on the validity of offers, for instance. Customers may get confused, irritated, and disappointed as a result of this lack of clarity, which could ruin their perception of the FDA and the campaign. For example, interviewee number 3 said *“On applications for food delivery, I have occasionally run into issues like expired codes or confusing terms and conditions that are tied to the usage of promotional or discount codes. My ordering experience has become frustrating as a result, and occasionally falls short of my expectations”*.

Restrictions on usage: Some promotions could be subject to usage limits, such as caps on the number of times they can be used or restrictions on the days or hours they are active. These limitations might annoy or constrain customers, especially if they anticipated more freedom in how they used the promotion. Customers may feel constrained or unable to fully take advantage of the deal, which could affect how they see the FDA and the promotion as a whole. For instance, interviewee number 13 stated *“I have encountered issues related to the use of promo codes or discount codes on food delivery apps, such as code expiration dates, unclear or confusing terms and conditions, make it difficult to apply or take advantage of such promo code”*.

Technical issues: Customers may encounter technical difficulties with offer codes or redemption procedures. During the checkout process, customers may suffer issues inputting or using offer codes, as well as bugs or mistakes that prohibit them from taking advantage of the promotion. Customers may become frustrated and inconvenienced by these technical problems, which may have a bad effect on how they see the FDA and the campaign. For example, Interviewee number 1 stated *“I had a technical problem when applying the promo code, even though I am eligible to apply the promo code, I can't apply it and I have tried many different ways, I feel very angry because not get the benefits that should be mine”*.

### **5.2.3. Suggestions**

There are potential for FDAs to enhance their promotion programs based on the feedback from customers. Customers recommended that improving the app might increase their satisfaction and engagement by delivering more targeted discounts based on their preferences and order history, extending expiration dates for promotions, providing clearer terms and conditions for promotions and offering more types of promotions. This shows that in order to better satisfy the changing requirements and expectations of customers, food delivery apps need to regularly assess and improve their promotion techniques. For example, interviewee number 15 stated *“I think FDAs need to provide promo codes with clear terms and conditions to avoid confusion or disputes for users. In addition, FDAs also need to increase the variety of promotions, such as free delivery, vouchers or membership points so that users can get the most practical benefits”*

## CHAPTER 6. DISCUSSION

In Chapter 6, the findings from the data analysis and interviews are discussed in depth. The implications of the findings are explored, and recommendations for improving promotions on FDAs in HCMC are provided. Finally, Chapter 6 concludes with a summary of key findings and suggestions.

The food delivery industry has grown rapidly in HCMC in recent years, leading to fierce competition between different service providers. To attract and retain customers, FDAs have been offering various promotions. By providing incentives like discounts, free samples, and loyalty benefits, promotions aim to persuade consumers to make a purchase. Promotions can have both favorable and unfavorable consequences on a customer's decision-making, according to (Mowen, 1988). For FDAs in HCMC, customers are frequently cost-conscious, and promotions provide them the chance to save money or get more for their money. For instance, an FDA that provides a 50% discount on the first order or a "buy one pizza, get one free" promotion is likely to draw more clients than an app without promos since clients believe they are receiving a better bargain.

By instilling a sense of urgency or scarcity, promotions can enhance customer purchase intent by encouraging shoppers to act swiftly before the promotion expires. Customers experience fear of missing out (FOMO) when there are time-limited offers, flash deals, or countdown timers on promotions. They could feel pressured to order right away in order to benefit from the promotion before it ends. Customers' decision-making processes may be influenced by this sense of urgency, leading them to select a food delivery service that provides alluring promos. Promotions can also trigger impulsive purchases by offering customers a bonus incentive or reward, like a free gift or an extra discount. Promotions can influence consumer behavior, but they can also have unfavorable effects including deteriorating brand equity and decreasing profitability. Many interviewees agreed that promotion is the key factor to keep them with an FDA, if FDAs stop their promotions, they will consider another option for their meal, even they go and buy food themselves. Moreover, they also assuming that they do not mind about the brands when choosing an FDA because they are only delivery services. Therefore, promotion is a powerful tool that can significantly influence customer behavior, and its impact should be carefully evaluated to ensure its effectiveness and sustainability in the long run (Cornelia Pechmann, Jesse R Catlin , 2016).

Promotions can influence customers' perceptions of an FDA's value proposition. Customers may perceive an FDA that offers regular promotions as more generous and customer-friendly compared to an app with no promotions. This perception of added value can create a positive impression and impact customers' decision to choose one app over another. For example, an FDA that consistently offers promotions, such as free delivery, discounted meal sets, or loyalty rewards, may be perceived as providing more value to customers, leading them to prefer that app over others. Promotion is an essential component of marketing that significantly affects consumer behavior. (Cornelia Pechmann et al, 2016) assert that promotions can affect consumer behavior by altering how they perceive value, raising their buy intention, and inciting them to make impulsive purchases. Customers may perceive a product or service to be valuable by using promotions like discounts, coupons, and free samples, which increases their likelihood of making a buy.

Moreover, promotions can also influence customers' loyalty and repeat purchase behavior. Once customers have experienced a positive outcome from a promotion, such as saving money or getting a free item, they may develop a preference for that food delivery app and choose it again for future orders. This loyalty and repeat purchase behavior can be reinforced through targeted promotions, such as personalized discounts based on previous order history or loyalty programs that reward customers for their continued patronage. However, it is important to note that while promotions may initially attract consumers to an FDA, the overall user experience and quality of service still play a crucial role in determining customer loyalty. Therefore, FDAs must not only offer attractive promotions but also provide a seamless and enjoyable experience for their customers to retain their loyalty.

However, FDAs also need some changes in how they offer promotions. According to a study by (K. A. Benhardy, M. Ronadi, 2020), these promotions can be broadly classified into three categories: monetary, non-monetary, and hybrid promotions. Monetary promotions include discounts, cashback, and referral bonuses that provide monetary benefits to customers. Non-monetary promotions, on the other hand, do not offer direct monetary benefits but provide customers with additional value. Examples of non-monetary promotions include free delivery, loyalty programs, and exclusive deals. Finally, hybrid promotions combine both monetary and non-monetary benefits. For instance, some FDAs offer a discount on a customer's first order along with a free delivery option. These promotions not only impact new customers but also attract current customers. As mention in 5.2.3, interviewee suggest

FDAs should offer more type of promotion because promotions of FDAs are often focus on monetary and less of non-monetary ones. Therefore, it is important for FDAs to diversify their promotion programs and offer a wider range of promotions to attract and retain customers. By offering a mix of monetary and non-monetary promotions, FDAs can not only attract new customers but also retain current ones. For example, they could offer free delivery, which combined discount on every order. Overall, it is crucial for FDAs to keep up with changing customer needs and preferences and offer promotions that provide genuine value to their customers.

## **CHAPTER 7. CONCLUSION AND RECOMMENDATIONS**

### **7.1. Conclusion**

In conclusion, promotions play a significant role in influencing customers' decisions when choosing an FDA to order food online in HCMC. By offering incentives like discounts, free samples, and loyalty rewards, promotions can draw customers by fostering a sense of additional value and enticing them to make a purchase. Promotions can also create a sense of urgency or scarcity, triggering impulsive purchases and influencing customer purchase intent. Moreover, promotions can influence customers' loyalty and repeat purchase behavior, as positive outcomes from promotions can lead to customer preference and repeat business. However, FDAs need to carefully evaluate the effectiveness and sustainability of promotions in the long run, as they can also have unfavorable effects on brand equity and profitability.

Additionally, FDAs must to consider about providing several promotion forms, such as monetary, non-monetary, and hybrid promos, to meet the demands and preferences of various clientele. While non-monetary promotions may add value through features like free delivery and loyalty programs, monetary incentives may offer clients direct financial rewards. Hybrid promotions, which combine monetary and non-monetary rewards, can be very successful at luring new users and keeping hold of current ones.

Moreover, the entire quality of service and satisfaction of customers play a vital role in determining customer loyalty, thus FDAs should concentrate on offering a flawless and engaging user experience in addition to promotions in order to optimize their impact. FDAs in Ho Chi Minh City can use the power of promotions to sway customer decisions and gain a competitive edge in the fiercely competitive food delivery sector by providing a variety of promotions, providing excellent service, and continuously evaluating the effectiveness of promotions.

### **7.2. Recommendations**

Restaurants have had to change to accommodate the evolving needs of customers as a result of the growth of FDAs. To increase their client base and reach more customers who like to buy food online, many restaurants have teamed with FDAs. Due to this, restaurants are now able to serve food to a larger customer base and generate more revenue. Additionally, FDAs have given restaurants a solution during the COVID-19 pandemic, which made many restaurants have to stop offering in-house dining services. By providing delivery and



takeaway choices, the apps allowed restaurants to continue functioning, guaranteeing they could continue to serve customers and make money.

As this study is a qualitative study with a small sample size, there are some recommendations can be applied to further studies on the topic of the effects of promotions on the decision of customers to choose a delivery application to purchase food online in HCMC.

Firstly, further researches may consider increasing the sample size to ensure representativeness of the target group, consideration should be given to increasing the sample size and expanding the range of participants to include more age groups and different areas of HCMC.

Secondly, we may research into other influencing factors, in addition to the effect of promotions, further research should delve deeper into other factors influencing the decision to choose a delivery app for online food purchases. customers, such as utility, user experience, variety of other products and services.

In summary, the recommendations for future studies and dissertations include expanding the sample size and research into other influencing factors.

## CHAPTER 8. LIMITATIONS

In recent years, the use of delivery applications for purchasing food online has become increasingly popular, especially among Generation Z and Millennials in HCMC. As a result, conducting studies on the effects of promotions on customers' decisions to choose a particular delivery application is necessary. This dissertation also aims to explore the same topic through a qualitative research approach by interviewing online 15 people who have spent at least two years in HCMC, aged between 18 to 35. However, this research still has its drawbacks. According to the author, there are two main limitations: sample size limitations in qualitative research, limitations of online interviews for data collection.

Firstly, qualitative method is a valuable to explore complex phenomena, but it has limitations. The sample size is one of the most severe restrictions. Because qualitative research is frequently carried out on a smaller scale, issues regarding the findings' generalizability may arise. In order to provide a thorough understanding of a certain phenomenon, qualitative research must collect and analyze a lot of data. The study can only involve a certain number of participants because this process takes a lot of time and resources. However, qualitative research is nevertheless a useful technique for deeply examining complicated phenomena like this dissertation's topic.

Secondly, due to the very far distance from Ireland and Vietnam, the author has to conduct the online interview. However, despite its advantages, online interviews also have several limitations that must be taken into consideration. One of the main limitations of online interviews is the potential for technical issues to arise, such as poor internet connection, audio distortion. Additionally, online interviews may hinder the researcher's ability to build rapport and establish trust with the participant, which can be especially important in sensitive or personal topics. Despite these drawbacks, the study suggests that if appropriate steps are taken to assure the authenticity and reliability of the data acquired, online interviews can be a trustworthy technique of data collecting. These steps could entail creating precise interview standards, employing standardized interview questions, and running pilot tests to find and fix any potential technical problems.

In summary, despite some research limitations, the results offer important new understandings of how promotions affect customers' decisions regarding FDAs in HCMC. The study emphasizes the significance of marketing in luring and keeping customers.

Additionally, it implies that services that FDAs could profit from providing a range of promotions that are tailored to the preferences of their users. Overall, this study advances knowledge of the HCMC food delivery market and gives FDAs providers helpful data for enhancing their offerings and gaining more clientele.

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**APPENDIX 1.**  
**CONSENT FORM**

Dear [Interviewee Name],

I am Thien Huynh, a researcher at National College of Ireland who is conducting a study “The effects of promotions on the decision of customers to choose a delivery application to purchase food online in Ho Chi Minh City”. As part of this study, I would like to conduct an online semi-structured interview with you to gather your insights and experiences.

Your participation in this study is entirely voluntary, and you have the right to withdraw from the study at any time without any consequences. The interview will be conducted via online platform such as Google Meet, Microsoft Team, Zoom, etc. The interview will be recorded to ensure accuracy and completeness of data. Only the researcher will have access to the recordings, which will be deleted after the study is completed.

The data collected for this survey will only be utilized for research, and the final report will present it in aggregate form. Your name or any other identifiable information will be kept private and not be revealed.

Your participation will help me gain a better understanding of the factors that influence online food delivery app preferences in Ho Chi Minh City, which may improve the quality of services provided by these apps.

If you agree to participate, please indicate your consent by replying to this email with "I consent to participate in the study". If you choose not to participate, there will be no negative consequences.

Please let me know if you have any questions or concerns about the study. Thank you for your time and consideration.

Sincerely,

Thien



## APPENDIX 2.

### CONTEXTUAL DATA – INTERVIEW

I would like express my appreciations to all the participants who took part in my research. They were really kind with their time and willing to talk to me about their experiences. I carried out the interviews in such a way as to make them feel most comfortable, as though we were just two friends chatting. We were able to exchange information with ease thanks to this method, and it also allowed us learn important things about how consumers think.

I have got their consent to record the interviews on audio and video in order to store the data. I was able to pay close attention and assure the accuracy of my reports because of this. All interviews were conducted online utilizing meeting tools like Zoom, Microsoft Teams, Google Meetings, etc. due to the geographical difference between the researcher and the participants. These tools are well-liked and effective ways to conduct face-to-face meetings and capture audio.

All the interviews are conducted in April 2023 with the most suitable time arranged for both parties. The interview timetable is as follow:

No.	Date of interview	Time (Irish Standard Time)
1	April 2 <sup>nd</sup>	10:45 AM
2	April 2 <sup>nd</sup>	2:30 PM
3	April 2 <sup>nd</sup>	11:15 AM
4	April 6 <sup>th</sup>	1:00 PM
5	April 6 <sup>th</sup>	3:45 PM
6	April 8 <sup>th</sup>	10:30 AM
7	April 8 <sup>th</sup>	12:45 PM
8	April 8 <sup>th</sup>	3:30 PM
9	April 9 <sup>th</sup>	11:30 AM
10	April 9 <sup>th</sup>	2:15 PM
11	April 11 <sup>th</sup>	1:45 PM

12	April 13 <sup>th</sup>	10:15 AM
13	April 13 <sup>th</sup>	2:00 PM
14	April 14 <sup>th</sup>	12:30 PM
15	April 14 <sup>th</sup>	3:00 PM

### **APPENDIX 3.**

#### **AN EXAMPLE INTERVIEW**

##### **Interviewee number 2**

Date: **April 2<sup>nd</sup>, 2:30 PM**

**Interviewer:** Hello, and many thanks for accepting to participate in this interview. The focus of this research is to examine the effects of promotions on customers' decisions to choose a delivery application to purchase food online in Ho Chi Minh City. I sincerely appreciate you taking part in this interview because it will provide me important new information to consider. Please feel free to share your thinking and opinions with me.

**Interviewee:** Hi, no problem.

**Interviewer:** the first question is how often do you use FDAs to order food in Ho Chi Minh City? Can you tell me about your general experience?

**Interviewee:** Yes, I often order food through a food delivery app in Ho Chi Minh City, especially at lunch because I work at the office. My experience with this is pretty good, especially on busy days or when I don't have time to cook or go out to eat.

**Interviewer:** What aspects do you usually consider when selecting an FDA?

**Interviewee:** For me, price and service charges are my first consideration, I look at pricing and service charges such as delivery fees, service fees, or order processing fees to ensure a fair price. reasonable and fit my budget. I never mind about a brand because I think that they are just delivery service, they do not affect the food.

**Interviewer:** Have you ever used a promotion when ordering food through an FDA? If so, can you tell me about your experience using promotions or discounts?

**Interviewee:** Regarding using the promotion when ordering food through a food delivery app, I have used the promotion in the past. My experience depends on the validity, legitimacy of the promo code, and how the app handles the promotion. If the promo code works properly, is applied easily and saves money, then I'm happy with the experience.

**Interviewer:** When making a decision to order food online, to what extent do promotions impact your decision to order food using an FDA?

**Interviewee:** The extent to which a promotion affects my decision to order food through a food delivery app depends on the value and appeal of the offer. If the promotion offers a good value and saves money, I would give it a serious consideration and be more inclined to order food through a food delivery app. However, it's also important to note that promotions aren't always my sole deciding factor. I still consider other factors like food quality, user reviews, usability and safety of a food delivery app before making a decision on which particular app to order food through.

**Interviewer:** Can you tell me about a time when promotions influenced your decision to order from a particular FDA?

**Interviewee:** One promotion that influenced my decision was when I received a special discount code from a food delivery app I frequently use. That discount code reduced the order value by 200,000 VND, moreover, it was also applied easily and without hassle during the food ordering process. This stimulated me to order food from that app instead of from another, because the price after the discount is reasonable and attractive.

**Interviewer:** Have you ever compared the prices of food on different FDAs before making a purchase? How important is price when making a decision to order food online?

**Interviewee:** Yes, I usually compare the prices of food on different food delivery apps before placing an order. Price was an important factor in my decision when ordering food online. I usually look at the prices of the dishes, plus shipping (if applicable), service fees, and other extras to gauge the total cost of an order across different food delivery apps.

**Interviewer:** How do you usually find out about promotions offered by FDA?

**Interviewee:** I often learn about promotions of food delivery apps through various sources such as: Notifications from food delivery apps, via in-app messages or via email/sms. I also see it on online advertise or in mass media, such as TV, radio, newspapers, or news websites. Occasionally, I may also receive discount codes from sharing by friends, relatives, or from partners or special events of the food delivery application.

**Interviewer:** Have you ever encountered any issues with using promotions or discount codes on FDAs like expiration dates or unclear terms and conditions?

**Interviewee:** I have a technical problem applying the promo code, even though I am eligible to apply the promo code, I cannot apply and I have tried many different ways, I feel very angry because I didn't receive it. its interests.

**Interviewer:** How do you think promotions offered by FDAs affect your overall experience with the app?

**Interviewee:** Promotions offered by food delivery apps can positively affect my overall experience with apps if they are engaging, easy to apply, and meet my needs properly.

**Interviewer:** Finally, do you have any suggestions for how FDAs could improve their promotions or discounts to better meet your needs as a customer?

**Interviewee:** To improve promotions or discounts of food delivery apps, I suggest that they ensure the availability and applicability of the promo code on both the mobile app and the website, and make sure the consistency between these platforms.

**Interviewer:** Great, this interview finished here. Again, thank you so much for your participant today.