

THE EFFECT OF DISCOUNTS AND PRICE ON PURCHASE DECISIONS OF GOFOOD SERVICES AMONG GENERATION Z STUDENTS AT UNIVERSITAS NEGERI JAKARTA WITH PERCEIVED VALUE AS A MEDIATING VARIABLE

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Abstract

Pricing strategies are vital in guiding consumer decisions on digital platforms, especially in online food delivery apps. This research examines how discounts and pricing affect purchase choices, highlighting perceived value as a key mediator. The study targets Generation Z students at Universitas Negeri Jakarta, a group known for high digital literacy and frequent use of GoFood. Using a quantitative method, data were analyzed with Partial Least Squares–Structural Equation Modeling (PLS-SEM) from responses gathered via structured questionnaires. Results show that both discounts and price significantly impact perceived value, which in turn increases the probability of purchase. However, discounts do not directly influence purchase decisions, implying that price discounts alone are not enough unless they add perceived value. Conversely, price directly affects purchasing, indicating that fairness and affordability are crucial for Generation Z. Mediation analysis confirms perceived value as an essential link between pricing strategies and purchase decisions. Focusing on actual buying behavior rather than intent provides a clearer insight into value-based decision-making in online food delivery. The study suggests platforms targeting Generation Z should focus on pricing strategies that improve perceived value rather than relying only on discounts.

1. INTRODUCTION

The rapid development of digital technology has significantly transformed consumer consumption patterns, particularly through the widespread adoption of application-based services. One sector that has experienced substantial growth is online food delivery, which offers convenience, time efficiency, and flexibility for consumers. In Indonesia, this growth has been driven by increasing internet penetration and the intensive use of mobile applications in daily activities, creating significant opportunities for digital service platforms to become an integral part of daily consumption behavior.

Generation Z, largely represented by university students, constitutes one of the most active user segments of online food delivery platforms due to their high level of digital literacy and preference for practical, fast, and cost-efficient services. Among various platforms operating in Indonesia, GoFood holds a dominant position as part of the Gojek ecosystem, reflecting strong market adoption and frequent usage among young consumers. This high level of

usage cannot be separated from the pricing strategies implemented by the platform, particularly price setting and promotional discounts, which are commonly used to attract consumer interest and stimulate transactions.

From a consumer behavior perspective, price represents the monetary sacrifice that consumers must incur to obtain a product or service, while discounts function as promotional incentives intended to increase perceived benefits. However, consumer responses to these pricing strategies are not solely determined by nominal price reductions or the frequency of promotions. Instead, consumers tend to evaluate pricing strategies based on the overall value they perceive from the service. In this context, perceived value reflects consumers' subjective evaluation of the trade-off between benefits received and costs incurred and plays a central role in shaping purchasing behavior.

In online food delivery services, discounts and prices may not directly lead to purchase decisions unless they successfully enhance consumers' perceived value. This suggests that perceived value acts as a psychological mechanism that translates pricing strategies into behavioral responses. For Generation Z consumers, who are often characterized by high price sensitivity and rational evaluation of benefits, value-based assessment becomes particularly important in determining whether a transaction will occur.

Although previous studies have widely examined the effects of discounts and price on consumer behavior in digital services, empirical findings regarding the direct impact of discounts on purchase decisions remain inconsistent. While some studies report that discounts directly stimulate purchasing behavior, others find that discounts become insignificant when consumers place greater emphasis on overall value evaluation rather than promotional cues. These mixed findings indicate that discounts may not function uniformly across contexts and consumer segments.

Moreover, most prior research has focused primarily on purchase intention rather than actual purchase decisions, and perceived value is often positioned as an independent or moderating variable rather than examined explicitly as a mediating mechanism. As a result, there is limited empirical evidence explaining why discounts sometimes fail to directly influence purchase decisions, particularly in the context of online food delivery services among Generation Z consumers.

Addressing this research gap, the present study investigates the effects of discounts and price on purchase decisions for GoFood services among Generation Z students at Universitas Negeri Jakarta, with perceived value explicitly positioned as a mediating variable. By focusing on actual purchase decisions and clarifying the mediating role of perceived value, this study aims to resolve inconsistencies in previous findings and contribute to a deeper understanding of value-based consumer decision-making in online food delivery services.

2. LITERATURE REVIEW

This literature review examines the theoretical foundations and empirical findings related to discounts, price, perceived value, and purchase decisions in the context of application-based online food delivery services. The review integrates marketing and consumer behavior theories with prior empirical studies to develop a coherent conceptual framework and support hypothesis development.

2.1 Theoretical Background

Consumer purchase decisions result from a cognitive evaluation process in which individuals assess various marketing stimuli before making a purchase (Kotler & Keller, 2016). In digital service environments, particularly online food delivery platforms, this evaluation process does not rely solely on objective price information but is strongly influenced by consumers' subjective assessments of value.

Pricing-related stimuli like discounts and price points affect consumer behavior both directly and indirectly via psychological assessments. A central evaluative construct in this process is perceived value, representing consumers' overall judgment of the trade-off between benefits and sacrifices. Consequently, perceived value plays a crucial role in connecting pricing strategies to consumer purchase choices in digital services.

2.2 Discount

Discounts are widely used promotional tools designed to attract consumer attention by reducing the nominal price of a product or service. In digital service contexts, discounts function not only as economic incentives but also as psychological signals that can enhance perceptions of savings and attractiveness.

Previous studies indicate that discounts positively influence perceived value by increasing consumers' perceptions of economic benefits. Butar Butar et al. (2023) demonstrate that price discounts significantly enhance perceived value in online food delivery services, which subsequently increases consumers' behavioral responses. Similarly, Nabila et al. (2024) find that discount and cashback programs positively influence purchase frequency by strengthening consumers' perceptions of value rather than merely lowering prices.

However, empirical findings regarding the direct effect of discounts on purchase decisions remain inconsistent. While some studies suggest that discounts can directly stimulate purchasing behavior, other studies report insignificant direct effects, particularly when consumers prioritize overall value evaluation over short-term promotional incentives. These mixed findings suggest that discounts may influence purchase decisions primarily through perceived value rather than through direct effects.

2.3 Price

Price represents the monetary sacrifice that consumers must incur to obtain a product or service. In digital services, price is not only perceived as a cost but also as a signal of fairness, transparency, and service quality.

Several studies confirm that reasonable and fair pricing positively influences perceived value and purchase behavior. Islamy and Arifa (2025) show that competitive and transparent pricing significantly enhances perceived value in online food delivery services. Likewise, Suryani and Kurniasari (2024) find that fair pricing reduces perceived risk and increases consumer confidence, which ultimately leads to higher purchase decisions.

Unlike discounts, price tends to exert a more stable and consistent influence on consumer behavior, as consumers continuously evaluate whether the price paid is proportional to the benefits received. Therefore, price plays both a direct role in influencing purchase decisions and an indirect role through perceived value.

2.4 Perceived Value

Perceived value refers to how consumers assess the overall balance between benefits they gain and sacrifices they make. In digital services, it is widely seen as a key factor shaping consumer decisions. Studies consistently show that perceived value greatly impacts purchase intentions and choices. Islamy and Arifa (2025) found that higher perceived value boosts online food delivery purchase intentions. Additionally, perceived value acts as an important mediating factor, explaining how pricing strategies influence consumer behavior. It functions as an evaluative tool, helping to understand why consumers might respond differently to similar pricing or promotional efforts. When discounts or prices do not improve perceived value, their effect on purchase decisions becomes limited.

2.5 Purchase Decision

The purchase decision is the final step in the consumer decision-making process, where consumers choose to buy after comparing different options. In online food delivery, this decision is influenced by both economic factors and personal value assessments. Research shows that perceived value significantly impacts purchase choices; when consumers see greater value, they are more likely to make a purchase. However, promotional efforts that do not enhance perceived value may not result in actual sales, even if discounts are available.

2.6 Conceptual Framework and Hypothesis Development

Drawing on theory and evidence, discounts and price are crucial stimuli influencing purchase decisions both directly and indirectly through perceived value. Perceived value is the primary mechanism explaining why pricing strategies can effectively or ineffectively shape consumer behavior. For Gen Z consumers utilizing online food delivery, perceived value probably mediates the link between discounts, price, and their purchasing decisions. Therefore, this study formulates the following hypotheses:

H1: Discounts enhance the perceived value of GoFood services.

H2: Price increases boost the perceived value of GoFood services.

H3: Perceived value influences the decision to purchase GoFood services.

H4: Discounts positively affect the likelihood of purchasing GoFood services.

H5: Price increases lead to higher purchase likelihood for GoFood services.

H6: Perceived value serves as a mediator between discounts and purchase decisions for GoFood services.

H7: Perceived value mediates the link between price and purchase decisions for GoFood services.

3. RESEARCH METHODOLOGY

3.1 Research Design

This study employs a quantitative approach to examine the relationships among discounts, price, perceived value, and purchase decisions within online food delivery services. A quantitative method was selected to enable objective measurement and statistical evaluation of both direct and indirect effects among the variables in the research model. Partial Least Squares Structural Equation Modeling (PLS-SEM) was used to analyze these relationships, chosen for its effectiveness in dealing with models containing multiple constructs and mediation effects, as well as its ability to handle complex causal relationships simultaneously. Moreover, PLS-SEM is suitable for predictive research and does not impose strict data normality requirements. Data analysis was conducted using SmartPLS version 4.0, a tool that offers comprehensive evaluation features for both measurement and structural models. This method enables the assessment of the strength and significance of proposed relationships and provides valuable insights into consumer decision-making in online food delivery services.

3.2 Population and Sample

This study targeted Generation Z students at Universitas Negeri Jakarta who frequently used GoFood. A purposive sampling approach was employed, selecting students who: (1) were actively enrolled at Universitas Negeri Jakarta, (2) identified as Generation Z, and (3) made a GoFood purchase in the past three months. The sample size was adequate for PLS-SEM analysis, adhering to the guideline of ten times the number of indicators of the most complex construct, ensuring robust statistical power for hypothesis testing.

3.3 Data Collection Method

Data was gathered using a structured questionnaire distributed solely to respondents who met the sampling criteria. The questionnaire aimed to accurately gauge perceptions and evaluations, with items rated on a five-point Likert scale ranging from strong disagreement to strong agreement, ensuring clear responses. It was designed to measure four main constructs: discounts, price, perceived value, and purchase decision. To ensure methodological rigor, measurement items were adapted from established empirical studies, preserving the instrument's relevance, reliability, and appropriateness for online food delivery settings.

3.4 Data Analysis and Model Evaluation

Analysis was conducted using PLS-SEM with SmartPLS version 4.0. This method was chosen to thoroughly explore the relationships among variables, including both direct effects and those mediated by perceived value. Model evaluation involved two key phases. First, the measurement model was assessed for accuracy and consistency, using indicator loadings and the Average Variance Extracted (AVE) for convergent validity, and the Fornell–Larcker criterion along with cross-loading comparisons for discriminant validity. Reliability was verified through Cronbach's Alpha and Composite Reliability measures. Second, the structural model's hypothesized relationships were tested. Model fit was evaluated via R^2 to measure explanatory power, and Q^2 to assess predictive quality. Significance of relationships was tested with bootstrapped path coefficients, considering p-values below 0.05 as significant. Mediation effects of perceived value were examined by comparing the significance and magnitude of direct and indirect effects, determining if it functioned as a full or partial mediator.

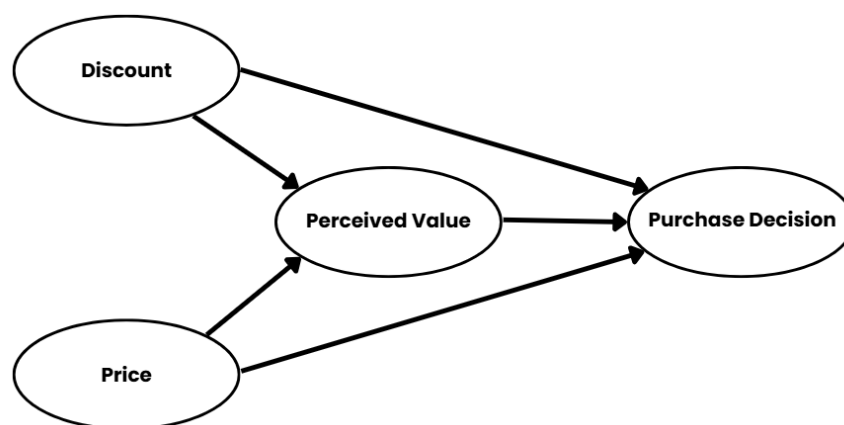


Figure 1. Conceptual Model of the Study

Source: Authors (2025)

4. RESULT AND DISCUSSION

4.1 Result

This section presents the empirical findings on how discounts and price affect the purchase decisions of GoFood services among Generation Z students at Universitas Negeri Jakarta, with perceived value acting as a mediating factor. The results show that consumers' buying behavior is more strongly influenced by their evaluation of value than by promotional tactics alone.

The measurement model assessment confirms that all research constructs meet validity and reliability standards. Each indicator strongly relates to its respective latent variable, indicating the instruments effectively capture the concepts of discounts, price, perceived value, and purchase decisions. The high levels of convergent validity, discriminant validity, and internal consistency suggest the measurement model is robust for further analysis.

Structural analysis reveals that discounts and price together explain a significant portion of the variance in perceived value. This suggests that consumers' value assessments are heavily impacted by pricing considerations. Additionally, perceived value, along with discounts and price, explains a noteworthy portion of the variance in purchase decisions, confirming that the model effectively explains consumer behavior regarding online food delivery.

Path analysis shows that discounts positively influence perceived value, indicating that promotional price cuts can boost consumers' perceptions of economic benefits relative to costs. Price also positively affects perceived value,

with a stronger impact than discounts. This implies Generation Z consumers prioritize price fairness and relevance over promotional deals alone.

Perceived value plays a crucial role in purchase decisions, highlighting its importance as a key factor in consumer choice. When consumers see the benefits of using GoFood as outweighing the costs, they are more inclined to make a purchase. On the other hand, discounts don't have a significant direct effect on buying decisions, indicating that promotions alone don't necessarily motivate purchases. In comparison, price has a direct and significant impact, emphasizing the need for fair and transparent pricing to encourage transactions. Additional mediation analysis reveals that perceived value fully mediates the relationship between discounts and purchase decisions and partially mediates the link between price and buying choices. These findings suggest that discounts primarily influence buying behavior when they enhance perceived value, while price affects decisions both directly and through perceived value.

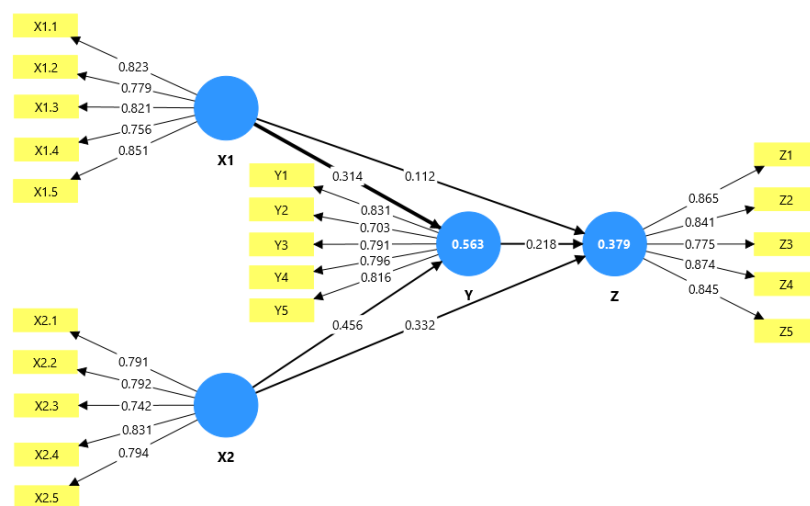


Figure 2. Outer Loading Evaluation

Source: Authors (2025)

4.1.1 Measurement Model Evaluation (Outer Model)

The convergent validity results show that all indicators for Discount (X_1), Price (X_2), Perceived Value (Y), and Purchase Decision (Z) have outer loadings above 0.70. This confirms that each indicator strongly correlates with its respective latent construct and effectively represents the measured concept.

Additionally, all constructs have Average Variance Extracted (AVE) values exceeding 0.50, indicating that over half of the variance in the indicators is explained by their associated constructs. Hence, all variables in this study meet the criteria for convergent validity.

Construct reliability was evaluated using Cronbach's Alpha and Composite Reliability (CR). The results show that all constructs have values above 0.70, demonstrating high internal consistency and reliability of the measurement instruments.

Discriminant validity was assessed through the Fornell-Larcker criterion and the Heterotrait-Monotrait Ratio (HTMT). The findings indicate that the square root of AVE for each construct is greater than its correlations with other constructs, and all HTMT values are below 0.85. These results confirm that each construct is distinct and that there is no conceptual overlap among the variables.

4.1.2 Structural Model Evaluation (Inner Model)

After confirming the measurement model, the structural model was assessed by analyzing the R-square (R^2) values to determine the explanatory strength of the independent variables. The R^2 for Perceived Value (Y) is 0.563, meaning that 56.3% of the variation in perceived value is explained by Discount (X_1) and Price (X_2). The remaining variation is due to other factors like service quality, delivery speed, or personal preferences. Based on standard criteria, this R^2 is considered moderate to substantial, showing a moderate explanatory capacity of the model. For Purchase Decision (Z), the R^2 is 0.379, indicating that 37.9% of the variation in purchase decisions is accounted for by Discount, Price, and Perceived Value. This falls within the moderate range, suggesting the model has reasonable predictive power.

4.1.3 Path Coefficient Analysis

The path analysis results indicate that Discount (X_1) has a positive effect on Perceived Value (Y), with a path coefficient of 0.314. This finding suggests that the greater the discounts offered by GoFood, the higher the perceived value experienced by Generation Z students, as discounts reduce perceived monetary sacrifice and increase economic benefits.

In addition, Price (X_2) has a positive effect on Perceived Value (Y) with a path coefficient of 0.456, which is stronger than the effect of discounts. This result implies that students place greater importance on the overall price fairness and price–benefit suitability rather than on promotional discounts alone.

The analysis further shows that Perceived Value (Y) positively influences Purchase Decision (Z), with a path coefficient of 0.218. This indicates that when consumers perceive higher value from GoFood services, they are more likely to proceed with a purchase decision.

Moreover, discount (X_1) shows a positive but statistically insignificant direct relationship with Purchase Decision (Z), with a path coefficient of 0.112 ($p > 0.05$). This finding indicates that discounts alone are insufficient to directly influence purchase decisions unless they are translated into higher perceived value. Conversely, Price (X_2) demonstrates a stronger direct effect on Purchase Decision (Z), with a path coefficient of 0.332, highlighting price as a key determinant in students' purchasing decisions.

4.1.4 Mediation Analysis

The mediation analysis indicates that perceived value fully mediates the relationship between discounts and purchase decisions, as the direct effect of discounts is not statistically significant while the indirect effect is. In contrast, perceived value only partially mediates the link between price and purchase decisions because both the direct and indirect effects are significant. This implies that discounts influence purchase choices exclusively through perceived value, whereas price impacts decisions both directly and through perceived value.

Table 1. Structural Model Results

Hubungan Variabel	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
$X_1 \rightarrow Y$	0,314	0,318	0,082	3,829	0.000
$X_1 \rightarrow Z$	0,112	0,115	0,098	1,143	0,254
$X_2 \rightarrow Y$	0,456	0,452	0,091	5,011	0.000
$X_2 \rightarrow Z$	0,332	0,329	0,087	3,816	0.000
$Y \rightarrow Z$	0,218	0,221	0,089	2,449	0,015

Table 2. Relationship Between Variables

Source: Authors (2025)

This table shows the results of the structural model analysis examining how discounts, price, perceived value, and purchase decisions are related within GoFood services. The findings indicate that discounts and price significantly affect consumers' perceived value, which subsequently impacts their purchase choices.

The findings indicate that discounts have a positive and significant effect on perceived value (coefficient = 0.314; $p < 0.05$). This suggests that discount promotions are effective in increasing consumers' perceptions of value by enhancing the benefits they receive relative to the costs incurred. Likewise, price shows a positive and significant effect on perceived value (coefficient = 0.456; $p < 0.05$), indicating that reasonable and transparent pricing strengthens consumers' value evaluations of GoFood services.

In addition, perceived value is found to have a positive and significant effect on purchase decisions (coefficient = 0.218; $p < 0.05$). This result confirms that perceived value is a key factor in consumers' decision-making processes, as higher perceived value leads to a greater likelihood of making a purchase.

However, the direct relationship between discounts and purchase decisions is positive but not statistically significant (coefficient = 0.112; $p > 0.05$). This finding implies that discounts alone may not be sufficient to directly encourage purchase decisions unless they successfully enhance consumers' perceived value. In contrast, price has a positive and significant direct effect on purchase decisions (coefficient = 0.332; $p < 0.05$), highlighting the importance of pricing considerations in shaping consumer purchasing behavior.

Overall, the findings indicate that perceived value significantly impacts how discounts and pricing affect purchase choices. Specifically, perceived value enhances the effect of promotional and pricing tactics on consumer decisions by shaping their evaluation of these strategies.

4.2 Discussion

The findings of this study indicate that pricing-related factors influence purchase decisions among Generation Z users of online food delivery services primarily through consumers' value evaluations rather than through promotional cues alone. This pattern suggests that purchasing behavior in digital service platforms is increasingly driven by rational assessments of benefits and costs, particularly among younger consumers who are highly familiar with digital transactions.

The lack of a strong direct link between discounts and purchase decisions emphasizes that price cuts do not necessarily lead consumers to make purchases. Instead, discounts appear to function as supportive stimuli whose effectiveness depends on their ability to enhance perceived value. When promotional offers are not aligned with consumers' expectations of value, they may be interpreted as short-term incentives with limited relevance to the actual purchasing decision. This finding explains the inconsistent results reported in previous studies regarding the impact of discount strategies and reinforces the view that promotional effectiveness is contingent upon value perception.

In contrast, price demonstrates a direct and meaningful influence on purchase decisions, indicating that Generation Z consumers place considerable importance on price fairness and affordability. A price that is perceived as reasonable relative to the benefits received reduces uncertainty and increases confidence in the transaction, thereby encouraging purchase completion. This result supports the argument that price functions not only as a monetary sacrifice but also as an evaluative signal that reflects service credibility and fairness in digital environments.

The significant role of perceived value further emphasizes its importance as a central determinant of consumer behavior. When users perceive that the advantages of using GoFood outweigh the associated costs, they are more likely to proceed with a purchase. Perceived value, therefore, operates as a cognitive mechanism that integrates pricing information and promotional stimuli into a single evaluative judgment that ultimately shapes purchasing behavior.

Overall, the findings show that perceived value is a key mediator in how discounts and prices affect purchase choices. This study, emphasizing actual buying behavior over purchase intention, expands current research and indicates that value-focused pricing strategies are more effective than promotion-based ones in shaping the choices of Generation Z consumers in online food delivery.

5. CONCLUSION

This study explores the relationship between discounts, price, and purchase decisions in online food delivery services, with perceived value positioned as a mediating variable among Generation Z students at Universitas Negeri Jakarta. The results show that both discounts and price contribute significantly to the formation of perceived value, which in turn plays a decisive role in determining whether consumers proceed with a purchase. However, discounts alone do not directly influence purchase decisions unless they successfully strengthen consumers' perceived value.

The findings offer clarity on debates in digital consumer behavior research about discount strategies. The study shows that discounts mainly affect purchasing behavior by enhancing perceived value rather than through direct impact, while price plays a dual role by influencing decisions both directly and indirectly. By shifting the analytical emphasis from purchase intention to actual purchase decisions, this research offers a more nuanced understanding of value-based decision-making in online food delivery contexts.

From a practical perspective, the results imply that online food delivery platforms should reconsider strategies that rely heavily on frequent price promotions. Instead, greater emphasis should be placed on developing pricing structures that clearly communicate value, supported by transparent pricing, relevant promotional framing, and consistent service performance. Maintaining fair and affordable prices is particularly important for Generation Z consumers, who tend to evaluate digital services based on overall value assessments rather than short-term promotional appeals.

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