

The Impact of Delivery, Menu Variety, Pricing, Promotion, and Food Quality on Customer Satisfaction: Mediated by Perceived Value

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ABSTRACT

Foodpanda struggles with delayed deliveries, inconsistent food quality, limited menu variety, and pricing issues, leading to ongoing customer dissatisfaction despite promotional efforts. This study examines the impact of delivery experience, menu variety, pricing perception, promotion, and food quality on customer satisfaction with Foodpanda Malaysia, with customer and food quality on customer satisfaction: perceived value as a mediator. A total of 135 respondents were surveyed to investigate how these factors influence customer satisfaction. The results show that Foodpanda's customer satisfaction is driven by delivery experience, pricing perception, food quality, and customer perceived value, with pricing perception being the most influential. Menu variety and promotion type have no significant impact. Delivery experience and pricing perception also indirectly boost satisfaction by enhancing perceived value, whereas menu variety, promotion type, and food quality do not significantly affect perceived value. The study highlights the importance of perceived value as a mediator, offering actionable insights for improving customer experience in the food delivery industry.

Keywords: Customer Perceived Value; Customer Satisfaction; Delivery Efficiency; Food Quality; Menu Variety; Pricing Perception; Promotions

INTRODUCTION

The online food delivery market has been rapidly developing in recent years ([Statista, 2024](#)), and it predetermines the shift in individuals' perception and utilization of food delivery services. This leads to changes in demand because of factors such as convenience, accessibility, and the numerous choices that are available in the current society. Customers in Malaysia have an opportunity to use the services provided by the Foodpanda platform, which is a popular platform that brings together customers and various types of food ([Aryani et al., 2022](#)). However, challenges still exist as Foodpanda struggles to meet customer satisfaction ([Ahmad et al., 2024](#)). Key challenges, such as delayed deliveries, wrong orders, concerns over the variety of menu options, and pricing perceptions, negatively impact customer dissatisfaction and affect customer perceived value in a highly competitive industry.

Customer satisfaction is one of the most important determinants of success for online food delivery platforms ([Talib et al., 2022](#)). In the following case of Foodpanda Malaysia, these issues can be fixed with a deeper understanding of the factors that influence satisfaction ([Kee et al., 2022](#)). The literature review reveals several factors that may affect customer perception, including delivery experience, menu variety, pricing perception, type of promotions, and food quality ([Frederick & Bhat, 2021](#); [Zhong & Moon, 2020](#)). However, these factors are not mutually exclusive. The concept of customer perceived value plays a mediating role, as it reflects how these factors impact overall customer satisfaction.

This study aims to investigate the relationship between these factors and Foodpanda Malaysia customers' satisfaction while evaluating the mediating role of customer perceived value ([Chang & Wang, 2011](#)). By examining these relationships, the research aims to explore these factors, including delivery experience, menu variety, pricing perception, type of promotions, and food quality, and understand how customer perceived value mediates their impact on overall customer satisfaction.

LITERATURE REVIEW

Customer Satisfaction

Customer satisfaction is an important metric of success for online meal delivery companies like Foodpanda, especially given the industry's severe competition ([Talib et al., 2022](#)). Many variables influence customer satisfaction, including the quality of the food, pricing perception, menu variety, delivery experience, and promotional strategies. These variables all have an impact on how customers perceive an organization in general. For example, the delivery experience has a significant impact on satisfaction levels, and the level of professionalism of the delivery staff, order accuracy, and timeliness are important factors. Order failures or delays can cause customer unhappiness and damage the platform's reputation, underscoring the significance of effective logistics. Similar to this, a menu with a wide selection of cuisines, dietary restrictions, and price points draws in more consumers and encourages loyalty, whereas one with few alternatives may make patrons feel underappreciated.

Pricing perception is particularly important since the customers need affordability and accountability, which are frequently impacted by sales and discounts, but exorbitant prices or hidden fees may discourage repeat business. Additionally, although they are not a replacement for resolving service quality issues, promotions like discounts and loyalty programs are successful in attracting new customers and keeping hold of current ones. Last but not least, when done correctly, food quality, which includes elements like freshness, taste, packing, and following client instructions, determines customer

happiness and produces favorable reviews; when done poorly, however, it can overshadow even the most punctual delivery. A review of the literature explores how these elements interact and how customer-perceived value influences satisfaction results.

Customer Perceived Value

Customer perceived value is a critical build in understanding customer satisfaction and loyalty, as it reflects the balance that exists between the benefits customers receive and the sacrifices they make ([Chang & Wang, 2011](#)). It serves as an intermediary factor, covering the gap between overall consumer satisfaction and other service qualities. Customer perceptions of value are mostly affected by delivery experience, menu variety, pricing perception, promotional strategies, and food quality. These characteristics influence how customers assess a service or product's value, which in turn affects how satisfied they are. A satisfying delivery experience or excellent meal quality, for example, might raise perceived value by meeting the needs and expectations of the consumer. Fair pricing improves perceptions of affordability, while appealing promos and a varied menu can foster a sense of additional value. Customer perceived value acts as a mediator, combining all of these separate factors into an overall assessment that has a big impact on customer satisfaction. This highlights how important it is for assessing and improving service performance focused on customer industries.

Delivery Experience

Since the delivery experience includes a number of important factors with a direct impact on customer perceptions, it plays a major role in determining customer satisfaction with online meal delivery services. Customers' total experience is significantly affected by elements like timeliness, order accuracy, and the professionalism of the delivery personnel ([Murfield et al., 2017](#)). Customers frequently become frustrated when deliveries are delayed or orders are handled incorrectly, which can cause disappointment and impact their reputation in a business that is highly competitive. Such bad experiences affect word-of-mouth referrals, which are essential for expansion in the digital era, in addition to discouraging recurrent use. Conversely, platforms cultivate trust and loyalty among their clientele when they guarantee on-time delivery, uphold high standards of accuracy in order fulfillment, and employ polite and well-trained delivery staff. For platforms like Foodpanda to meet and exceed customer expectations, improve happiness, and maintain their competitive advantage in the dynamic food delivery customer base, effective logistics, and streamlined processes are therefore essential.

Menu Variety

Menu variety, which refers to the wide range of choices available to customers, including various foods, special dietary needs, and price ranges, is an important part of customer satisfaction in the food service industry. By providing a variety of choices that serve a variety of tastes, cultural preferences, and food restrictions like vegetarian, vegan, or gluten-free alternatives, restaurants can reach a wider audience and improve the entire eating experience ([Talukder et al., 2024](#)). People are more willing to return to various platforms or restaurants that continuously satisfy their various tastes and expectations. Thus, this variety not only draws in a wider clientele but also significantly increases loyalty among customers. On the other hand, a small menu may make customers unhappy since they may feel constrained by the selection, which may cause them to look for other options that better suit their requirements and tastes. Accordingly, companies hoping to increase client happiness, build enduring loyalty, and stay competitive in the ever-changing food service sector must maintain a diverse and inclusive menu.

Pricing Perception

Pricing perception, which includes what customers think of the equality, openness, and value of the prices provided by a platform, is an important variable in determining customer happiness and loyalty. Customers' overall satisfaction is greatly increased when they believe that prices are fair and transparent, especially when combined with value-added features like customer loyalty programs, discounts, or promotional vouchers that make the product seem affordable while being beneficial financially ([Zeithaml, 1988](#)). Customers feel more secure about their purchases when prices are transparent, and costs are clearly stated without any hidden charges. On the other hand, excessive expenses or the existence of hidden fees can cause dissatisfaction and unhappiness, which frequently discourages customers from returning for additional services. In a highly competitive environment where there are plenty of other options, this unfavorable impression of pricing fairness may negatively impact a platform's reputation and lead to client churn. Therefore, in order to preserve customer trust, promote repeat business, and achieve long-term success, platforms must make sure that their pricing plan maintains a balance between transparency, fairness, and value ([Zeithaml, 1988](#)).

Promotions

Promotions, which include discounts, coupons, and loyalty goals, are frequently used by companies to draw in and keep customers. They are also effective methods for influencing consumer behavior. By reducing the perceived risk and cost of the initial purchase, these strategies are especially successful at enticing new customers to give it a service, offering an opportunity for customer acquisition ([Handoyo, 2024](#)). Promotions serve as rewards for current customers, strengthening their loyalty and offering value that promotes repeated company revenue and maintains brand engagement. Additionally, thoughtfully created loyalty programs can strengthen the bond between clients and the company, creating a feeling of value and exclusivity. Even though promotional approaches can provide effects right away, if they are used excessively without addressing underlying service problems like subpar delivery or a limited menu selection, customer satisfaction may only slightly increase. Customers may take advantage of promotions, but if the main service continuously falls short of their expectations, they are unlikely to stick around. To achieve long-term client satisfaction and continuation, businesses must, therefore, find a balance between providing attractive promotions and upholding high standards of service ([Khadka & Maharjan, 2017](#)).

Food Quality

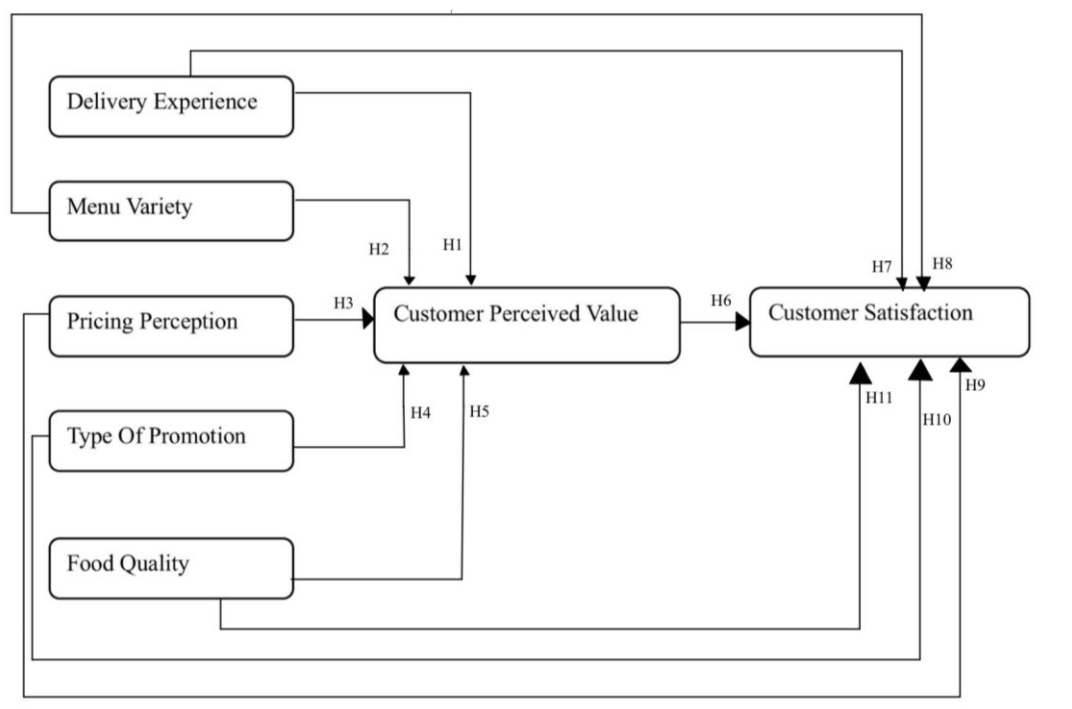
Food quality, which includes important elements like freshness, taste, packaging, and accurate adherence to specified customer instructions, is an important variable in determining customer satisfaction in the food delivery sector. In addition to ensuring a satisfying eating experience, high-quality food also significantly improves customer loyalty and favorable word-of-mouth referrals, both of which are critical for the success of online meal delivery services ([Siddiqi et al., 2024](#)). A dedication to quality is demonstrated by the use of fresh ingredients and delectable meals, and appropriate packing guarantees that the food will arrive in the best possible shape, maintaining its flavor and appearance. A customer's sense of individualized service and care is also improved by paying attention to their preferences, such as satisfying specific dietary requirements or instructions. Poor food quality, on the other hand, might overshadow other advantageous aspects of the service, such as timely delivery or user-friendly technology, leaving customers unhappy and less likely to return. Examples of this include stale ingredients, bland flavors, or meals served in poor packaging. In order to meet customer expectations and develop good reviews—both of which are critical for gaining and keeping customers in a competitive market—online platforms must constantly maintain high food quality ([He et al., 2019](#)).

Gaps in the Existing Literature

There are several gaps in existing research on factors influencing customer satisfaction in online food delivery services such as Foodpanda Malaysia that require further investigation. Previous literature reviews have not explored this topic in depth as it has generally been assumed that customer satisfaction is driven primarily by convenience rather than other service-related aspects. Furthermore, most studies have not focused on the mediating role of consumer-perceived value in determining satisfaction outcomes. Therefore, more research in this area is needed. Faced with these gaps, the authors developed a research model and formulated several hypotheses, including:

- H1: Customer perceived value will act as a mediator in the relationship between delivery experience and customer satisfaction.
- H2: Customer perceived value will act as a mediator in the relationship between menu variety and customer satisfaction.
- H3: Customer perceived value will act as a mediator in the relationship between pricing perception and customer satisfaction.
- H4: Customer perceived value will act as a mediator in the relationship between type of promotion and customer satisfaction.
- H5: Customer perceived value will act as a mediator in the relationship between food quality and customer satisfaction.
- H6: Customer perceived value will have a positive association with customer satisfaction.
- H7: Delivery experience will have a positive association with customer satisfaction.
- H8: Menu variety will have a positive association with customer satisfaction.
- H9: Pricing perception will have a positive association with customer satisfaction.
- H10: The type of promotion will have a positive association with customer satisfaction.
- H11: Food quality will have a positive association with customer satisfaction.

Figure 1. The Research Model



The hypotheses form the basis of the research model proposed in [Figure 1](#), which examines the relationship between the independent variables (delivery experience,

menu variety, price perception, promotion type, food quality), the mediating role of customer perceived value, and the dependent variable (customer satisfaction with Foodpanda Malaysia). The objective of this framework is to identify the direct and indirect effects of these variables on customer satisfaction, with the mediating role of customer perceived value being crucial in shaping satisfaction outcomes.

RESEARCH METHOD

A mixed-methods technique was used in the study, combining qualitative and quantitative research designs. To investigate the factors impacting Foodpanda customer satisfaction, the qualitative component employed inductive reasoning as well as observations and document analysis. This phase was followed by establishing research issues, performing a literature study, and developing hypotheses. Quantitative data was collected through a survey questionnaire distributed on social media channels (WhatsApp, Telegram, and Instagram). People from a variety of backgrounds who had used Foodpanda for food delivery services in Malaysia were the research's target respondents. This survey's sample size consisted of 135 Malaysian Foodpanda users. The privacy of data and informed consent were guaranteed.

The questionnaire consisted of sections on demographic profile, delivery experience, menu variety, pricing perception, type of promotion, food quality, customer perceived value, and customer satisfaction with Foodpanda. Every item was evaluated on a 5-point Likert scale, with one representing "strongly disagree" and five representing "strongly agree." The results of the study were presented in tables and interpreted in alignment with the stated objectives. The gathered data was analyzed for reliability and significance by utilizing SPSS 27. The study's limitations include the possibility of response biases resulting from self-reported perceptions. Furthermore, the digital survey approach restricted the possibility of direct questioning and follow-up inquiries, which might have provided a more in-depth understanding. Even though the questions were designed to be simple and easy to understand, differences in interpretation and comprehension could still affect how accurately responses are given. The researchers assigned simplicity and clarity priority when designing the questionnaire in order to overcome these obstacles.

RESULTS

Table 1. Respondents' Profile Summary (N=135)

Response	Frequency	Percentage (%)
Age Group		
18 - 28	103	76.3
28 - 38	26	19.3
38 - 50	6	4.4
Gender		
Male	59	43.7
Female	76	56.3
Ethnicity		
Malay	46	34.1
Chinese	63	46.7
Indian	26	19.3
Current Employment Status		
Student	96	71.1
Employed	27	20.0
Self-employed	9	6.7
Unemployed	3	2.2
Monthly Income		

Less than RM2,500	96	71.1
RM2,500 – RM4,849	29	21.5
RM4,850 – RM10,959	9	6.7
RM10,960 and above	1	0.7
How often do you use online food delivery services?		
Everyday	10	7.4
A few times a week	48	35.6
Once in a week	29	21.5
A few times a month	33	24.4
Rarely	15	11.1
What is your preferred payment method for online food delivery services?		
Credit/Debit card	19	14.1
E-Wallet (e.g., Touch'n Go, GrabPay)	61	45.2
Cash on delivery	13	9.6
Bank transfer	42	31.1

Table 1 shows that the great majority of respondents (76.3%) are between the ages of 18 and 28, meaning that younger people are the primary target population for online food delivery services. This is due to the fact that the increasing dependence of younger generations on technology and convenience contributes to this phenomenon. In addition, there is a decrease in engagement with age, whereas the age group of 28-38 presents 19.3%, the 38-50 only 4.4%, and none fall into the above 50 age group. In the gender distribution, the results show that females are slightly more likely than males to use online food delivery services, which are 56.3% of females and 43.7% of males. This tendency can be a reflection of gender variations in convenience choices, work schedules, or lifestyles. Besides, the ethnic group with the largest percentage of respondents is Chinese (46.7%), followed by Malays (34.1%) and Indians (19.3%). All ethnic groups actively participate in the online food delivery sector, reflecting Malaysia's diverse population. Furthermore, given that a substantial percentage of respondents are students (71.1%), food delivery services can be beneficial to people who might not have much time, cooking skills, or access to conventional eating options. 20% of users are employed, followed by a small fraction of self-employed (6.7%) and unemployed (2.2%).

Moreover, the monthly income distribution, which shows that 71.1% of customers result in less than RM2,500, further highlights the dominance of students and younger customers. This low-income group emphasizes the significance of pricing and cost-effective promotional approaches to drawing in this customer segment. At the same time, 21.5% of respondents constitute between RM2,500 and RM4,849, and only a small percentage state higher incomes, which are 6.7% for RM4,850 to RM10,959 and 0.7% for RM10,960 and above. According to the surveys, there are a variety of usage patterns. The most frequent users, 35.6% of respondents, use online food delivery services a few times a week. This group is perhaps Foodpanda's main target customer because of the substantial revenue that can be generated from their frequent interaction. Customers who place orders once a week (21.5%) and a few times a month (24.4%) make up the next largest sectors, indicating a moderate level of service dependence. Meanwhile, just 7.4% of users use the platform every day, and 11.1% use it rarely. The most popular payment method is e-wallets (45.2%), which reflects the increasing use of digital payment systems like Touch'n Go and GrabPay. The second most frequent payment option is bank transfers (31.1%), which can be appealing to customers who like safe and straightforward transactions, followed by the lower usage of credit or debit cards (14.1%) and cash on delivery (9.6%).

Table 2. Descriptive statistics, Cronbach's Coefficients Alpha, and Zero-order Correlations for All Study Variables

Variables	1	2	3	4	5	6	7
1 Delivery Experience	0.851						
2 Menu Variety	0.621**	0.869					
3 Pricing Perception	0.534**	0.650**	0.936				
4 Type of Promotion	0.515**	0.522**	0.744**	0.876			
5 Food Quality	0.683**	0.676**	0.592**	0.537**	0.852		
6 Customer Perceived Value	0.599**	0.649**	0.747**	0.604**	0.616**	0.903	
7 Customer Satisfaction	0.700**	0.649**	0.759**	0.679**	0.725**	0.754**	0.840
Number of items	5	5	4	4	4	4	5
Mean	4.3511	4.2548	3.8630	4.0593	4.2630	4.2333	4.1585
Standard deviation	0.53446	0.60021	0.87871	0.66440	0.59012	0.67829	0.59103

Note: N = 135; *p < 0.05, **p < 0.01, ***p < 0.001. The diagonal entries represent Cronbach's Coefficient Alpha.

[Table 2](#) consists of descriptive statistics, measures of reliability, and zero-order correlations among the study variables. The Cronbach's alpha coefficient evaluates a collection of survey items' internal consistency or reliability ([Frost, 2024](#)). Reliability is generally regarded as sufficient when Cronbach's alpha value is 0.7 or above, which is considered acceptable, while values above 0.8 indicate good reliability, and values above 0.9 suggest excellent internal consistency. According to the table, Cronbach's alpha coefficients for all measured variables range from 0.840 to 0.936, indicating a high level of reliability. Additionally, the five factors that impact Foodpanda Malaysia customer satisfaction, which are delivery experience, menu variety, pricing perception, type of promotion, and food quality, as well as the mediator, customer perceived value, show significant positive correlations with overall customer satisfaction.

Table 3. Regression Analysis

Variables	Customer Satisfaction	Customer Perceived Value
1 Delivery Experience	0.256***	0.164*
2 Menu Variety	0.011	0.153
3 Pricing Perception	0.366***	0.478***
4 Type of Promotion	0.132	0.029
5 Food Quality	0.255***	0.102
6 Customer Perceived Value	0.229**	
R ²	0.739	0.635
F Value	72.994	44.803
Durbin-Watson Statistic	1.770	1.672

Note: N = 135; *p < 0.05, **p < 0.01, ***p < 0.001.

[Table 3](#) displays the result of the regression analysis that determined the relationship between the customer satisfaction of Foodpanda and several independent variables, including delivery experience, menu variety, pricing perception, type of promotion, food quality, and the mediator, customer perceived value. The results show that Foodpanda customer satisfaction has a positive association with delivery experience, pricing perception, food quality, and customer perceived value, supporting H6, H7, H9, and H11.

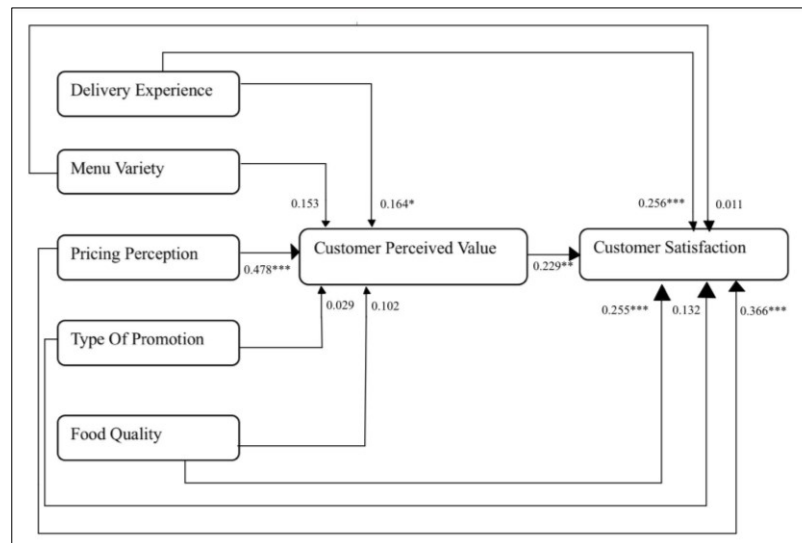
According to the R² value of 0.739, these significant predictors represent 73.90% of the variance in Foodpanda's customer satisfaction.

The variable that has the most significant effect on Foodpanda's customer satisfaction is pricing perception, which has the highest beta value of 0.366 among these variables. The beta values for the remaining variables are 0.256 for delivery experience, 0.255 for food quality, and 0.229 for customer perceived value. However, H8 and H10 are rejected because customer satisfaction with Foodpanda is not significantly impacted by menu variety and type of promotion.

In addition, the analysis reveals that delivery experience and pricing perception can indirectly influence the customer satisfaction of Foodpanda through the mediating role of customer perceived value. The dependent variable (customer perceived value) and these two independent variables (delivery experience and pricing perception) show positive relationships, supporting H1 and H3. With a beta value of 0.478, pricing perception has the strongest influence on the customer's perceived value, followed by delivery experience (beta value = 0.164). Notably, menu variety, type of promotion, and food quality do not demonstrate a significant relationship with customer perceived value, resulting in the rejection of H2, H4, and H5.

[Figure 2](#) presents a summary of the hypothesized model's output.

Figure 2. Hypothesized Model



DISCUSSION

In this study, we explored how factors like delivery experience, menu variety, food quality, pricing perception, and types of promotion impact two key aspects of customer behavior: customer satisfaction and customer perceived value. Using regression analysis, we aimed to understand how strongly each of these factors influences these outcomes. For instance, we examined how a positive delivery experience can enhance customer satisfaction, how a diverse menu variety and high food quality can increase perceived value, and how pricing and promotions shape customers' overall perceptions of a brand. The goal was to identify which of these elements are most important to customers in Malaysia and how they influence their overall experience. By analyzing these factors, we hope to provide businesses with insights into what they should prioritize to meet customer expectations. This will allow businesses to develop strategies that improve

customer satisfaction, create stronger perceptions of value, and foster long-term loyalty.

Pricing Perception, Delivery Experience, Menu Variety, Food Quality, Customer Perceived Value, and Promotion to Customer Satisfaction

Pricing Perception

First of all, the study found that pricing perception was the most important factor affecting customer satisfaction ($\beta = 0.366$), underscoring its crucial position in the online food delivery sector. [Zeithaml \(1988\)](#) asserts that price plays a significant role in how customers perceive value since they balance the financial cost with the advantages obtained. This emphasizes how crucial it is for Foodpanda to provide competitive pricing methods that satisfy its largely low-income, budget-conscious clientele. Value-for-money meal packages, discounts, and transparent pricing can all improve affordability views while maintaining consumer confidence. Additionally, different market segments can be served by layered pricing structures, which offer premium options for those with higher incomes and affordable options for students. In a market that is becoming more and more competitive, Foodpanda can increase customer happiness and loyalty by matching its pricing tactics with its expectations and perceived value.

Delivery Experience

Next, the delivery experience plays a critical role in shaping customer satisfaction, as demonstrated by a regression analysis result which is of 0.256. Statements such as “The Foodpanda app delivery service assists in locating the delivery address on the map” and “The Foodpanda app delivery service offers real-time tracking of the delivery person” highlight the importance of features like accurate navigation and live tracking in enhancing user experience. Key components of the delivery experience include speed, accuracy, communication, and user-friendly technology such as real-time tracking, map assistance, and notifications ([Puri, 2023](#)). Foodpanda can improve by refining address mapping, minimizing delivery delays through better rider management, and adopting eco-friendly practices, such as sustainable vehicles and packaging. Additionally, Foodpanda can implement solutions like AI-powered alerts for delays and improved delivery time estimates, which meet customer expectations for both convenience and transparency, ultimately enhancing satisfaction ([Mangat, 2021](#)). By taking these steps, Foodpanda can address customer concerns more effectively, ensuring a smoother delivery process and ultimately strengthening overall customer satisfaction.

Menu Variety

Following that, a regression analysis result of 0.011 shows that menu variety has a minor impact on customer satisfaction. Statements such as “Foodpanda offers a wide range of cuisines from different restaurants” and “The app enables customers to filter options based on dietary preferences” suggest that while diversity in menu options is valued, it may not directly impact satisfaction as strongly as other factors. Key components of menu variety include the inclusion of diverse cuisines, customization options, and the availability of healthy or dietary-specific meals ([Puri, 2023](#)). Foodpanda may improve by extending relationships with local and foreign restaurants to offer a wider variety of cuisines, making vegetarian, vegan, and allergen-friendly alternatives more accessible, and delivering seasonal or limited-time offerings to keep the menu fresh. Additionally, Foodpanda could implement AI-driven personalized recommendations based on user preferences and past orders, helping customers navigate the extensive menu with ease ([Mangat, 2021](#)). By focusing on these changes, Foodpanda may reach a larger audience, making the platform more appealing to a wider spectrum of customers, even if the direct impact on satisfaction is modest. This strategy would improve the user experience overall and increase perceived value.

Food Quality

In addition, one of the most important factors influencing consumer satisfaction with the online food delivery service is food quality. According to the study, food quality and customer satisfaction are significantly positively correlated by 0.255. Survey statements, such as "Foodpanda ensures that restaurants provide fresh food for delivery" and "Foodpanda maintains proper food temperature during delivery to ensure a satisfying dining experience," emphasize how important food quality is in shaping customer satisfaction. This aligns with food quality, which includes qualities like freshness, taste, and presentation that directly improve consumer satisfaction and behavioral intentions in the food service sector ([Namkung & Jang, 2007](#)). Foodpanda may improve the quality of its food by collaborating with restaurants that place a high value on using quality ingredients and preparing them, using temperature-controlled delivery methods, and implementing real-time quality monitoring feedback. All of these measures are intended to ensure the food's taste, freshness, and proper temperature. Nonetheless, issues, including inconsistent restaurant practices, a wide range of customer preferences, and costly operating expenses for complicated logistics, need to be resolved.

Customer Perceived Value

Furthermore, customer perceived value acts as a mediator that directly influences customer satisfaction. It has a positive association with customer satisfaction, as indicated by the regression analysis value of 0.229. It is a critical determinant in the food delivery service industry. Survey findings show that customers perceived food purchases via Foodpanda as a good buy. The Foodpanda app offers value for money, is worth the price paid, and ensures customers get what they pay for when ordering through the Foodpanda app. This aligns with the consumer's overall assessment of a product's utility based on what is received versus what is given ([Zeithaml, 1988](#)). When customers perceive Foodpanda as providing high value relative to the cost, it enhances customer satisfaction. According to Kotler and Keller (2013), customer satisfaction is a customer's feeling when they compare the performance of a product they have purchased with their expectations. Foodpanda can implement this idea to increase customer perceived value by using a feedback rewards system. When a customer leaves a detailed and positive review, they can be rewarded with vouchers. This approach enables Foodpanda to improve its services while maximizing customer satisfaction and value. It encourages customer repurchase and enhances customer satisfaction. This system also fosters customer engagement. However, challenges such as preventing spam feedback and ensuring the reward system's scalability need to be addressed by Foodpanda. Besides that, offering extra reward vouchers might negatively impact the platform's profitability ([Homburg & Wielgos, 2022](#)).

Promotions

Other than that, promotions play an important role in customer satisfaction and value perception in the online food delivery industry. The results of this study show that the type of promotion does not have a significant effect on customer satisfaction ($\beta = 0.132$), but the strategic implementation of promotions remains important in influencing customer behavior. According to [Czinkota et al. \(2021\)](#), promotions are a key element in building brand engagement and attracting price-sensitive customers, especially among the dominant low-income group identified in this study. By offering time-based discounts, loyalty rewards, or bundles, Foodpanda could better tailor its advertising strategies to resonate with students and young people who make up the majority of its customer base. Furthermore, despite the limited direct impact of the findings of this study, integrating personalized promotions based on user preferences and using digital platforms for targeted campaigns can increase customers' perceived value and promote brand loyalty.

Pricing Perception, Delivery Experience, Menu Variety, Food Quality, and Promotion to Customer Perceived Value

Pricing Perception

First of all, pricing perception demonstrates the strongest influence on customer perceived value, with a regression coefficient of 0.478. This highlights its significant role in shaping customers' evaluation of the overall value offered by the service. As [Zeithaml \(1988\)](#) suggests, customers assess value by comparing the monetary cost with the benefits received, making competitive pricing essential in the online food delivery market. Foodpanda must implement strategies such as offering good-priced meal packages, discounts, and transparent pricing to enhance affordability and appeal to price-sensitive segments. By aligning pricing strategies with customer expectations, Foodpanda can optimize perceived value, leading to higher customer satisfaction and loyalty.

Delivery Experience

Next, delivery experience significantly impacts customer perceived value, as shown by a regression analysis result of 0.164. This means that while the relationship is not the strongest, delivery quality still plays a role in how customers value the service. To improve, Foodpanda can focus on enhancing the speed and reliability of deliveries, maintaining accurate order fulfillment, and ensuring seamless communication throughout the process. Upgrading the app interface for better user experience, offering real-time tracking, and sending timely updates for any delivery issues can also boost customer confidence and perceived value ([Gan et al., 2022](#)). Foodpanda can implement improvements such as optimizing delivery routes for efficiency, training delivery personnel for better customer interaction, and ensuring prompt responses to customer inquiries or complaints. These changes can help reduce delivery times and prevent issues, leading to a more satisfying user experience. By making these changes, Foodpanda can create a more dependable and efficient service, which can elevate the delivery experience to be more excellent and strengthen customer value.

Delivery Experience

Next, menu variety shows a moderate impact on customer perceived value, as reflected by a regression analysis result of 0.153. This implies that, while not the most important component, menu variety has a significant impact on how customers evaluate the total value provided by Foodpanda. Phrases like "Foodpanda provides access to a wide range of cuisines from various restaurants" and "The platform includes filters for dietary preferences and meal customization" highlight the importance of diversity and personalization in enhancing perceived value. Key elements of menu variety include offering a broad selection of cuisines, accommodating dietary restrictions, and ensuring the availability of premium and budget-friendly options ([Puri, 2023](#)). Foodpanda may increase its perceived value by diversifying its restaurant relationships to include unique and specialized cuisines, curating meal bundles for affordability, and offering exclusive alternatives such as signature dishes or chef specials. In addition, Foodpanda can utilize AI-driven features to suggest menu items based on user preferences and trends, making it easier for customers to discover new and appealing choices ([Mangat, 2021](#)). Foodpanda can increase its perceived value and attract a wider range of customers by consistently enhancing menu variety and customization.

Food Quality

Moreover, the relationship between food quality and customer perceived value is not significant in this study, which is 0.102. This implies that customer perceptions of Foodpanda's overall value are not strongly affected by food quality alone. In other words, consumers' perceptions of the entire value of a service like Foodpanda may be more influenced by aspects other than food quality. This finding aligns with prior research that found that a mix of factors, including price, convenience, and service quality, rather than

just food quality, frequently influences customer perceived value ([Zeithaml, 1988](#)). Foodpanda might solve this by concentrating on improving food quality in conjunction with other elements that provide value. For instance, offering customers who order from restaurants with excellent reviews for food quality discounts or reward points. However, the challenges that may be faced include increased operating expenses, making sure restaurants stick to quality standards, possible misalignment with customer priorities, growing issues in smaller markets, and the difficulty of implementation.

Promotions

Furthermore, promotions continue to be a crucial strategy for influencing customer behavior and enhancing brand engagement, even though they've got little immediate effect on customer perceived value ($\beta = 0.029$, $p > 0.05$). The regression analysis indicates that the not significant immediate impact emphasizes the necessity of implementing promotional efforts more effectively in order to optimize their efficacy. Promotions have significance for drawing in price-conscious clients and boosting their involvement with the business, according to [Khare et al. \(2019\)](#). Given that teenagers, lower-income consumers, made up the majority of this study's customers, Foodpanda might implement customized marketing techniques, including student-only discounts, flash sales, and loyalty benefits to increase the perception of value. Long-term loyalty can also be increased by using data analytics to provide tailored promotions based on user preferences and usage trends. Effective promotional methods can indirectly improve customer happiness and perceived value by catering to the requirements and preferences of the target audience, notwithstanding the minimal direct link.

Lastly, the relationship between pricing perception, customer perceived value, and customer satisfaction is interconnected for Foodpanda. Customers are more likely to perceive Foodpanda prices as reasonable. This is because customers have a positive perception of value and are satisfied when they receive a good deal for their money. These factors create a positive cycle that impacts Foodpanda's position and maintains a competitive edge in the food delivery market.

CONCLUSION

In conclusion, this research has provided an understanding of the impact of delivery experience, menu variety, pricing perception, promotion, and food quality on customer satisfaction on Foodpanda with a focus on the mediating role of customer perceived value. The findings demonstrate the importance of consumer perceived value as a fundamental factor in creating Foodpanda customer satisfaction. This research highlights customer perceived value as a key factor in customer satisfaction that shows a positive relationship between customer perceived value and satisfaction. In this setting, pricing perception as an independent variable has a significant impact on both customer perceived value and satisfaction levels. It highlights the necessity of competitive and clear pricing policies.

Actionable recommendations to enhance customer satisfaction are Foodpanda could implement value-for-money meal bundles, promotions, and transparent pricing to attract price-sensitive clients. Developing tiered price structures can serve diverse customer segments, such as premium users and students. Next, Foodpanda is recommended to improve the delivery experience through real-time tracking, precise navigation, and prompt updates, which can increase transparency and reliability. Optimizing delivery routes, minimizing delays, and training riders in customer interaction are also essential. The delivery experience can be further improved by implementing eco-friendly practices, including green delivery methods and sustainable packaging. Besides that, diversifying cuisine options can be achieved by partnering with more local and international

restaurants to increase menu variety. Introducing dietary-specific options, such as vegan, allergen-free, and healthy food options, can meet specific customer needs. Customers may navigate a wide range of menu options with the help of AI-driven personalized recommendations. Furthermore, collaborating with restaurants to ensure consistent quality, proper temperature, and freshness during delivery is vital. Implementing quality monitoring and feedback systems can help with ongoing development. Lastly, designing promotions that appeal to certain customer segments, such as student discounts or time-limited offers, and tailoring promotions with data analytics to correspond with customer preferences and usage trends can increase engagement and satisfaction. Implementing a feedback rewards system can further boost customer engagement.

Overall, this study emphasizes the importance of pricing perception, customer satisfaction, and customer perceived value as factors influencing loyalty and brand strength. Businesses operating in competitive markets, like Foodpanda, must recognize the pivotal role of affordability and value in attracting budget-conscious customers while maintaining service quality. Businesses can establish a long-lasting competitive advantage by emphasizing technological innovation, operational efficiency, and personalized experiences. Lastly, these findings also highlight how crucial it is to balance cost-management strategies with investments in customer-centric initiatives in order to foster long-term loyalty and market growth.

Research Implication

The findings from this study highlight the critical implication that pricing perception plays a dominant role in influencing both customer satisfaction and customer perceived value. For companies like Foodpanda, this means that exhibiting competitive pricing strategies that match customer expectations is essential. Offering affordable meal bundles, transparent pricing, and discounts based on customer segments can positively impact perceptions of value. By addressing these pricing factors, businesses can ensure they meet the needs of budget-conscious customers, which is crucial in a highly competitive market.

Another key implication is the importance of delivery experience in shaping customer satisfaction and value perceptions. The study suggests that providing real-time tracking, accurate navigation, and ensuring timely deliveries are crucial elements to improve customer satisfaction. Therefore, it is imperative for Foodpanda to focus on enhancing the efficiency of its delivery system. This can be achieved by adopting technologies that allow for real-time updates and optimizing delivery routes to ensure speed and reliability. Such improvements will likely lead to higher customer satisfaction and foster trust in the service.

Lastly, although menu variety and promotions have a lesser direct impact, the implication is that they still play an important role in the overall customer experience. Expanding the menu to offer diverse and healthier food options, along with creating personalized promotions, can enhance customer perceived value. For Foodpanda, this means the importance of exhibiting a wide selection of choices and ensuring the promotions are targeted and relevant to customer preferences. This strategy can attract a larger, more diverse customer base and contribute to long-term loyalty.

LIMITATION

This study has certain limitations, even if it provides insightful information. First off, because the study was limited to Malaysian Foodpanda consumers, its findings might not be generalizable to clients in other nations or areas. The limited sample size, which mostly consists of young responders from comparable backgrounds, restricts how

broadly the study's conclusions may be applied. A more varied sample that reflects different demographic groups should be the goal of future studies. Because responses may be swayed by individual opinions or experiences, the use of self-reported online survey data raises the risk of bias. Deeper insights might be obtained by combining survey data with qualitative techniques like in-person observations or interviews. Additionally, a more thorough comparison of results might be possible by investigating different food delivery systems and businesses. This study may not have addressed all the elements that affect consumer satisfaction and perceived value because it only examined five variables, which are delivery experience, menu diversity, food quality, pricing perception, and promotion kinds. Another drawback is that the information was gathered via consumer opinions, which are occasionally swayed by bias or personal preferences. Competition, seasonal demand, and shifts in the economy were not taken into account. By adding more contributing factors, extending the study to other regions, and examining long-term trends to obtain a more comprehensive picture, future research can fill in these gaps.

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DECLARATION OF CONFLICTING INTERESTS

The authors declare that there is no conflict of interest.

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