The Performance of Foodpanda: A Study of Customer's Perspective and Satisfaction in Malaysia and India

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This research paper aims to examine performance of Foodpanda. the Foodpanda is an online grocery and food delivery platform based in Berlin, Germany. Currently, it is the largest food delivery and grocery delivery platform in Asia. The objective of this paper is to study the perception and satisfaction levels of customers using Foodpanda and the service quality provided by Foodpanda. The impact of Covid-19 has affected the entire world and the reliance on food delivery apps been doubled. has Thus. the perception and satisfaction levels of users of Foodpanda and its services need to be explored and evaluated. The researchers collected the data using a structured questionnaire and a sample of 104 Foodpanda customers from India and Malaysia. The data examine the claims of Foodpanda regarding customer satisfaction and their perception of the market. The research shows that most people who ordered are satisfied with Foodpanda, including the delivery speed, price, and promotion.

Keywords: Foodpanda, performance, customer perception, customer satisfaction.

INTRODUCTION

Since March 2020, the Covid-19 epidemic has ravaged the country, generating economic problems as well as increased unemployment. Thus, many people are joining this sector as delivery riders because the online food delivery platform has provided a large opportunity for employment. Food delivery services were formerly considered normal employment, but they have now become the most in-demand job (Kamel, 2021). Besides, we as a customer were also affected during this pandemic. Customers were requested to take away or order online during these essential times and this makes the food delivery platform more resilient. The main winners in this MCO (Movement Control Orders) are cloud kitchen and meal delivery (Lim, 2020). Online food ordering apps such as Swiggy, Zomato, and Foodpanda nowadays have become fast-moving in the world. People couldn't find a perfect time to go out to order food because of the fast-paced life. Thus, the internet has become a major source in the digital period where online food ordering has gained tremendous significance, not only among entrepreneurs but also among consumers. Ordering food online is now at the fingertips of the customers. It gives them a new and different experience, making the food ordering further convenient and fashionable over the internet as the consumers are getting used to it and it certainly is becoming more pleasurable and easier over time. Foodpanda was frequently used by people during this pandemic, particularly in Malaysia and India. Following the emergence of COVID-19, non-cash transactions and food delivery services have become increasingly essential in Malaysia. Furthermore, to avoid virus transmission, clients rarely buy at stalls (Suhartanto, Ali, Tan, Sjahroeddin, & Kusdibyo, 2019).

Foodpanda is an online food and grocery delivery service platform which is based in Berlin, German. It is located in over 40 countries on five continents, including Malaysia. Foodpanda is the largest food delivery and grocery platform in Asia which operated in 12 areas in Asia. Foodpanda processes and distributes orders to partner restaurants directly and then delivers meals to clients via the delivery rider. The service may be accessed via a website or mobile application. Customers may place their orders by just entering their zip code on the website and selecting items from a menu of eateries. They may order a meal by looking through the restaurant menu and selecting the item they want, then inputting their address and paying for it online. Foodpanda will then provide an estimated delivery time. Moreover, Foodpanda provides a reviews section where customers may submit their feedback on the overall performance.

For most communities nowadays, using food delivery services like Foodpanda under MCO is a convenient choice for security reasons. People are not permitted to dine in at any restaurant. The majority of individuals prefer the online delivery option because it enables people to have fresh meals delivered to their office or home while continuing to function during these inconvenient periods. The food and beverage industry is very volatile, with most establishments being forced to close during pandemics. Businesses must choose from a variety of methods to comply with the lockdown and social imprisonment regulations, including take-home or delivery choices and the use of customization solutions to operate their businesses. Thus, most restaurants tend to sell their food on an online food delivery platform including Foodpanda. Foodpanda is

now expanding into a larger platform that delivers not just meals but also groceries, allowing consumers to pre-order and pick up their own purchases in the next years.

Foodpanda is well-known in Malaysia and India, but it has its own issues and flaws. That is, timeliness, meal quality, and even an online ordering system are important considerations. Regarding delivery accuracy, most consumers indicated that the delivery time of food requested surpasses the time specified in the app. Not only that, but they also delivered food a little late than it has to be. Besides, considering that the meal is only delivered by motorbike, the quality of the food may be impacted. Furthermore, the online ordering system is experiencing some issues, with consumers reporting that the exact position of the Foodpanda rider cannot be tracked. Also, customers complain that they have been double-charged on their debit cards even though they have paid for their order. Furthermore, there is no order confirmation message or email that shows their order is successfully made. Many customers perceived that the customer service from Foodpanda was poor. Therefore, this paper investigates customer satisfaction on Foodpanda. As Oliver (1999) described satisfaction is the pleasurable sensation of having one's needs, ambitions, goals, and dreams met. If you're satisfied with a delivery service, you might wish to use it again or recommend it to others (Anderson & Srinivasan, 2003; Pee, Jiang, & Klein, 2018). According to Maisarah et al. (2020), Customer satisfaction is generally about customers' feelings towards the services or products. Therefore, customer satisfaction is critical to Foodpanda's success. In order to keep up during this pandemic, Foodpanda took advantage of the opportunity by adopting a variety of marketing initiatives. They also implemented new pricing rules and a slew of other improvements. Thence, Foodpanda is one of the online meal delivery businesses that dominate the worldwide industry.

The goal of this study is to create an evaluation of Foodpanda services that would allow us to assess performance, analyze the data, as well as utilize them to obtain a more comprehensive understanding of the efficiency and efficacy of Foodpanda delivery services. Furthermore, the goal of this research is to uncover the factors that influence consumer satisfaction with Foodpanda. Hedonic motivation, convenience motivation, the influence of social networking sites, and new experiences are some of the positive elements. Only users of the Foodpanda app are counted as respondents in this study, which has significant restrictions. People who have never used this app before will not be able to assist in the completion of the research. This paper could provide Foodpanda an insight into the aspect they should be focused on for improvement in order to increase their customer satisfaction in the immediate future.

LITERATURE REVIEW

Hedonic Motivation

Hedonic motivation is the desire of a person to buy as a means to satisfy his or her psychological demands such as prestige and emotion. There are two types of motivation for a person to shop on an online platform which is hedonic motivation and utilitarian motivation (Ha, 2020). Hedonism is defined as the desire to be cheerful and have pleasure as opposed to rationalism which purchases a product or service in an efficient manner (Kang & Park-Poaps, 2010). In other words, hedonism is the aesthetic

and experience-based joy in the decision-making process. Hedonic motivated consumers are more concerned with the experience of the consumption process. If additional hedonic values were added to online meal delivery services, pleasure would increase and result in greater satisfaction. Hedonic values had a substantial effect on the customers' satisfaction which will directly affect their behavioral intentions (Ryu, Han, & Jang, 2010). Therefore, the researchers proposed the following hypotheses: H1: Hedonic motivation positively affects customer satisfaction.

Convenience Motivation

Convenience motivation is the degree to which consumers feel that using something would reduce their difficulty. Nowadays, customers can buy online, work remotely, and order food online anytime and anywhere due to digitalization (Radon, 2015). Customers may effortlessly place orders by using their mobile phones (Sata, 2013). According to research, customers tend to order online because it is convenient for them and then leads to higher satisfaction (Jeneefa & Rajalakshmy, 2020). Buyers identified the simplicity of making requests, paying for things online, and having them at their doorstep as key benefits of utilizing e-commerce (Boyd & Bilegan, 2003). A previous study showed that convenience and customer satisfaction had a favorable relationship (Yeo, Goh, & Rezaei, 2017). With the advancement of service segments, customers were more likely to order their meals through online food delivery services as they can enjoy their meals while staying at home and without going outside that requires some effort (Pigatto, Machado, Machado, & Negreti, 2017). Therefore, the researchers proposed the following hypotheses:

H2: Convenience motivation positively affects customer satisfaction.

Influence of Social Networking Sites

High technology has helped people to create many kinds of applications based on the Internet, allowing the public to exchange data and information instantly. This scenario is influencing the interests of a number of potential users (Pigatto et al., 2017). Internet services have been characterized by basic applications, entertainment, and transactions. Examples of basic applications include emails, web surfing, and search engines. The entertainment includes games, music as well as mobile TV. The transactions include hotel bookings, airline ticket purchases, online shopping, and online food ordering (Reuver, Bouwman, & Ongena, 2013). Nowadays, companies may utilize social media to engage with customers, raise brand awareness, influence customers' attitudes and gather feedback (Lal, Dwivedi, Ismagilova, & Kwayu, 2020). By using social networking sites, consumer complaints may now be promptly spread to huge numbers of people. In other words, it is also known as negative electronic word-of-mouth and this can bring a bad effect on the level of satisfaction (Filieri,

Javornik & Gumann, 2020). Therefore, the researchers proposed the following hypothesis:

H3: The influence of social networking sites positively affects customer satisfaction.

New Experience

A new experience is an experience that we have not tried before. The experience is a feeling that comes from various levels, which include mentality, psychology, emotion, and rationale (Sebald & Jacob, 2020). There are two types of customers which are

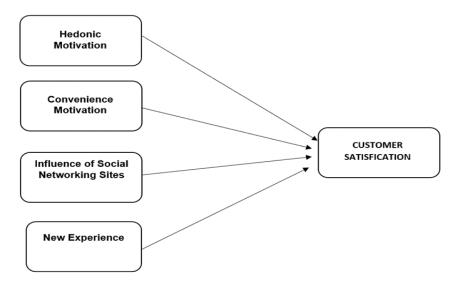
adventurous consumers and traditionalist consumers. An adventurous consumer was youthful in mind as they enjoyed trying new things and had a positive attitude toward online purchases. They like to enjoy things they haven't tried before, and they are spending more time browsing and searching for the invention than traditionalist consumers. In comparison to 'traditionalist' consumers, they are more likely to receive recommendations and suggestions from others such as family, siblings, or friends when purchasing specialty goods. They will spend more time exploring new goods or services such as exploring related websites as they like to try new things. Besides, customers always compare and judge each new experience against their previous ones, and this may lead to a consumer's satisfaction level (Meyer & Schwager, 2007). Therefore, the researchers proposed the following hypothesis:

H4: New experience positively affects customer satisfaction.

Customer Satisfaction

Customer satisfaction is defined as a situation where customer expectations of a product are in accordance with the reality received (Anita, 2019). The level of satisfaction experienced will affect the retention of existing consumers and the introduction of the new ones and result in the competitiveness of e-commerce. Customers' decisions to stay with or depart were heavily influenced by their level of satisfaction. Satisfied consumers are more likely to have repurchase intentions and even become loyal customers (Kiran, Tandon, & Sah, 2017). Besides, customer satisfaction is an overall evaluation of a service or product based on the buying and consumption experience. Customer satisfaction can be achieved by delivering high-quality services (Eliwa, Ma, & Qu, 2014). Satisfied customers are more likely to recommend products to their friends or family members. So, online food delivery services should prioritize service quality and set a target for their delivery service which potentially affects the level of satisfaction.

Figure 1. The theoretical framework for customer satisfaction



Section	Variable	Items	Source
A	Hedonic Motivation (HM1-HM4)	4	Yeo et al. (2017) Liang & Lim (2011)
В	Convenience Motivation (CM1-CM4)	4	Yeo et al. (2017)
C	Influence of Social Networking Sites (ISNS1-ISNS4)	4	Pigatto et al. (2017)
D	New Experience (NE1-NE2)	4	Liang & Lim (2011)
E	Customer Satisfaction (CS1-CS4)	4	Kiran et al. (2017)

Table 1. The Measures and Layout of the Questionnaire

RESEARCH METHOD

This study on Foodpanda examined the relationship between hedonic motivation, convenience motivation, the influence of social networking apps and sites, and new experiences with customer satisfaction towards its brand. This study applied the service rudiments attained from former studies and an in-depth discussion of experts and scholars to estimate client perspectives, perceptions, and satisfaction with the Foodpanda delivery service app.

Sample and Producer

This study aims to explore the factors that have a positive impact on Foodpanda customer satisfaction in Malaysia and India. Quantitative research is used in this study to obtain data and analyze the research. The data was collected using a Google Form questionnaire, and 104 respondents are qualified for data analysis using SmartPLS 3.2.8 software.

Measure

To investigate the measurement and structural model in this study, Partial Least Square (PLS) modeling was applied by the researchers by using the SmartPLS 3.2.8 (Ringle, Wende & Becker, 2015). The questionnaire was divided into four sections that allowed a comprehensive evaluation of the variables identified for this study. The first section, demographic personal data, contains 4 items to access personal respondent data which include gender, age, race, and nationality. The second section is the respondent's experience using Foodpanda and contains ten items which are, have they heard about Foodpanda, how do they know Foodpanda, how often they used it, what would they recommend to improve the service, how long does it take, what method they use to order either by using website or application, would they

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recommend Foodpanda to others and rating of their satisfaction while using the service also how much they rely on reviews before ordering. Section 3 is the consumer behavior factors which are accommodating 4 factors. The factors are hedonic motivations, convenience motivation, new experience, and the influence of social networking sites. Meanwhile, section 4 is about customer satisfaction. For sections 3 and 4, the researchers use a five-point Likert scale. "5" stands for strongly agree and "1" stands for strongly disagree for every statement in that section.

RESULTS

Table 2. Descriptive analysis of respondents' demography (N = 104)

	Frequency/ Percentage
Age	
Below 20 years old	9.6
20-29 years old	79.8
30-39 years old	8.7
40-49 years old	1.0
50 years old and above	1.0
Gender	
Male	27.9
Female	72.1
Race	
Chinese	56.7
Indian	8.7
Malays	34.6
Nationality	
Indian	7.7
Malaysian	92.3

Demography

Table 2 above, showed that most of the respondents are 20-29 years old with a percentage of 79.8%. In addition, most of them are female 72.1% and 27.9% are male. 56.7% of respondents are Chinese and 92.3% are Malaysian.

Consumer Perspective and Satisfaction Towards Foodpanda

Table 3 below, showed the consumer perspective and satisfaction with Foodpanda. From the result, 100% of respondents have heard about Foodpanda. 46.2% of respondents know about Foodpanda through social media. While 26.9% know through family or friends, 14.4% from self-discovery, and 15.5% know Foodpanda through advertisement. The highest percentage on the question of how often respondents order from Foodpanda is 43.3% which is once a month. Followed by 25% ordered 2-3 times a month, 19.2% ordered once a week, and 12.5% ordered 2-3 times a week. 71.2% of 104 respondents recommend that Foodpanda should improve its performance on prices. 15.4% answered that they should improve on delivery services and 5.8% recommend that they should improve on the ease of use. Besides, 1.9% answered that should improve food quality. About 55.8% answered that Foodpanda

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takes between 1 hour for delivery, 43.3% answered between 30 minutes and only 1% answered that Foodpanda takes above 1 hour to deliver.

Most of the respondents (96.2%) order using the Foodpanda mobile application. Only 3.8% order Foodpanda using the website. This demonstrates how convenient the Foodpanda delivery applications are. Customers may order meals based on their preferred circumstances because Foodpanda applications are easy to use (Malhotra, 2016). Apart from that, 48.1% of the respondents were satisfied with Foodpanda. 32.7% of respondents were strongly satisfied while a very minimal amount of respondents (2.9%) were dissatisfied with Foodpanda. 55.3% of the respondents strongly rely on customer reviews before ordering from Foodpanda. 23.3% were satisfied, 5.8% were strongly dissatisfied and 3.9% were dissatisfied with the reliance on customer reviews before ordering from Foodpanda. Lastly, most of the respondents (78.8%) would recommend Foodpanda to friends and family. Only 20.2% would not recommend it.

	PERCENTAGE
Have you heard about Foodpanda?	
YES	100.0
How did you know about Foodpanda?	
Social media	46.2
Advertisement	15.5
Family or friends	26.9
Self-discovery	14.4
How often do you order from Foodpanda in a month?	
Once a week	19.2
2-3 times a week	12.5
Once a month	43.3
2-3 times a month	25.0
What would you recommend to improve the	
performance of Foodpanda?	
Improvement in delivery service	15.4
Improvement in food quality	1.9
Improvement on prices	71.2
Improvement in ease of use	5.8
How long does Foodpanda delivery usually take?	
Between 30 minutes	43.3
Between 1 hour	55.8
Above 1 hour	1.0
The method used for the Foodpanda service	
Using Foodpanda mobile app	96.2
Using Foodpanda website	3.8
Please rate your overall satisfaction with Foodpanda	
Dissatisfied	2.9
Neutral	16.3
Satisfied	48.1

Table 3. Consumer Perspective and Satisfaction Towards Foodpanda

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Strongly satisfied	32.7			
How much would you rely on customer reviews before ordering from Foodpanda?				
Strongly dissatisfied	5.8			
Dissatisfied	3.9			
Neutral	11.7			
Satisfied	23.3			
Strongly satisfied	55.3			
Would you recommend Foodpanda to your friends and				
family				
Yes	78.8			
No	20.2			

Measurement Model

The guidelines applied in the present study as suggested by previous scholars (Hair, Risher, Sarstedt, & Ringle, 2019; Ramayah, Cheah, Chuah, Ting, & Memon, 2018) to investigate the instruments' validity and reliability, and followed the structural model to run a test on the hypotheses developed. In the measurement model, the researchers evaluate the loadings, average variance extracted (AVE), and the composite reliability (CR). When the loadings values and AVEs are larger than 0.5 as well as the CRs is above 0.7, the model is valid and reliable (Hair et al., 2019). Table 4 below, showed that the value of the loading and AVEs were greater than 0.5, and the CRs were greater than 0.7. Hence, it is valid and reliable to proceed with the hypothesis testing.

Constructs	Items	Loadings	AVE	CR
Hedonic Motivations	HM1	0.943	0.667	0.886
	HM2	0.957		
	HM3	0.637		
	HM4	0.675		
Convenience Motivation	CM1	0.942	0.876	0.966
	CM2	0.935		
	CM3	0.941		
	CM4	0.925		
Influence of Social Networking Sites	ISNS1	0.696	0.710	0.907
	ISNS2	0.920		
	ISNS3	0.883		
	ISNS4	0.856		
New Experience	NE1	0.893	0.789	0.937
	NE2	0.879		
	NE3	0.902		
	NE4	0.880		
Customer Satisfaction	CS1	0.897	0.793	0.939
	CS2	0.918		
	CS3	0.920		
	CS4	0.823		

Table 4. Measurement Model

Structural Model

In this section, researchers were using a 5,000-sample re-sample bootstrapping approach in reporting the standard errors, path coefficients, p-values, and t-values for the structural model (Ramayah et al., 2018; Hair et al., 2019). Researchers had used the integration of criteria, such as confidence intervals, p-values, and effect sizes to establish good criteria for testing the significance of the hypotheses (Hahn & Ang, 2017).

Based on table 5, the p-value of hypothesis 1 is 0.001 which is less than the significance level of 0.05 with a standardized beta of 0.206. This shows a meaningful relationship between HM and the CS (β = 0.206, p < 0.05) which was positively related to customer satisfaction. Thus, H1 was supported. Next, hypothesis 2 has a p-value of 0.000, which is lower than the significance level of 0.05. Furthermore, it reflects a positive and significant relationship between CM and CS, with a coefficient beta of 0.206. So, H2 was also supported. The following hypothesis, H3 was supported because the p-value of Influence of Social Networking Sites (ISNS) is 0.017 which is less than the significance level of 0.05. Then the coefficient beta for this hypothesis is 0.171. Hence, ISNS (β = 0.171, p < 0.05) was significantly related to CS. The last hypothesis, H4, was also supported. NE was tested significantly to be the factor that positively influences the customer's satisfaction towards Foodpanda as it produced a p-value of 0.018 which is less than 0.05, with 0.174 of standardized beta.

Hypothesis	Relationship	Standar dized Beta	Standard Error	t-values	p- values	Decision
H1	HM -> CS	0.206	0.208	3.368	0.001	Supported
H2	CM -> CS	0.565	0.559	8.89	0	Supported
H3	ISNS -> CS	0.171	0.176	2.396	0.017	Supported
H4	NE -> CS	0.174	0.174	2.373	0.018	Supported
Note: 050/ confidence interval with a boststranning of 5,000 was used						

Table 5. Hypothesis Testing Direct Effects

Note: 95% confidence interval with a bootstrapping of 5,000 was used

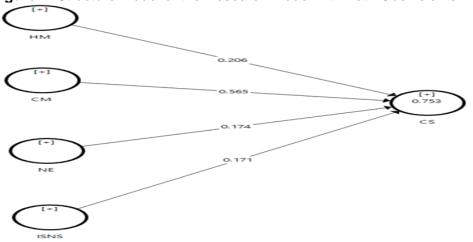


Figure 4. Structure Model of the Research Model with Path Coefficients

DISCUSSION

This study examines the relationship between hedonic motivation, convenience motivation, the influence of social networking sites, and new experiences with customer satisfaction towards Foodpanda. The critical finding is that convenience motivation (CM) has the strongest positive impact on customer satisfaction among other factors. This result is consistent with the research of Jeneefa and Rajalakshmy (2020) and Yeo et al. (2017). In addition, this result shows that the CM (β =0.565) has not yet met consumers' high expectations and Foodpanda can satisfy the customer's access and transaction convenience through innovation.

Besides, hedonic motivation (HM) also had a significant positive effect on customer satisfaction (β = 0.206, p = 0.001), which supports the claim by Yeo et al. (2017) who states that hedonic motivation is defined as an illogical purchase behavior that deviates from economic rules to meet basic requirements. On the other hand, the purpose of customers making purchases is to satisfy their own needs. In addition, hedonic motivation has a tremendous impact on emotional arousal, which encourages buyers to make a purchase. Most respondents used Foodpanda not just to meet their basic needs, but also to enjoy the process in terms of psychological. So, Foodpanda can increase hedonic motivation by providing more entertainment elements to gain customer satisfaction such as input music while users are scrolling for the menu.

Compared with other variables, researchers found that the Influence Of Social Networking Sites (ISNS) only has a minor impact on consumer satisfaction towards Foodpanda ($\beta = 0.171$, p = 0.017). This result is consistent with Pigatto et al. (2017). Foodpanda needs to improve its reputation through reliable customer service to avoid negative electronic word of mouth. The negative word of mouth may affect customers' reluctance to order food from Foodpanda because they are being instilled that Foodpanda is unethical and irresponsible. This causes people not to have the confidence to use Foodpanda.

Furthermore, new experience (NE) had also positively influenced customer satisfaction but only has a minor impact ($\beta = 0.174$, p = 0.018). These findings are consistent with Meyer and Schwager's (2007) research into customer satisfaction. NE is said to positively influence the level of satisfaction because when a customer is having an unpleasant experience their first-time usage, they will refuse to repurchase it (Meyer & Schwager, 2007). To increase the level of satisfaction experienced by customers, Foodpanda can improve every touchpoint of customers whether direct or indirect. Developing an understanding of each touchpoint will help Foodpanda design better customer experiences. Besides, Foodpanda can spend more on interface building by providing a new pattern of the menu and some interesting services and interactions.

In short, Foodpanda needs to ensure hedonic motivation, convenience motivation, the influence of social networking sites, and new experiences to improve customer satisfaction. An increase in customer satisfaction helps to increase the company's profits from loyal customers by innovating, providing entertainment, managing

customers' touchpoints, and providing reliable customer service. However, in different environments, the effects may be different.

CONCLUSION

Food delivery apps play a major role all around the world and during the COVID-19 pandemic, demand for online food delivery apps and services rose in prominence. These online food ordering and delivery systems maintain a database of the customers to enhance the customer experience and satisfaction. Most of the customers who order food from these apps are mostly satisfied with the food they receive. Further is even observed that the customers who live in rural areas are also satisfied with the online food ordering apps.

In a nutshell, the users of Foodpanda were highly satisfied with the delivery speed and delivery time, the freshness of food, sales promotions, and user-friendliness of the app but less satisfied regarding the prices. Most of the respondents felt the prices of delivery charges are high and the restaurants as well do not provide any discount on the food orders. The high price is one of the reasons for consumers to order food through online services and if the only thing they expect is not meeting their expectations, it can jeopardize the very existence of the brand and can lead to a negative word of mouth. So, Foodpanda can consider this and reduce their delivery charges or give discounts to reduce the prices of food.

However, the results showed that the users in different demographic groups and subgroups have heterogeneous attitudes towards the services provided either by Foodpanda itself or other service providers such as Swiggy and Zomato. The literature identified prices of food as an important factor in customer satisfaction and their perception of the service provider. It stood out from the rest factors as the only one that fell into the order of enhancement, meaning service providers need to pay attention to it. The study gave a clearer picture of such customers substantially, Females (72.1) and Males (27.9) Aged 20–29 were the most sensitive to food price. Finally, the restaurants and the service provider Foodpanda need to precisely consider the customer's needs and wants to maintain a good company name and brand image and a good food service delivery platform.

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