

## Factors Affecting Organizational Success: A Case Study of Foodpanda

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### ABSTRACT

The purpose of this study is to examine the success factors of Foodpanda. Foodpanda is one of the leading online food delivery marketplaces and is spread out globally. Its main job is to enable users to place orders at nearby restaurants with the assistance of its website or via its mobile app. The study used questionnaires to collect data from Foodpanda's employees in addition to the customers that used Foodpanda apps in Malaysia. The result shows that employee loyalty, job satisfaction, and customer satisfaction are the factors that drive the success of Foodpanda.

**Keywords:** Customer Satisfaction, Employee's Loyalty, Food Delivery, Foodpanda, Job Satisfaction, Success Factors

### INTRODUCTION

Foodpanda was founded in Berlin, Germany in 2012 and developed its business as a mobile food delivery marketplace recently available in 11 countries. Foodpanda has expanded its business in Malaysia since 2018. It offers cuisines from more than 115,000 restaurants worldwide. The service allows users to order their desired foods from local restaurants and place orders via the website or mobile application. The mission of Foodpanda is to make a connection between the chef and customers and bring delicious food for the customers. Foodpanda consists of different food categories and restaurant menus in the food portal enabling the customers to order the food through the applications or the website. Then, it will directly process and send the order to the partner restaurants. After that, the employees will deliver the food and remind the customers to collect their orders by sending the SMS or the phone call. The customer may make payment with either cash on hand or online banking (Sparta, Alsumait, & Joshi, 2019).

In the hustle and bustle of city life, the customers spend more time on their work or study instead of having meals in restaurants. Therefore, Foodpanda introduced its mobile commerce application business to several countries that allow customers to order and enjoy their meals by only spending a few seconds with magic fingers. Hence, this study was conducted to examine the success of Foodpanda. Generally, there are three key success factors of Foodpanda:

1. Employee Loyalty,
2. Job Satisfaction, and
3. Customer Satisfaction.

Employee Loyalty is one of the important factors for the success of Foodpanda. The organization's stability makes their employees trust the company and ensures them to contribute. Employee loyalty is the employee commitment to sacrifice their self-interest for organization (Elegido, 2013). Foodpanda does not have a high employee turnover rate that affects the operation and profits, especially those drivers delivering food to the customer. Foodpanda with high employee loyalty will derive substantial benefits such as the quality, efficiency, and value of service, enabling it to reduce cost and increase customer satisfaction (Al-edenat & Alhawamdeh, 2018)

Job satisfaction refers to a pleasurable emotional state resulting from the appraisal of one's job or job experiences. Foodpanda provides the employees with compensation, work-life balance, respect to the employee's rights, job security, challenges, and career growth thus increasing the job satisfaction. The satisfied employee will be happy and make significant contribution with their positive attitude. Dissatisfied employees suffering nervousness, tension, worry, upset, and distress will take negative attitudes toward the company (Reddy & Venugopal, 2018).

According to David J. Greer (2015) wrote in *Wind in Your Sails*, "A customer talking about their experience with you is worth ten times greater than that you write or say about yourself". Thus, customer satisfaction is customer feedback on the services. The customers can rate or write a review in Foodpanda mobile apps and website. The rating shows customer satisfaction on Foodpanda services.

This study determines the success factor in Foodpanda services using the survey on the customers and the employees.

## RESEARCH METHOD

The data was collected in different ways to reach the best way of having information about Foodpanda. In the beginning, the data were collected from the central Foodpanda's website, <https://www.foodpanda.com>, and Foodpanda Malaysia, <https://www.foodpanda.my> consisting of its popular chains such as KFC, Subway, McDonald, Pizza Hut, and other shops in which most customers are usually interested. The data was also collected from another website to strengthen and confirm the information from previous research or studies.

Another way is by using surveys on customer satisfaction towards the services. 50 respondents participated in the surveys. Customer satisfaction is based on how fast the delivery services, how long it will take to wait for the food to arrive, are there misdelivered food, and so on. The survey forms were distributed through Whatsapp to let friends, students, or anyone who are using Foodpanda to order online delivery (Marsudi, 2019).

In addition, other surveys were distributed to the Foodpanda's employees. This is to collect data about employee loyalty, job satisfaction, working hours, and delivery schedule. The forms were individually circulated through Whatsapp, in addition to ask for assistance from some friends working in it to distribute questionnaires to their fellow workers. Satisfaction Potential Score (SPS) is used to calculate job satisfaction. There are 22 respondents in this survey.

## RESULTS AND DISCUSSION

The collected data about the employees as below.

**Table 1: Summary of Employees' Demographic**

<b>Respondents</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Gender</b>		
Male	19	86.4%
Female	3	13.6%
<b>Age</b>		
16-20	3	13.6%
21-30	15	68.2%
31-40	3	13.6%
41-50	1	4.5%
51 and above	0	0%
<b>Nationality</b>		
Malay	21	95.5%
China	0	0%
India	1	4.5%
<b>How many years do you work at Foodpanda Company?</b>		
1 - 4 months	1	4.5%
4 - 8 months	1	4.5%
9 - 12 months	1	4.5%
1 – 2 years	19	86.4%
<b>How much your income in a month?</b>		
Below RM100	1	4.5%
RM500 - RM1000	5	22.7%
RM1001 – RM2000	6	27.3%
RM2001 – RM3000	6	27.3%
RM3001 – RM 4000	1	4.5%
RM4001 – RM 5000	3	13.7%
RM 5001 and above	0	0%

There are about 22 respondents of the employees completing the survey. Most of them are male by 86.4%, and 13.6% are female. 68.2% of the respondents are between 21 and 30 years old. 13.6% of the respondents are between 16 to 20 years old, and between 31 to 40 years old. Only 4.5% of the respondents are between 41 to 50 years old.

The respondents were categorized into three categories by nationality. Most of them are Malay (95.5%) and 1 respondent is Indian, and 0 respondent is Chinese. For duration of service, 19 respondents have been working for 1 to 2 years, and 3 respondents have been working for one year. For income level, 27.3% are between RM 1001 to RM2000, and RM 2001 to RM 3000 with 12 employees. 5 out of 22 respondents receive the monthly income between RM 500 to RM 1000. 13.7% get the monthly income between RM 4001 to RM 5000. 1 respondent gets the monthly incomes below RM 500 and between RM 3001 to RM 4000.

**Table 2: Summary of Employee Loyalty**

<b>Respondents</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Will you continue working in Foodpanda?</b>		
Yes	22	100%
No	0	0%
<b>Which choice will you choose to be loyal to Foodpanda?</b>		
Bonus based on years of services	2	9.1%
Increase salary based on annual performance	14	63.6%
Salary based on time working/ Salary based on order done per week	2	9.1%
Increase the price of an order from 4.50 to 5.50	1	4.5%
Can pray anytime	1	4.5%
Side income because I am doing part-time	1	4.5%
Pre-order paid vs distance and no order received	1	4.5%
<b>How often Foodpanda gives you bonuses?</b>		
A few times a month	7	31.8%
Every month	2	9.1%
Once a year	3	13.6%
Twice a year	1	4.5%
None	9	40.9%
<b>Do you think your work environment is better than other delivery services company?</b>		
Yes	14	63.6%
No	5	22.7%
Other	3	13.6%
<b>Do the jobs match your capabilities?</b>		
Yes	18	81.8%
No	4	18.2%
Other	0	0%
<b>Do you satisfy with the Foodpanda Company? If you don't, please answer the question below.</b>		
Yes	16	72.7%
No	4	18.2%
Other	2	9.1%
<b>Which companies other than Foodpanda that you are satisfied with?</b>		
DeliverEat	5	29.4%
GrabFood	16	94.1%
Bee's Delivery	0	0%
None	1	5.9%

Table 2 shows that most of them show their loyalty in working with Foodpanda. All the employees agree to continue working for several reasons, in which salary raise based on the annual performance is the main reason. Some employees get bonuses while others do not get. Next, most respondents agree that Foodpanda has the best working environment compared to other food delivery companies and they believe that this job

matches their capabilities. In terms of satisfaction, there are a minor number of employees who are not satisfied with Foodpanda and most of the respondents believe that GrabFood is Foodpanda main competitor.

**Table 3: Summary of Job Satisfaction**

Employee	Satisfaction Potential Score*	Job Satisfaction Rate
Employee 1	112.5	90%
Employee 2	19.5	16%
Employee 3	7	6%
Employee 4	36.75	29%
Employee 5	66	53%
Employee 6	53.33	43%
Employee 7	1	1%
Employee 8	125	100%
Employee 9	27	22%
Employee 10	112.5	90%
Employee 11	78	62%
Employee 12	125	100%
Employee 13	27	22%
Employee 14	125	100%
Employee 15	125	100%
Employee 16	112.5	90%
Employee 17	125	100%
Employee 18	56.25	45%
Employee 19	40.5	32%
Employee 20	27	22%
Employee 21	53.67	43%
Employee 22	44.33	35%
<b>Total</b>	<b>1499.83</b>	<b>Mean=54.54%</b>

\* Satisfaction Potential Score (SPS) =  $1+ 2+ \sqrt{1+ 2+ 1+ 2} \times \sqrt{1+ 2} \times \sqrt{1+ 2}$

Table 3 exhibits that 60% of employees have job satisfaction rate above 40%. Out of 40% from 60% of employees were having full job satisfaction. The average job satisfaction is 68.17 or 54.54% of total. This implies job satisfaction among Foodpanda employees.

The following is the data about the customers.

**Table 4: Summary of Respondents' Demographics**

Response	Frequency	Percentage
<b>Age</b>		
16-20	2	4%
21-25	43	86%
26-30	4	8%
31-35	1	2%

36 and above	0	0%
<b>Gender</b>		
Female	35	70%
Male	15	30%
<b>Nationality</b>		
Malay	22	44%
China	27	54%
India	1	2%

Table 4 indicates 86% respondents are 21 to 25 years old indicating that teenagers take advantage of the phone technology for having the service of food delivery. 35 respondents are female and the rest are male. Most respondent nationalities contributing this customer survey are Malay, China and India which have 44%, 54% and 2% respectively.

**Table 5: Summary of Respondents' Brand Awareness**

Questions	Frequency	Percentage
<b>Do you know about Foodpanda before?</b>		
Yes	50	100%
No	0	0%
Maybe	0	0%
<b>How do you know about Foodpanda?</b>		
Advertisement	29	58%
Television	3	6%
Friends	17	34%
When their bike passed by in front of my eyes.	1	2%
<b>Have you used Foodpanda Apps before?</b>		
Yes	35	70%
No	15	30%
Order Online	0	0%
<b>If so, how often do you use Foodpanda Apps?</b>		
Everyday	1	2.86%
A few times a week	6	17.14%
Once a week	3	8.57%
Once a month	21	60%
Sometimes	1	2.86%
Should the need arises	1	2.86%
Once in a few months	2	5.71%

All the customers know about Foodpanda and this shows that Foodpanda is a famous brand in Malaysia. Most of the customers (58%) knew about Foodpanda from advertisement and some of them (34%) knew it from their friends. 70% of the customers were using the Foodpanda apps for ordering food while the rest were not. There are 60% of customers using the apps to order food once a month, and 17.14% of them using the apps a few times a week. There is one customer using the apps every day proving his/her high loyalty.

Foodpanda applications make it easier for customers to order food anytime and anywhere (Malhotra, 2016). They provide us great choices such as the restaurants in every city in Malaysia, more updated restaurants in the applications, favourite cuisine of fast food, desserts, cake, and daily items, and a lot more. Foodpanda occasionally offers deals for the customer, such as a discount, free delivery. The payments could be made on cash on delivery or online. Customers were very satisfied with the delivery services by giving three out of five stars.

**Table 6: Summary of Customer Satisfaction**

Questions	Frequency	Percentage
<b>Did Foodpanda delivery make your orders correctly?</b>		
Yes	43	91.50%
No	4	8.50%
<b>If it did not, what is the mistake?</b>		
Wrong Order	1	25%
Left Order	3	75%
<b>Did the delivery is on time?</b>		
Yes	38	80.90%
No	9	19.10%
<b>If it is not, how much time did you wait until the delivery arrives?</b>		
1 to 5 minutes	0	0.00%
5 to 10 minutes	2	22.22%
10 to 15 minutes	0	0.00%
more than 15 minutes	7	77.78%
<b>Are you satisfied with Foodpanda delivery?</b>		
Yes	32	68.10%
No	1	2.10%
Maybe	14	29.80%
<b>How satisfied are you with the delivery?</b>		
1 of 5	5	10.60%
2 of 5	10	21.30%
3 of 5	15	31.90%
4 of 5	15	31.90%
5 of 5	2	4.30%

Foodpanda has expanded its business in Malaysia since 2018. Its first goal or objective to achieve in Malaysia is "to be the most convenient food delivery services in the country". It has been operating successfully with a lot of happy customers review. The result of the data collected using survey forms for customer satisfaction showed positives and good customer responses (Deshpande et al., 2020).

Based on the result of the data collected, we conclude that most of the customers are satisfied with the services given by the Foodpanda. There are 50 respondents in this survey. The result showed that the majority of the respondents said that Foodpanda made their orders correctly and only a few said otherwise. The mistake that the respondents arise in the survey is Foodpanda sometimes makes the wrong order or left orders. Left orders usually happened to small items such as ice cream since the

driver may focus on the main dishes. Foodpanda would give the customer an appeal voucher as their apology for the mistakes.

Delivery is mostly on time. Most of the respondents were satisfied with the delivery services given by Foodpanda. The delivery is fast and on time, however some of the respondents said otherwise as the delivery was not on time and the customers need to wait more than 15 minutes until the riders arrive with the orders. The drivers could encounter some obstacles, such as the distance between the restaurant and the arrival point, long queue for the orders, the traffic lights and weather.

Employees are one of the valuable resources for Foodpanda (Rajput, Singhal, & Tiwari, 2016), especially drivers, due to higher demand. If the employee is not faithful and loyal, Foodpanda cannot control the employee to properly maintain the delivery services. The employees perceive that loyalty does not necessarily bring monetary benefits and not lead to target achievement, yet they remain hard-working (Sachin et al., 2017). The data showed that although the bonus remains the salary, the employees need to continue working in Foodpanda.

Foodpanda becomes astonishingly successful due to its employee's loyalty and responsibilities to complete the tasks and orders. It accepts their feedback and takes several actions to fulfil their needs so that employee loyalty increases. It treats the employees in a humane and loving manner, and provides suitable salary and benefits. Their employees will not criticize its weakness yet trying to make some healthy disagreements in private to share their opinions.

Employee loyalty is a decisive factor ensuring its business sustainability. The survey on the employees reveals their loyalty. Most respondents agreed to continue working with it, giving benefits in the long run. Foodpanda needs to be aware of its strength in ensuring the loyalty of the employees. Based on the data, most respondents agreed if Foodpanda increase the employees' salary based on their annual performance, they will be loyal.

In addition, Foodpanda needs to improve the employees' bonuses management. A few employees did not get any bonus. It is common motivate employees to perform well. Some employees will feel dissatisfaction if they did not receive the bonus they expect. This can affect their loyalty.

Furthermore, apart from the salary and bonus, Foodpanda also needs to maintain the welfare of employees such as health, to ensure their loyalty. Based on the data, most of the respondents also agreed that Foodpanda has a better working environment compared to other food delivery companies. Foodpanda gave the freedom to the employees to arrange their working schedule. Moreover, the majority of the respondents agreed that the jobs match their capabilities. This is vital in ensuring a good working environment among the employees. However, Foodpanda cannot be too comfortable with their existing management activities because there are increasing numbers of competitors with the same services. GrabFood and DeliverEat are great competitors as the respondents believe that they have the potential to succeed in the Malaysia market. Competition arises when two or more parties strive for something that all cannot obtain (Listra, 2015). Competition between companies is very important as it will enhance the quality of the management as well as the service quality for customers.

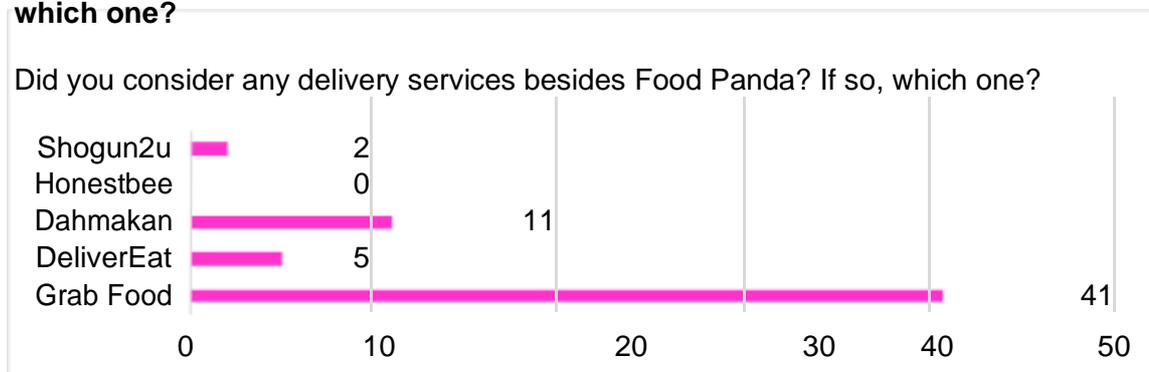
Job satisfaction is the main factor to achieve efficiency and effectiveness in the organization and a satisfied employee is a happy employee who will succeed (Aziri, 2011). Employee job satisfaction drives Foodpanda to success. Foodpanda's work is realistic and is providing a clear career path to avoid employees' panic. It gave feedback to the employees regarding their job performance. The activities to enhance employees' job satisfaction will help Foodpanda to have good performance and better and smooth operation. Furthermore, most of the respondents believe that their job is significant for society. For example, due to Covid-19 Pandemic, society will rely on the food delivery service to buy food. This proves that this job makes valuable contributions to the community indirectly enhancing the employees' level of job satisfaction.

Based on the customer satisfaction survey form, Foodpanda can increase customer satisfaction by updating more varieties of restaurants in their food portal, providing the customers with a lot of different choices. The drivers need to cover wider services areas to the village or rural, to make Foodpanda more popular and the demand will increase. The delivery time should be well adjusted to enhance customers' satisfaction. Benefit provision for the drivers are necessary since they sacrifice themselves despite bad weather.

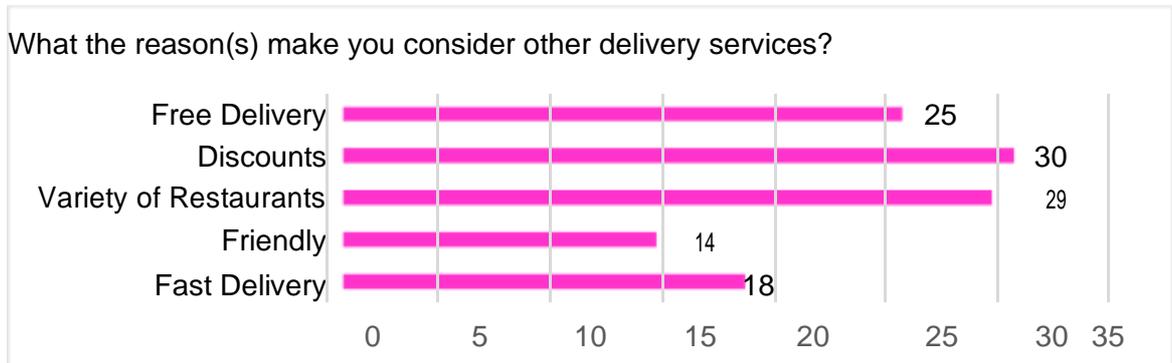
Bar Chart 1 below reveals some Foodpanda's competitors such as Grabfood, DeliverEat, Dahmakan, Honestbee, and Shogun2u. GrabFood is a strong competitor since most of the customers know about this company.

Bar Chart 2 shows the reasons customers consider other delivery services including discounts, variety choices of restaurants, free delivery, fast delivery, and friendly driver. Foodpanda could benefit this data to improve its service and compete with other competitors.

**Bar Chart 1: Did you consider any delivery services besides Foodpanda? If so, which one?**



**Bar Chart 2: What the reason(s) make you consider other delivery services?**



Analysing the competitors, FoodPanda could be more effective and efficient, thus, bringing it to success. It should improve the management of internal and external stakeholders such as employees and customers order to ensure the sustainability of the business activity. This is important since there will be an increase in the number of competitors in the future. It needs to make sure that the delivery services are customer's first choices rather than other services. Constructing a complete contingency plan is beneficial to face with upcoming problems and challenges.

## CONCLUSIONS

Today, Foodpanda becomes a successful business not only because of their service demands in the market but also by other factors. These factors not only give benefits to Foodpanda itself but also its employees and customers. Employee loyalty is a strong belief that the organization is the best and has a good committee in its company and it will not be impacted by job satisfaction (Rajput, Singhal, & Tiwari, 2016). The employees are more faithful to Foodpanda and provide assistance to its success. Employees are vital for the company business sustainability and the ability to compete with other competitors. Foodpanda's employees will stick with the company and never give a glance to another company.

Success is not the key to happiness. Happiness is the key to success. If you love what you are doing, you will be successful.,". The success of Foodpanda stated the pleasure of employees. Job satisfaction can be achieved by employees when they are happy doing their services. They are satisfied when they make more money by taking more orders from customers and Foodpanda gives commission to them. Employees are satisfied with what they are doing and get benefit from that.

Foodpanda is successful as customer satisfaction is the main key that Foodpanda fulfils the customer's needs. Customers are important for every service and there is a positive relationship between customer satisfaction and service quality (Asnawi, Awang, Aftanorhan, Mohamad, & Karim, 2019). Foodpanda consistently makes sure that the orders are accurate and correctly sent to the customers. "Success seems to be connected with action. Successful people keep moving. They make mistakes, but they don't quit. Foodpanda takes action to keep and make sure the customers are satisfied and stay with their service. It gives a promotion to customers to make sure they keep

using the apps in food delivery. Sometimes, it provides free delivery and a 20% to 50% discount. It makes customers cry out for Foodpanda services as their food delivery.

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