

Report on

**“Impact of Mobile App-based Service on Customer Loyalty in Food Delivery
Organization: A Case of foodpanda”**

By

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An internship report submitted to the **BRAC Business School** in partial fulfillment of the
requirements for the degree of
Bachelor of Business Administration

**BRAC Business School
BRAC University
July 2023**

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Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

Student's Full Name & Signature:

Nishat Tasnim Sharika

19104152

Supervisor's Full Name & Signature:

Dr. Najmul Hasan

Assistant Professor, BRAC Business School

BRAC University

Letter of Transmittal

Dr. Najmul Hasan

Assistant Professor,

BRAC Business School

BRAC University

66 Mohakhali, Dhaka-1212

Subject: Submission of my report on Customers' Loyalty Towards Mobile App-Based Services: Focusing on the foodpanda delivery service

Dear Sir,

With due respect, I Nishat Tasnim Sharika from BRAC Business School would like to inform you that my report is on Customers Loyalty Towards Mobile App-Based Services: Focusing on the foodpanda delivery service under your sincere supervision by displaying my experience as a customer service agent position of foodpanda Bangladesh.

I have attempted my best to finish the report with the essential data and recommended proposition in a significant compact and comprehensive manner as possible.

I trust that the report will meet the desires.

Sincerely yours,

Nishat Tasnim Sharika

19104152

BRAC Business School

BRAC University

Date: July 23, 2023

Non-Disclosure Agreement

This agreement is made and entered into by and between foodpanda Bangladesh and the undersigned student at Brac University.....

Acknowledgment

I am grateful to Allah for giving me such a great opportunity to work on this project.

Then, I'd like to express my gratitude to my supervisor, Dr. Najmul Hasan, for giving me the opportunity and guidance to work on this subject. I am grateful to him for helping me to prepare this report. Additionally, I want to express my gratitude to Ms. Fariha Ahmed, my line manager and workplace supervisor, who helped me get all the information and supported what I learned and experienced throughout the whole period.

In addition, I appreciate all the assistance and cooperation I have received from foodpanda Bangladesh and my entire team of service operations. Without their help and assistance, I would not have been able to finish the report or successfully worked through all of the challenges I encountered.

Last but not least, I would like to convey my heartfelt thanks to friends, family, and colleagues for all of their love, support, and encouragement, which have inspired me to work hard and improve myself. I am fortunate to have them in my life.

Executive Summary

People are getting increasingly conscious of comfort and time cautious. They are getting too busy to continue having joy in life. New technologies are periodically introduced to connect individuals all over the world. People are so attached to their phones that they have an intense need to use them for all of their daily needs. That is why business is consequently concentrating on the web and apps. Many new apps are also released each day. Businesses in the new era are concentrating on app-based services as well. Websites and mobile applications are now crucial components of services. People buy daily necessities like food, electronics, healthcare, cosmetics, and clothing online. As consumers are more inclined to conduct business online, mobile banking has been offered. Everything is getting very user-friendly and one tap right away.

With the help of foodpanda, an online food delivery service, consumers can place quick orders for their preferred meals, essential groceries, or prescription medications from a variety of restaurants, stores, and grocery outlets. foodpanda is well-liked by its users because of its user-friendly interface and reliable delivery service. In the first chapter of this project, I provide an overview of my internship with foodpanda Bangladesh, outlining my roles and responsibilities as well as the lessons I took away from the experience. Additionally, I covered the organization, its procedures, and its departments in the second chapter. The project portion where I attempted to demonstrate the customer's loyalty to mobile app-based services was covered in the third chapter. using feedback from foodpanda users to concentrate on the delivery service.

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List of Acronyms

SOP = Standard Operating Procedures

CCR = Customer Contact Reason

FCR = Freshchat Canned Responses

AHT = Average Handling Time

KPI = Key Performance Indicators

NID = National Identity Card

TIN = Taxpayer Identification Number

HR = Human Resource Department

COD = Cash On Delivery

CS = Customer Service

B2C = Business-to-Consumer

Chapter 1: Overview of Internship

1.1 Student Information:

Name: Nishat Tasnim Sharika

ID: 19104152

Program: Bachelor of Business Administration

Majors: Marketing and Computer Information Management (CIM)

1.2 Internship Information

1.2.1 Employment Details

Name of the Company: foodpanda Bangladesh

Address: Navana Pristine Pavilion, 8th Floor, Plot-128, Block-CEN, Gulshan Ave, Dhaka 1212

Period of Working: August 1, 2022 - Present

Department of Internship: Service Operations

1.2.2 Supervisor Details

Supervisor's Name: Fariha Ahmed

Position: Senior Manager, Service Operations

Email: fariha.a@foodpanda.com.bd

Phone number: +8801798145065

1.2.3 Job Responsibilities

I worked for foodpanda Bangladesh's Social Media Team as a customer experience representative. My main responsibility there was to deal with customer complaints and

order-related concerns. My main mantra for the employment there was to satisfy them with the best solutions. Customers reach out to them for complaints about the quality of the food or items, general questions about foodpanda and their service, updates on their orders, other promotional offers, partner-related questions, job-related questions, questions about hiring riders, requests for technical support, and so on. As a customer experience representative, I inform them of the responses to their queries and give them the information they need by understanding the issue. For instance, if a customer comes to me with burned food, I must be empathetic and offer a solution that would satisfy the customer. I also needed to provide technical support for any technical problems, such as an issue with the app. Additionally, I had to keep track of any feedback that might support the business in future improvements. Another duty was to monitor client feedback on social media posts and respond with engaging comments to draw more of their attention. In addition, I had to train and take shadow new hires so that I could demonstrate the working process and the fundamental methods for handling problems. My duties there also include attending meetings, training, updating sessions, and giving quizzes. It helped me to keep aligned with the updates and boost my knowledge up to date. Email and Salesforce were my main platforms of customer communication. In addition, I used a number of tools to serve my customers, including Hurrier, Salesforce, and the ops portal.

1.3 Internship Outcomes

1.3.1 Student's Contribution to the Company

I have been employed with foodpanda Bangladesh for about a year, and throughout that time, my key tasks have been to interact with customers and find the best solutions to solve their problems, which I have done successfully. I am able to accurately identify consumer problems and offer the best solution, which has helped the business win the trust of its customers and attract more loyal customers. Additionally, I managed some of their cloud kitchen pages as well as their official Facebook page. In order to better handle the customer scenario, I also created lots of macros. These macros include all the data needed to introduce and resolve one specific problem. In addition, I trained and shadowed newly hired employees to teach them the working process, how to manage customer concerns with the best answer, and how to interact with customers effectively. I also evaluated and prepared the task preparation sheet for people from

another team. In order to assist the business to grow and effectively provide a more robust service, as well as to help them in the long term to have more loyal consumers, I worked to collect the parts that we needed to improve service operations. During my employment, I was awarded the certificates for Panda of the Month twice and Quarter of the Month once. My team and higher management appraised me a lot for my success.

1.3.2 Benefits to the student

Throughout my employment, I gained experience in learning customer issues and offering appropriate solutions. I developed an increased ability for empathy for other individuals and their customer's problems. Additionally, I had the opportunity to learn about a variety of software, including Salesforce, Hurrier, the ops portal, Herocare, etc. In addition, I got an inside look at the corporate culture and daily operations of a large corporation. I gained knowledge of the proper protocol to follow in an office setting. Additionally, I've learned how to multitask, keep discipline, finish projects on time, and other skills. I gained experience in teamwork, professional project management, instruction, and training. I acquired the ability to maintain my commitments, show up for meetings, and get to work on time. Also, I learned how to work remotely as well.

1.3.3 Problems/Difficulties (faced during the internship period)

Since I was completely new to corporate work and the quality of work, it was difficult for me to adjust to the flow of work at first. It was difficult for me to learn the SOP, CCR, improve my typing, or control the AHT. But I slowly picked up on each of these. Furthermore, because I had to focus for a long time during online sessions, the training, which used to be very lengthy, and the quizzes that followed it were both very challenging.

foodpanda has its own SOP, standard operating procedure which is a must required for any agent to learn and get training. And having to memorize more than 100 SOP in order to work properly was not an easy task for me as an agent. Since I had to provide any resolution within 3 minutes of the AHT, average handling time had to be under control, and I needed to understand the SOP

very accurately. Moreover, there are 100 plus CCR, customer contact reasons that I needed to memorize. These SOPs and CCRs also update so frequently and I had to keep myself updated. With the help of such SOPs, an agent can recognize a customer's problem and offer a solution, which may include an apology, an accurate refund, vouchers, or a variety of other things. Before issuing a refund or voucher, it must be verified that the customer is genuine (by looking at the dashboard), a subscriber to pandapro, an employee, or that the refund amount is correct. It must also be verified that the customer has given their consent to receive the refund, among other things. To provide an appropriate resolution, I sometimes needed to call the customer, the rider, or our partners. Sometimes I had to work night shifts as well, and it was really challenging to focus. It was challenging to maintain all of these things while working under pressure, but I managed to do so in the end and received praise as well.

1.3.4 Recommendations (to the company on future internships)

foodpanda needs to hire more agents because it is challenging to complete many duties with just a few agents. Additionally, I believe the SOPs need to be explained clearly and in a simpler format so that agents' understanding can be improved. In addition, their training process is excellent, making it easy for the agents to ask questions and clarify their understanding during meetings. They hold daily refresher training sessions for the agents so that they can get their everyday confusion cleared up. Additionally, I truly appreciate how they train the representatives to handle each customer's issue. As a result, I am happy to suggest that other students work with foodpanda.

Chapter 2: Organization Part

2.1 Introduction

Information and communication technology (ICT), smartphones, smart technologies, and mobile application (app) software have quickly expanded into major aspects of daily life. We currently live in an era when technology is essential to us. As a result, online food delivery has also flourished in our nation.

foodPanda is currently the top food delivery service in the world, allowing customers to buy food online to save time. With the help of this service, people can quickly order food and have it delivered to their homes, workplaces, or anyplace else. There are a few well-known companies that offer this kind of service, but foodpanda Bangladesh was one of the first to do so in the nation and quickly gained popularity for its outstanding offerings.

2.2 Overview of the Organization

Delivery Hero, a company established in Berlin, owns the online food and shopping delivery service known as Foodpanda (stylized as foodpanda). With its corporate headquarters in Singapore, it serves as the leading brand for Delivery Hero in Asia. It is presently Asia's biggest platform for food and grocery delivery.

At first, Rocket Internet founded the company, which used to be a European internet company. After then, they sold the Foodpanda brand to Delivery Hero, another competitor. In addition to processing and sending orders to partner restaurants, foodpanda also hires riders to deliver food to customers. Through its websites and mobile applications, the service is accessible. foodpanda was brought to Bangladesh by Ambareen Reza and Zubair Siddiky in December 2013. foodpanda was the country's first food delivery business at the time. Later, businesses like Pathao Food, Uber Eats, HungryNaki, and others entered the competition. Currently, all of Bangladesh's major districts and other regions are supplied by foodpanda. foodpanda has expanded its

company beyond just meal delivery; they now also offer groceries and pharmacy services, and they operate its own cloud-based online stores throughout Bangladesh.

2.3 Management Practices

2.3.1 Top Management:

Because of the ideal organizational structure, which places the founders in charge of various teams and departments, the company runs without any difficulties.

Departments under Ambareen Reza and Zubair Siddiky, Co-Founders and Managing Directors:

- Human Resource
- Partner Service
- Operations
- Marketing
- Sales
- Account Management
- Sales Operation
- Content Team
- Finance
- Key Account Manager
- Admin

2.3.2 Leadership style

The management techniques used by foodpanda are excellent and productive. foodpanda Bangladesh's managing directors are Ambareen Reza and Zubair Siddiky. In Bangladesh, they are in charge of this global food delivery system. The managers and other top-level to lower-level staff are involved in the discussion of the decisions they make beforehand. Being a

global business, there are specific rules established by the regional team that must be followed in all countries where foodpanda operates.

Weekly service operations and town hall meetings are held in my department to collect feedback from all the teams, which enables the authority to make decisions and, if necessary, implement improvements. For example, the customer service (CS) team lead, Mr. Mustafiz, organizes meetings where he evaluates the work performed by the teams' members (SoMe, RFM, SRT, L3), analyzes areas for improvement, offers his views and input, and makes appropriate recommendations. In addition, agents receive rankings according to their activities, including case count solutions, AHT, etc. Additionally, everyone receives a KPI (Key Performance Indicator) depending on performance.

2.3.3 Human resource planning process: recruitment and selection

The hiring and selection processes are crucially dependent on the HR department at foodpanda. They require employees more and more as their company grows, which causes them to hire additional people. To choose their employees, they take a number of initiatives. The best applicants are chosen for the interview after a careful review of the CVs. First, they compile CVs from which they select the applicants who are most qualified for the open positions. And one of their methods for attracting potential applicants is the CV-gathering procedure they carry out through various social media platforms like Linked. They then evaluate the applicants by compiling information based on a few tasks that are created related to the roles. For instance, written assessments may include scenarios and examples based on customer problems to demonstrate the candidate's level of familiarity with these topics and their fundamentals. When a candidate passes the written tests, they send a Zoom link for an interview with the department head, a few other experts in the field, and a member of the HR team. The candidates who are most suitable for the roles are shortlisted following the interview. The candidates are notified via email, and a form asking for information about their NID (National Identity Card), TIN (Tax Identification Number), passport, educational certificates, references, addresses, emergency contacts, etc. is sent along with it to look into the backgrounds of those employees. The official

offer letter is then sent following those. Last but not least, they schedule an orientation meeting where they discuss the organizational culture, functions, missions, visions, and goals.

2.3.4 The compensation system

The HR department hasn't shared any information regarding the compensation system. However, I am sharing this from my personal experience, where each employee receives a basic salary. Additionally, employees are given a KPI which is BDT 4000, that is based on performance and requires that every employee reach 95% or higher regarding their performance. Additionally, they offer two festive incentives for Eid al-Fitr and Eid al-Adha as well as holiday bonuses for employees who work on holidays.

2.3.5 The training and development initiatives

I received training on all the fundamentals and methods for dealing with customer issues before I even started my work. Where SOP, CCR, and FCR, as well as all the software needed to complete my task, were demonstrated and taught. Everyone who joined along with me got the same training. Employees also must stay updated because these SOP, CCRs, and FCRs are changed so frequently in order to offer the best solutions to customers based on their issues. To prevent fraudulent activities, for instance, we used to repay by offering a refund in double claims in one order, but now that it has been updated, we deny it after second contact with the same claim. Every employee is trained by a trainer. Additionally, all SOP, CCRs, and FCRs have been established by the regional team (APAC), and the Bangladeshi trainer is in charge of conveying this knowledge to the employees for better understanding.

2.3.5 Performance appraisal system

There are three types of appraisal that are given to the employees based on their performances. Three types of appraisals are given: a weekly one, a monthly one, and a quarterly one. The first is a verbal appraisal we receive from our leads each week based on our performance for weekly

performance, which is determined by how many customer issues we were able to resolve and our AHT. The second one, known as Panda of the Month or leaderboard winner, is determined by the highest number of consumer issues that we have successfully resolved again, AHT, and 100% evaluations. Last but not least, the month's quarter is determined by the three consecutive months of evaluations, and the winning employee also receives a BDT 5000 financial reward. The certificate serves to both winners as an award to the Panda of the Month and Quarter winners. Employees are encouraged and inspired by these evaluations to deliver better results and earn those titles.

2.4 Marketing practices

2.4.1 Marketing strategy

foodpanda significantly increased its consumer base by growing its business. The majority of the advisements we see on YouTube are from foodpanda, which frequently has attractive promotional offers. Also, to reach their target customers, they use a variety of marketing strategies.

- Offline marketing:** They advertise their service and draw customers' attention via non-digital channels. For them, offline marketing continues to be an important tool for contacting their target markets and developing brand advertising. This includes flyers, advertisements in newspapers, magazines, brochures, numerous billboards (huge images of foodpanda's mascot "pau pau") throughout the city, and other printed materials.



Figure 1: foodpanda's billboard

- **Digital marketing:** They promote themselves on digital platforms as well. It is the era of digital marketing, they are also following the trend. They use a range of digital marketing strategies, such as social networking platforms, email marketing—which we at foodpanda call newsletters—email distribution, search engine optimization, content marketing, mobile marketing, and more.
- **Affiliate marketing:** To familiarize themselves with their just-introduced vouchers and facilities, they advertise themselves using Instagram influencers, famous athletes, actors, and food bloggers. As an example, Bangladeshi cricketer Tamim Iqbal promoted their pandamart, food blogger Faiza promoted their iftar takeaway fest, Instagram influencer Shoumik promoted iftar takeaway fest through live videos, and Instagram influencers Rakin, Tajwar, Shiumik, and Shouvik promoted the service through numerous interesting content videos.



Figure 2: Bangladeshi cricketer Tamim Iqbal promoting pandamart

- **Partnership marketing:** They work along with numerous banks to provide their customers with special offers, including EBL (voucher "FPEBL150"), Prime Bank Limited (voucher "FPPBL150"), and various other banks (voucher "visa25"). Additionally, they partnered with the well-known mobile banking service provider bKash to advertise hassle-free online payments as well as incredible discounts and cashback offers (voucher "fpbk50/fpbk70"). Not just with the financial industries, but also in partnership with other businesses like Robi, EMK Center, their affiliated restaurants, and so on. Additionally, they engage with sponsors and affiliates to advertise themselves. For

instance, most recently, they planned an Indian artist named Anuv Jain performance in Dhaka with Triple Time Communications and Adventor Communications.



Figure 3: foodpanda affiliated with Prime Bank & bKash

2.4.2 Target customers, targeting and positioning strategy

They generally target financially secure urban regions with a high population density, a variety of eateries, and a desire for meal delivery services. They also use their marketing methods to target a sizable number of restaurants and potential customers. It includes time-constrained students who frequently have tight schedules and may not have the opportunity to cook meals often, families who enjoy eating meals together without having to cook or move out, busy professionals with busy schedules and little time to prepare meals, employees who might prefer to have meals delivered to their the workplace during breaks for lunch or for team meals, cautious about their

health people or customers who are looking for a variety of diet meals. Additionally, they target stores, caterers, street food vendors, restaurants, and home cooks.

They market themselves as a reliable and efficient delivery service offering a wide variety of cuisine and simple-to-click grocery products. Additionally, they promote themselves as a reliable service with affordable costs. They also emphasize their speedy delivery technique, which makes it possible for them to bring packages to your home within 30 minutes. Additionally, they offer two different services—delivery to your home and pick-up service—on a user-friendly website and mobile app. They offer three simple payment options: COD, bKash, and a card payment system. Additionally, they support local eateries, small companies, and home chefs who want to provide themselves with food. Also, they have their subscription method where subscribers get special advantages rather than the nonsubscribers, they call their subscribers pandapro. They have some challenges as well which attracts customers to win panda badges and winning the badges, customer can scratch those and get various amounts of discounts.

2.4.3 Marketing channels

Foodpanda advertises its brand through a variety of platforms. Such as

- **Social Media:** They are quite active on social media platforms such as Facebook, Instagram, YouTube, Twitter, LinkedIn, and others. Through these platforms, it actively interacts with its customers through campaigns, partnerships, voucher incentives, and other initiatives.
- **Email:** By sending emails, they keep connections and update their customers. To obtain regular customers, they send emails to their target markets, subscribers, users, and others with information on their ongoing campaigns, promotional activities, deals, advertisements, affiliations, and so on.
- **Partnerships and Collaborations:** To increase their customer base, they collaborate with other eateries, celebrities, influencers, vloggers, etc. For instance, the restaurants

they work with are well-known eateries like Star Kabab, Waffle Up, KFC, BFC, Pizza Hut, and so on. Additionally, influential Shoumik Ahmed performed live for their Iftar bazaar, food vlogger Faiza supported foodpanda, and well-known cricketer Tamim Iqbal is their brand promoter.

- **Sponsorship:** In order to promote events and themselves, they also sponsor them. Like Minister Dhaka in the BPL, Anuv Jain's most recent concert, the Bangladesh team at the Street Child World Cup (SCWC), and so on. They design their sponsorship so that customers must make a minimum number of purchases or sign up for their pandapro subscription in order to participate. By doing so, both sides gain advantages, and foodpanda facilitates the event to advertise its brand and broaden its customer base.

2.4.4 Product development

Information related to the development of new goods or services is private and not given permission to be published.

2.4.5 Branding activities

foodpanda engages in a variety of branding efforts to market its service, build brand recognition, connect with customers, set itself apart from rivals, and more. For example, its mascot, logo, brand color, and visual element all relate to its activities. The brand's previous color, orange, has been modified to help it stand out from its rivals and become more recognizable. They then modified everything, including the driver's clothing, delivery bags, and store identification. The brand's iconic panda face logo has been modernized and changed into a more simple version of the cute neon pink panda. The brand's logo now looks a lot more modern. Furthermore, they introduced "pau pau" as their own mascot. They made their mascot appear to be a brave and playful panda, which helped them gain a lot of popularity.



Figure 4: foodpanda's mascot "pau pau"

2.4.6 Advertising and promotion strategies

foodpanda uses a variety of marketing and advertising techniques to spread brand recognition, attract customers, and increase food delivery platform orders. foodpanda frequently employs the following advertising and promotion techniques:

- **Discounts and offers:** Every time a customer tries to place a purchase, they have ongoing promotional offers. Customers can readily obtain those by investing a minimal amount of worth. They keep their voucher codes aligning with the occasions or ongoing trends, For example, during Ramadan, their regular voucher codes were iftar, roza, and ramadan. And during Eid, their voucher codes were salami, eid, etc.
- **TV Advertising:** Attractive TV advertisements have also been employed by foodpanda to advertise its service. For example, a boy told his mother that his friends are coming to watch a cricket match together, and his mother got furious after listening to that since she thought she had to cook them. But the advertisement showed that we can order food easily without having any hassle at home.
- **Collaborations:** foodpanda often collaborates with celebrities, sportsmen, vloggers, influencers, and many more. They work as their brand promoters. For example, Bangladeshi cricketer Tamim Iqbal promotes pandamart, food vlogger Faiza promoted their iftar fest, influencer Shoumik Ahmed did live for them, and so on.

- **Loyalty Program:** foodpanda offers a "pandapro" subscription program that entitles subscribers to benefits including 10 free deliveries per month, an unlimited additional 5% discount on pick-up orders, an unlimited 10% discount on pandamart orders, and an infinite number of dine-in discounts. They provide three different subscription options: monthly, half-yearly, and annual.
- **Stamp Card:** Stamp Card is a new feature for foodpanda's customers. There are some challenges in this feature, if they complete all those challenges they will get some interesting badges and points. Points can later be used to get vouchers.
- **Pandabox:** Customers get time-limited promotional offers known as pandabox when they open the app. These offers will appear at random for chosen users only during specific times. Based on differing order values, they will be given 3-tier discounts. The discount will increase in size as customers place additional orders.

2.4.7 Critical marketing issues and gaps

The corporation has hidden information about important marketing issues and gaps. But from my observation, I think their lack of communication within the teams is failing to generate enough revenue as they expect.

2.5 Financial Performance and Accounting Practices

2.5.1 Finance Performance

The parent company of foodpanda, Delivery Hero, publishes the financial report of all the businesses in a single report. Since they don't release their own report, I'll examine the financial report from Delivery Hero. The half-yearly financial report for 2022 is the most recent financial report that can be accessed on the Delivery Hero website. The complete financial report for 2022 has not yet been released yet. For my analysis, I'll use data from three years: 2021, 2020, and 2019.

- **Gross Profit Margin:**

	2022	2021	2020
Gross Profit Margin	26.02%	21.48%	19.99%

The increase in foodpanda's gross profit margin from 21.48% in 2021 to 26.02% in 2022 suggests increased profitability. 2020 saw a change in the margin to 19.99%. The expanding pattern shows that foodpanda is earning more money for each sale. This improvement could be influenced by elements like higher sales or lower fees. Gross profit margin is only one indicator of economic health; other factors must be taken into account for a thorough analysis.



Figure 5: Gross Profit Margin

- **Net Profit Margin:**

	2022	2021	2020
Net Profit Margin	34.69%	18.73%	56.93%

The net income margin of foodpanda increased from 18.73% in 2021 to 34.69% in 2022, demonstrating higher profitability and the possibility to retain more profit per sale. However, the internet income margin rose to 56.93% in 2020, outpacing both of the years after that. The declining trend suggests difficulties in maintaining profitability, which may be brought on by a variety of circumstances, such as lower income or better pricing. For a thorough evaluation of foodpanda's economic overall performance.

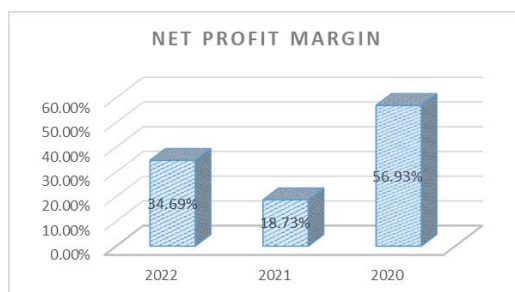


Figure 6: Net Profit Margin

- **Return on Assets:**

	2022	2021	2020
Return on Assets (ROA)	23.13%	8.63%	24.40%

foodpanda's return on assets (ROA) increased from 8.63% in 2021 to 23.13% in 2022, demonstrating improved profitability in making use of its assets. But in 2020, the ROA increased to 24.40%, outperforming the two years before it. The declining trend suggests challenging circumstances in turning a profit from real estate, perhaps as a result of variables like lower revenue or more costs. For a thorough analysis of foodpanda's financial overall performance.

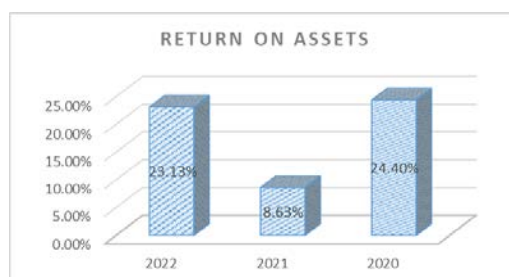


Figure 7: Return on Assets

- **Return on Equity:**

	2022	2021	2020
Return on Equity (ROE)	78.46%	19.97%	121.23%

The increase in foodpanda's return on equity (ROE) from 19.97% in 2021 to 78.46% in 2022 indicates increased profitability in generating benefits from shareholders' equity. But in 2020, the ROE increased to 121.23%, which was higher than in any of the years before. The declining trend indicates difficulties in generating a profit from shareholders' equity, probably as a result of

factors like lower income or greater fees. For a thorough analysis of foodpanda's financial performance.

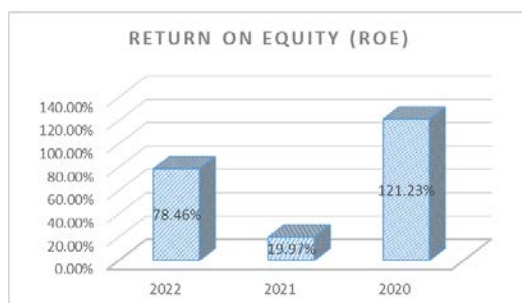


Figure 8: Return on Equity

- **Current Ratio:**

	2022	2021	2020
current Ratio	1.47	2.05	3.34

In order to meet current obligations with current assets, foodpanda's current ratio decreased from 2.05 in 2021 to 1.47 in 2022. However, in 2020, the current ratio increased to 3.34, which was a greater value than in any of the years that followed. The declining trend indicates difficulties in fulfilling short-term obligations, perhaps as a result of factors like lower revenue or increased costs. For a thorough analysis of foodpanda's financial performance.

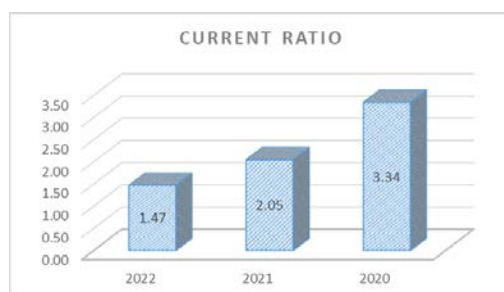


Figure 9: Current Ratio

- **Quick Ratio:**

	2022	2021	2020
Quick Ratio	1.41	2.00	3.31

The quick ratio of foodpanda decreased from 2.00 in 2021 to 1.41 in 2022, showing a less prosperous ability to meet current liabilities with the liquid property. However, the quick ratio in

2020 changed to 3.31, which was greater than both of the years after. The declining trend suggests difficulties fulfilling urgent obligations with readily available property, perhaps as a result of factors like decreased income or increased costs. For a thorough analysis of foodpanda's financial performance.

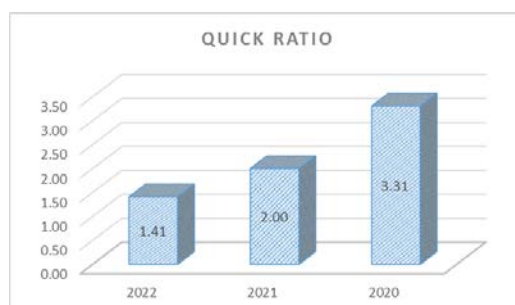


Figure 10: Quick Ratio

- **Debt Ratio:**

	2022	2021	2020
Debt Ratio	0.71	0.57	0.80

The debt ratio for foodpanda decreased from 0.80 in 2020 to 0.57 in 2021 before marginally increasing to 0.71 in 2022. This suggests that the business is using debt to finance operations much less frequently, which is excellent news for its financial stability. The issuing of more ability equity and more coin glide from operations are two factors that might be causing the drop. This drop in the debt ratio enhances foodpanda's appeal to lenders and customers, lowering risk and maybe making it easier to raise funds in the future.



Figure 11: Debt Ratio

2.5.2 Accounting Practices

The financial statements are produced using IFRS and IAS in an effort to maintain a global standard and simplify the unification of various statements. All fundamental accounting standards are used and have been produced in accordance with IAS 34 Interim Financial Reporting and are in compliance with the International Financial Reporting Standards (IFRS) (Financial Reports and Presentations - Delivery Hero, 2022). This ensures transparency and makes financial records simple for the government to audit. Additionally, the business uses accrual basis accounting. Additionally, the delivery service accounts for its plants, property, and equipment using the accumulated depreciation technique.

2.6 Operations Management and Information System Practices

2.6.1 Operations Management

foodpanda Bangladesh has grown its business beyond just delivering food to customers' doorsteps. Such as now customers can pick their own food from the restaurant ordering from foodpanda, pandamart, a platform for grocery delivery, was also introduced, and businesses can now use their riders to deliver their goods through pandago, a dine-in option with additional benefits. They use their rider distribution and effective vendor communication for every other service. They run each of these with a team that is specially trained for that service. For instance, the Area Operations Manager, Fleet Management Executive, and other people make up the team and care after it. The Operations and Rider Compliance team is charged with operating with the riders and other services where it is necessary to stay connected. Based on forecasts and capacity reports, the business intelligence team allocates timetables and operational tasks to the riders. They also take severe action in cases of rider misconduct.

The Rider Service Team provides assistance to the riders. If they encounter any issues while delivering, they can get in touch with live support team members. The Partner Service Team handles issues involving vendors or partners. When current vendors encounter problems or require support, it helps them to get in touch with the team. Mobile devices, tablets, and receipt (GPRS) printers are among the tools that foodpanda provides to its partners as well. In addition,

pandamart is the sole strategy for foodpanda to directly perform business-to-business (B2C) interactions. For that, they have a specialized staff to look after the pandamart's operations. Additionally, they have a separate management group that is in charge of supply chain management, distribution, suppliers, imports, and transportation.

2.6.2 Information system practices

foodpanda is especially concerned about the security of its data. They employ a variety of programs since it needs to keep their data safe. In several industries, software is employed to protect data. Departments make use of Slack, Salesforce, Work Chat, Tableau, and other tools. They used software created specifically for them to evaluate the performance of their workers. The HR department, however, makes use of a variety of HRMS programs. The company's data protection policy forbids revealing the names of such software.

2.7 Industry and competitive analysis

In recent years, other businesses have developed similar ideas to foodpanda. People's attraction to online delivery services has significantly changed throughout COVID'19, which has also had an impact on people's purchasing behavior. foodpanda also increased its business throughout Bangladesh during the pandemic, covering over 50 districts. Additionally, they have plenty of rivals, like HungryNaki, Pathao Food, Uber Eats, etc. foodpanda Bangladesh co-founder Zubair Siddiky estimates that the industry generates somewhere between 175-200 crores BDT yearly. He forecasts that within the next two to three years, the market for food delivery will multiply five times, reaching 1,000 crores BDT (Startup, 2021). But Bangladesh's food industry hasn't made much progress compared to other advanced countries.

2.7.1 Porter's five forces:

- **Threat of substitutes (medium):** The service provided by foodpanda can be substituted with its home chef partners, traditional order-taking procedures, and offline dining. For instance, foodpanda allows home chefs to cook meals at home and sell it through their platform. They also launch their Facebook pages so customers may start using them to

order directly from their pages. Additionally, many customers could still prefer to place their orders by calling the restaurant directly, which may be usual, particularly among those who are less digitally savvy. Additionally, those who like eating out may not rely on foodpanda.

- **Threat of new entrants (low):** There are currently a few rivals to foodpanda, including Pathao Food, HungryNaki, and others. However, as a result of the closure of companies like Uber Eats and Shohoz Food, the number has decreased. However, it is difficult for new businesses to compete in this industry due to a variety of considerations, including the need for substantial funding, the creation of a reliable and user-friendly app or website, partnerships with restaurants, and many more. Additionally, the previous president Fahim Mashroor of the Bangladesh Association of Software & Information Services (BASIS) stated in an interview that small domestic businesses find it difficult to succeed in the food delivery service industry due to a lack of money (Hossain, 2023). Therefore, there is less of a threat from new competitors here.
- **Competitive rivalry (high):** Pathao Food and Hungrynaki are the two main rivals that foodpanda is currently battling with the most. Daraz has invested in Hungrynaki, while Pathao Food has invested in the ride-sharing app. So both companies are expanding quickly. But unlike other businesses, foodpanda offers certain distinctive features like pick-up services, q-commerce stores, etc.
- **Bargaining power of suppliers (medium):** The company's suppliers are the restaurants and shops that work with foodpanda. The partner service team works to ensure the partner's satisfaction with foodpanda. If they are not, they may leave negatively impacting the company's operations. For example, for each order, a certain amount of commission needs to pay by the restaurants that are partnered with foodpanda, however, if the partners stop giving the commission considering it as high, but start to other services for their lower commission policy, foodpanda will suffer a sizable financial loss.

- **Bargaining power of buyer (high):** Customers are the most important and influential aspect of every business because they are the ones who actually bring in the revenue. Therefore, their requirements must be met in every business. Since foodpanda has so many rivals, customers can select them whenever they want to. Additionally, negative customer feedback on their social media posts or a lack of satisfaction with the customer's needs could lead to the loss of potential customers.

2.7.2 SWOT Analysis:

<ul style="list-style-type: none"> ● Strengths: - Quantity of Famous Restaurants - High number of riders - High number of service areas - Loyal customer base - Pick UP - User-friendly app/ website 	<ul style="list-style-type: none"> ● Weakness: - Poor quality food from partners - No helpline number - Poor attitude of riders - No Nagad mobile financial service
<ul style="list-style-type: none"> ● Opportunities: - Advantage of rapid progress - Potential to grow in additional fields - Low commission to attract more vendors - Expanding to more rural areas - Adding Nagad as a payment method 	<ul style="list-style-type: none"> ● Threats: - Rival food delivery companies - Unfavorable feedback on social media - Adding fraud vendors

- **Strengths:** Currently, a large number of well-known restaurants are partners with foodpanda. Additionally, they have a far greater base of devoted customers than other services and a much larger number of riders. Additionally, they have a standout feature of a pick-up service and a user-friendly app/website to draw in and retain repeat customers.
- **Weakness:** Vendors' bad quality of food and riders' poor attitude can hamper their customer's experience. Moreover, they do not have any helpline number, they only provide solutions through Facebook inbox, live chat, and Email. Also, they currently

have three payment methods, COD, card payment, and bKash. They do not take payment from Nagad which currently is a popular mobile banking service.

- **Opportunities:** Currently foodpanda has the largest customer base and a large number of well-known restaurants as partners with many other strong sides which can easily lead them to rapid progress. Moreover, they have the potential to grow in additional fields as they did previously such as grocery delivery, dine-in, and others. They can also lower the commission for the vendors to attract more vendors to expand choices for their customers. Furthermore, they can add Nagad as another payment method to grab more customers.
- **Threats:** Pathao Foods, and Hungry Naki are the two main competitors of foodpanda now. Their unique features or any other good quality can easily divert foodpanda's loyal customers towards them. Moreover, fraud customers or any customer who had any bad experience with foodpanda can unfavorable feedback on social media which will impact their success. Also, adding any fraudulent vendor or bad service-providing vendor can affect foodpanda's reputation.

2.8 Summary and Conclusions

In this country, foodpanda is doing fairly well. However, they have become well-known in this area and have successfully influenced how people order food and popular choices for individuals to enjoy a range of cuisine at home. Despite its many benefits and widespread popularity, foodpanda still faces competition from rivals like Pathao Food and Hungrynaki. They must therefore always be aware of the threats and opportunities in order to make an impact on this industry.

2.9 Recommendations

- foodpanda should always be careful in choosing their partners to make sure their customer's ultimate satisfaction otherwise it will impact on their existing and potential customer base

- They should also make sure that their partners are satisfied with the incentives and prioritize so that rivals don't use it as their advantage.
- Riders must be well trained to mitigate customer dissatisfaction towards their service. If customers face any sort of bad behavior, it will affect their business. Here riders' performance should also be measured carefully to avoid these sorts of situations.
- More mobile banking financial services should be added as their payment method to attract more customers and fluent transactions.

Chapter 3: Project Part

3.1 Introduction

Smart technology and mobile application (app) software have assimilated into our daily lives in the fast-paced, digitally connected world of today. Mobile apps are created to bring consumers and developers together for a specific goal. It makes it simpler for users and creators alike to accomplish the unique aim without the usage of a middleman. foodpanda is currently the best-known food delivery service in the world, allowing users to buy food online and save time and effort. They are fast expanding their business as an internet platform for food delivery because it is the era of technological growth. Their user-friendly website and app are growing in popularity as more individuals take advantage of their simple approach.

3.1.1 Background

The purpose of the report is to study and explore the possibilities of mobile-based services, particularly for foodpanda.

- **To find the essential elements of an app that encourage usage:** These days, the most common type of service delivery is through mobile applications. For this reason, a lot of companies are focused on applications, and the app store is currently populating with mobile apps. However, there are some essential elements that must be present in an app in order to guarantee ongoing usage.
- **To determine the consumer behavioral factors:** Given the intense competition in the present market for mobile app-based services, it is important for a brand to continue to offer features that emotionally encourage users to keep using the app.
- **To determine the elements that will guarantee continual:** Mobile apps offer new potential for marketers to make money because consumers not only utilize them but also look for user-friendliness in them. They are now effective digital marketing and sales

tools. Therefore, it is important to precisely pinpoint the psychological and behavioral aspects that will support continued consumption.

3.1.2 Objectives

The purpose of this research is to determine and measure customer loyalty toward mobile app-based services focusing on foodpanda delivery service.

3.1.3 Significance

This report is done to determine and measure customer loyalty toward mobile app-based services focusing on foodpanda delivery service. As it is a fast-moving business, customer loyalty and interest toward it might change in the future. This study can also create a scope to understand the continuity of customers' interest and loyalty in the future to this service.

3. 2 Methodology

Two categories of data—primary and secondary—have been gathered to provide the information for this report. The primary data has been obtained from a survey via Google form and my work experiences. And the secondary that I have gathered is mostly from research papers that are previously published on available online sources.

3.3 Findings and Analysis

83 responses from a wide range of respondents were gathered for this survey in order to create a fair report.

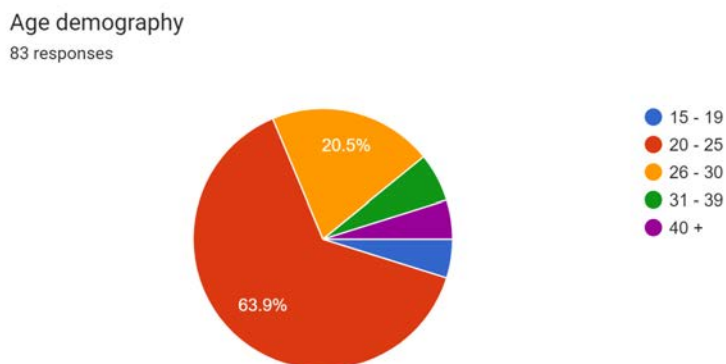


Figure 12: Age Demography

Age demography: To better understand the age demographics, this question was included in the survey. The majority of the respondents are in their 20s to 25s. Approximately 63.9% of responses fall into that category. 20.5% of the population is between the ages of 26 and 30. Since I am a student at Brac University, it was easier for me to reach my age people than other age groups. 6% of respondents in the 31–39 demographic took part in this study. The responses from those surveyed in other age categories fell noticeably below 5%.

Are you accustomed with the mobile app based services in Bangladesh like foodpanda/Pathao Food/Hungry Naki etc.?
83 responses

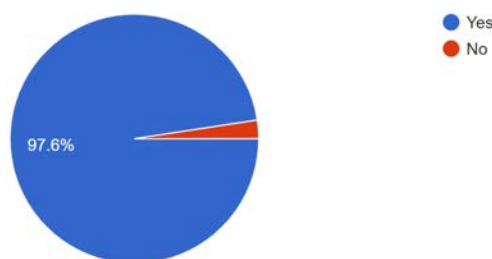


Figure 13: Accustomed people with mobile app-based services

Accustomed people with mobile app-based services: Most of the respondents are accustomed to mobile app-based services as per this survey. It indicates that now mobile app-based services are quite popular with people. As the data shows, 97.6% of the respondents are aware of it.

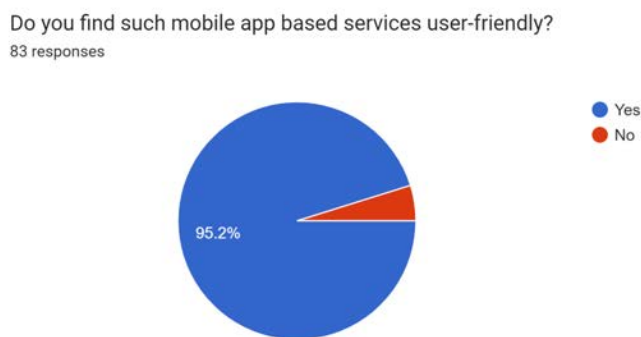


Figure 14: User-friendliness of app-based services

User-friendliness of these app-based services: Most users find these app-based services to be very user-friendly, which is a great approach to increasing customer loyalty. It will support keeping clients happy and interested while using the service. According to this survey, 95.2% of respondents perceive these app-based services to be highly user-friendly and efficient.

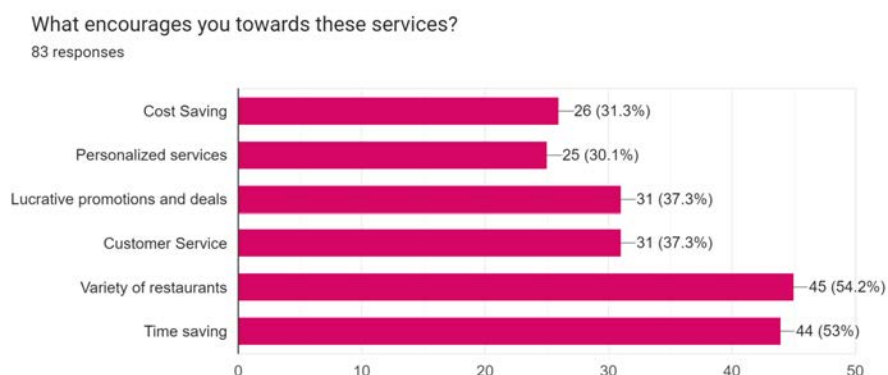


Figure 15: Encouragement towards these services

Encouragement towards these services: According to this survey, the varieties of available restaurants mostly encourage people to use these services. 54.2% of people belong to this group. Secondly, 53% of the respondents find it time-saving and that motivates them towards it. Thirdly, equally 37.3% of people get encouragement for its lucrative promotions and deals and well customer service. Fourthly, 31.3% find it cost-saving, and lastly, 30.1% of the respondents use it

for its personalized services. All of these positive indicators make customers attracted and loyal to the service.

How frequently do you use the foodpanda mobile app for ordering food? (in a week)
83 responses

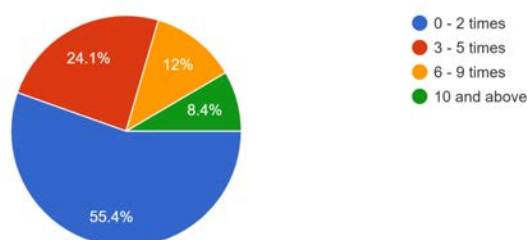


Figure 16: App usage

App usage: The majority of respondents order meals from restaurants or groceries using the foodpanda app at least once each week. According to the data, 55.4% of the respondents use it once to twice a week. More than 10% of respondents routinely use the app, using it 6–9 times per week, while 24.1% use it to place orders between one and three times each week. And last, 8.4% of users say they utilize it more than 10 times every week. People enjoy the concept of receiving meal delivery with just a few clicks.

In a scale of 1 to 5, how much would you rate foodpanda service?

83 responses

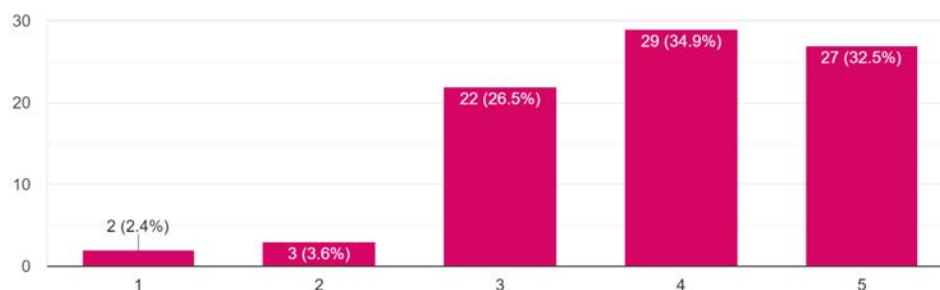


Figure 17: Ratings on foodpanda

Ratings on foodpanda: Customer loyalty is significantly impacted by reviews on services like foodpanda. Long-term consumer loyalty may be affected by it, and it also measures the service's reputation and trustworthiness. Positive experiences and customer loyalty can be enhanced through high ratings. It also shows how happy customers are with the entire ordering procedure. Potential customers are also more likely to try new restaurants and place frequent orders from foodpanda when they see positive reviews. According to the survey, 34.9% of respondents gave it a 4, and 32.5% gave it a 5, which is a very high rating.

Have you recommended the foodpanda app to friends or family members?
83 responses

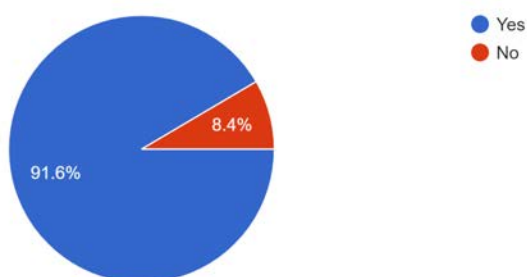


Figure 18: Recommendation of foodpanda

Recommendation of foodpanda: Customer loyalty is influenced by recommendations on foodpanda. Customers' experiences are improved and they are more likely to use the service again when the platform makes unique and accurate recommendations to them. In this survey, 91.6% of respondents said they would recommend foodpanda to friends and family.

How likely are you to continue using the foodpanda app in the future?
83 responses

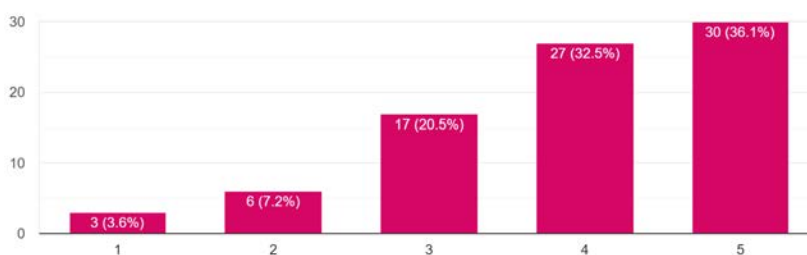


Figure 19: Future usage of foodpanda

Future usage of foodpanda: In this survey, 36.1% of respondents rated 5, and 32.5% rated 4 out of 5 that they are likely to use foodpanda in the future as well. Others also showed medium interest such as 20.5% rated 3, 7.2% rated 2, and 3.6% rated 1 on future usage of foodpanda which can be turned into positive recommendations by evaluating the weaknesses and sectors that need to be improved to satisfy customers needs and confirm their loyalty.

3.4 Summary and Conclusions

The attractiveness of app-based businesses and the platform's steady expansion have been universally acknowledged. Businesses are exploring strategies to increase app usage regularity among users. There are a number of elements that have been determined to be crucial for producing a good attitude in order to maintain continuing usage. User-friendly visual appeal, personalized services, lucrative promotions, and many other app features are helping to increase customer satisfaction by assuring comfort throughout usage. The study surveyed 83 participants. Owing to the variety of restaurant features, the majority of the sample as a whole supports the app service, and the second maximum supports it owing to all the benefits such as time savings, lucrative deals, customer service, money savings, etc. All mobile app-based businesses can draw away from this analysis and study that consumer convenience, personalized service, and app features are the main drivers of consumer favorable feedback. Additionally, it has demonstrated that the majority of users are content, which might encourage loyalty. It has also demonstrated that the younger generation, the age that is currently in charge of the whole country, is happy with the service and uses it as a useful app. foodpanda should therefore make sure of these things to promote a good attitude since the platform has grown competitive due to the presence of other huge online service providers.

3.5 Recommendations

Taking into consideration their feedback and the findings of this survey, a set of recommendations can be made that are,

- More vendors should be available on foodpanda's platform. We can observe that many regular consumers are concentrating more on the variety of restaurants, therefore it is important to them. As partners play a significant role in this, they should also guarantee that the partners are satisfied and that their commissions are reasonable and lower than those of competitors. Additionally, they must take care to avoid adding any fraud partners, which might harm their consumer base.
- Time savings, personalization, attractive deals, and affordable customer service are all crucial and must be maintained at all times.
- People in their 30s to 40s and older, including private employees, should be given more priority. Given that they are less common on this platform than among people of other ages, it might be done through discounts or vouchers.

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