

**KEY FACTORS THAT INFLUENCE CUSTOMERS' SATISFACTION  
TOWARDS FOOD E-DELIVERY DURING THE MOVEMENT  
CONTROL ORDER IN KLANG VALLEY, MALAYSIA**

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**ABSTRACT**

This paper aims to investigate and identify the factors that influence customers' satisfaction towards food e-delivery during the movement control order in Klang Valley, Malaysia that includes the areas Shah Alam, Subang Jaya, Klang and Setia Alam. The use of SPSS (Statistical Package for the Social Sciences) has implemented to analyse this research. This study uses purposive sampling to carry out the study. The respondents are only to users who uses food e-delivery service in Klang Valley. A total of 384 respondents were collected in this research. The results show that web design has the highest level of satisfaction 319 (83.1%), followed by service quality at 317 (82.6%) and price at 284 (74%). The results show that there is a moderate linear relationship between service quality, price and web design towards customer's satisfaction in Klang Valley. There is a moderate level variant ( $R=549^a$ ) ( $R=.302^b$ ) that explains the customers' satisfaction towards food e-delivery. This research framework consists of service quality, price and web design that was adapted from Lee, Sung, & Jeon (2019) & Lu et al (2019). This study can bring benefits to different

parties' members such as stakeholders, business partners, consumers, and future researchers.

**Keywords:** Factors, Food e-delivery, Customer Satisfaction, Service Quality, Price, Web Design.

## INTRODUCTION

The discussion will include the background of the study, the statement of problems, the objectives, the question to my research, conceptual framework of research and conclusion

### Background of the study



Figure 1. Global e-commerce sales [Retrieved from digitalcommerce360, (2019)]

Modern technology has changed people's working life. As time slowly passes on, people are trying to adapt to the change, and this applies to the e-marketing world. Ever since technology has been introduced and being applied for our purpose of needs, investors and business's owners have changed the old traditional style of selling their product and moved it into the cyber world (Kokilapriya, 2020). Based on digital commerce 360's company report (Figure 1.1), the e- market revenue is projected as approximately about \$3.46 trillion dollar in 2019. The report also states that the web-based business entrance has consistently been on the ascent— with a lot of retail spend enlisting 10.5% in 2016,

ascending to 12.3% in 2017 and finishing off 2018 at 14.4%. Furthermore, the force on growing in the online world will continue to hit into 2019, with an entrance of 16.0%.

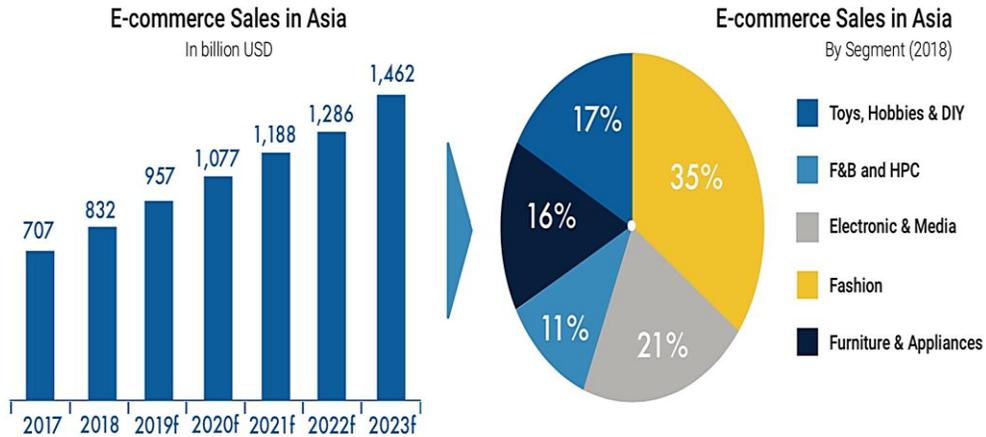


Figure 2: Asia e-commerce sale Retrieved from: Ycp solidiance, (2019)

In the world of cyber business, Asia plays one of the main regions in providing world sales revenue. According to YCP solidiance, (2019) (Figure 2), the report stated that the Asia cyber business value expanded up to 832 million dollars and expected to rise to 957 million by the end of 2019. The report also stated that countries such as China, Malaysia and Singapore are the few countries that are growing rapidly in the cyber business.

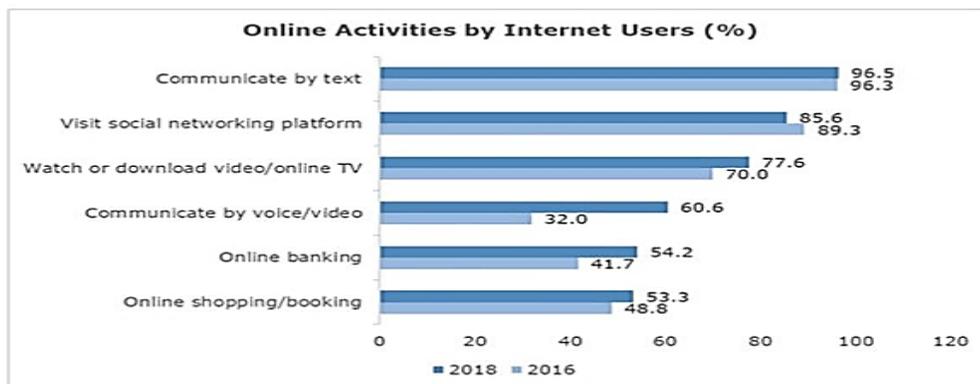


Figure 3: Internet Users Activities Retrieved from Malaysian Communications and Multimedia Commission, (2019)

Living in the 21st century, technology and the internet play a role in our daily needs. Advanced technology is changing human lifestyle day by day.



Figure 4: E-commerce activities in Malaysia, Retrieved from data reportal, (2019)

Nowadays, more people are communicating through mobile applications. With the majority of people using their smartphones, companies are changing their marketing strategies to meet customers' needs at any time of the day. In 2018, a study was conducted by Malaysian Communications and Multimedia Commission (MCMC) (figure 3) which showed that about a total of 87.4% of Malaysia population uses the internet for their daily activities. In another study conducted by Chong, Chan & Ooi (2012), the online business became visible and popular in Malaysia due to high internet penetration.



Figure 5: E-commerce spend by category, Retrieved from datareportal, (2019)

Malaysia's e-commerce sector is growing rapidly at a very fast pace where more than 50% of Malaysians use the cyber platform to purchase a service (datareportal, 2019) (Figure 4). Moreover, the data reportal page mentioned that based on the Statista report, 2020, the market growth ascended by 24 percent in 2019 (Figure 5), which will continue to expand in the future. It shown an increase in the market segment and created a business opportunity for the business industry such as food e-delivery. With constant growth, the revenue in the food e-delivery segments is expecting to reach the amount of US\$192m in Malaysia in the year of 2020 (Statista, 2020).

In Malaysia are two different kinds of food e-delivery operations, retailers themselves and companies that act as intermediaries for the restaurant (Yusra, 2019). For retailers themselves, these can be seen mostly on fast food chains that have been owned and managed by themselves. The best example will be companies such as KFC, Mcdonalds, Dominos, Pizza Hut and many more. Moreover, companies such as Foodpanda and Grabfood are the ones that act as intermediaries for the restaurant. These platforms provide delivery service for a wide range of restaurants to consumers, and it is useful in urban cities.

The food e-delivery sector in Malaysia only started to spike when FoodPanda entered the scene and brought a new perception of food e-delivery (Ecinsider, 2018). With the market segment still being new, various apps such as GrabFood and DahMakan came into the market. These platforms make for a noteworthy combination as they perpetually race to outdo every with non-traditional methods like tie-ups with restaurants serving exclusive cuisines yet as providing period standing on food preparation and have been constantly providing top notch service to consumers.

The development of the city, people would ensure that the time they have been fully utilized. Investing time at a restaurant is viewing as extravagance exercises and are attempting to stay away from as it burns through a lot of valuable time (Sobal & Falk, 1996). Food e-delivery service is able to dispose of all those unnecessary time for food to be delivering from a restaurant to the customer's place. This can help manage the customer's time and be able to invest their time on other significant activities. With reference to Kokilapriya (2020), food e-delivery companies have provided a superior framework quality to customers by simplifying, providing convenience without compromising quality. When customers were to use the food e-delivery app to order food, a

simple and clear menu is providing with price transparency (often at times accompanied with mouth-watering pictures). This helps customers to understand and visualise what is ordered. During the waiting process, customers are providing with live updates, allowing customers to have visibility on when the food is being prepared, when the rider has picked the food up and being delivering to the customer. Feedback and customer support system is incorporating into the app to provide customers a platform to share their experiences as well as to gather any feedback. Additionally, as part of the comprehensive system, a secure and reliable payment system is using to ensure that customers feel protected while using the food e-delivery app.

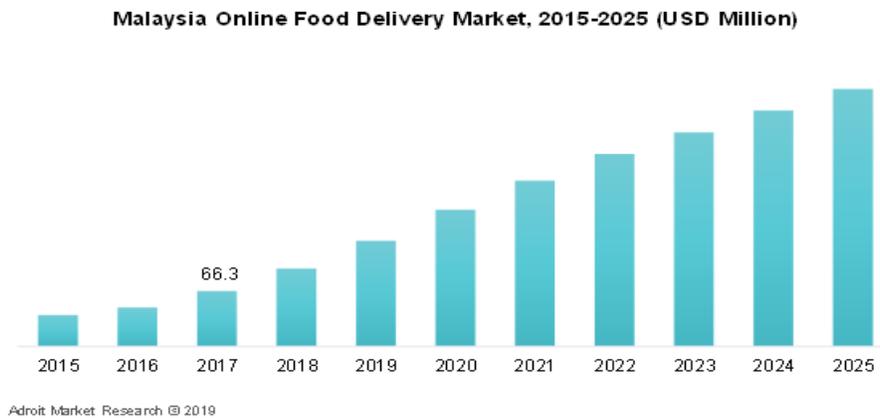
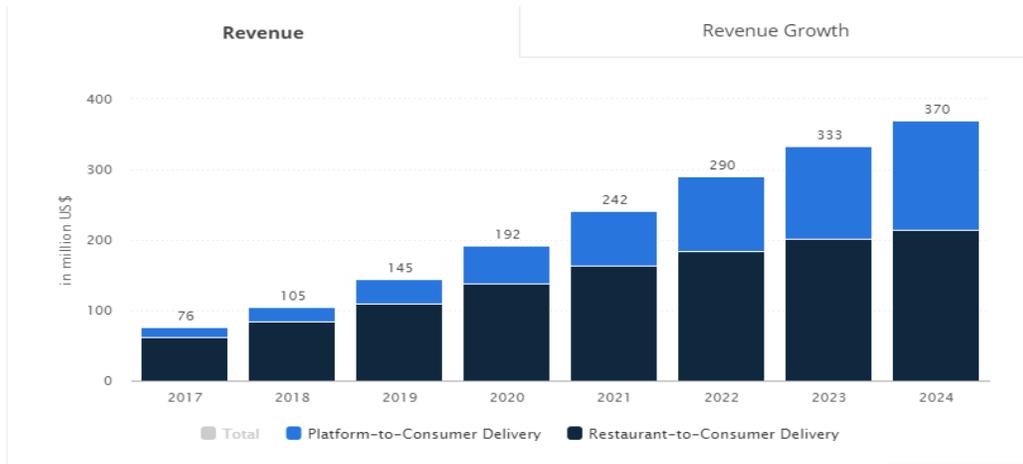


Figure 6: Malaysia food e-delivery services market segment, Retrieved from Adroit Market Research, (2019)

With the advancement of technology and the increase in spending power, consumers' spending habits have changed significantly over the years. The advancement of technology, i.e., the usage of smartphones, has led to the convenience of having everything in one's fingertips. Such convenience contributed greatly to the growth of the food e-delivery services especially in the Klang Valley. Having a busy and hectic lifestyle, comfort would mean the convenience of getting restaurant quality food delivered right to the comfort of one's doorstep. Based on data extracted from Adroit Market Research, Figure 5 below, it seen that food e-delivery services have expanded over the years and is expecting to continue growing soon. It is expecting that revenue growth from the food e-delivery services will expand at a pace of 18.6% from 2018 to 2025.

Furthermore, based on Statista (Figure 6), the food e-delivery services segment in Malaysia generated revenue of approximately USD192 million (RM801 million) in 2020. It is expected to continue growing at a rate of 17.9% annually, resulting in a market volume of USD370 million (RM1,543 million), by



2024.

Figure 7: Revenue generation of food e-delivery services segment in Malaysia, Retrieved from Statista, (2020)

### SIGNIFICANCE OF THE PROBLEMS

The results and finding of this research will benefit different parties like stakeholders, business partners, consumers and future researchers. The purpose of this research was to conduct a study to identify the key factors that affect customers' satisfaction towards food e-delivery during movement control order. Klang Valley is common area that centred in Kuala Lumpur and includes neighbouring with cities in Selangor. The finding and results of this research will show the level of satisfaction towards food e-delivery service.

This study will give a better understanding for researchers hiring by food e-delivery companies in regarding the quality of services being providing by the food e-delivery companies that reflects towards the level of satisfaction among customers in food e-delivery service. Moreover, this helps further understand the studies of previous researchers finding and reasons which some are yet to be conducting as research. At the same time, allowing the future researchers to dig deeper review and develop further investigation of the research.

Moreover, new companies who plan to tab into the new market as new competitors could derive from this study to further gain knowledge and understanding based on the findings and questionnaires acquired. This will also help them to understand the factors that influence customer's satisfaction towards food e-delivery. With data accumulated from this research, it provides a framework for companies to have a structure on what to have in order to enter the market and meet customer's expectations and needs from the business.

## **METHODOLOGY**

A full explanation on research methodology was explaining in detailed. This is explaining the procedure of handling the research and collecting data process. This research methodology's purposes are:

1. To examine the level of satisfaction among customers towards food e-delivery service.
2. To identify the factors that affect the level of satisfaction among customers towards food e-delivery.

To acknowledge the purpose above, data were altered through the processes such as design of the research, procedure of the research, techniques applied in the sampling, instruments applied in the research, methods of statistical and description of respondents were used in the research.

## **RESULTS AND DISCUSSION**

### **Descriptive Data Analysis**

A total of 384 respondents with usable questionnaire has been collected based on the sample size of the population. The numbers of respondent were expecting to be compiled based on Krejcie & Morgan (1970) table needed. Based on the table of 4.1.1 below, majority of the respondent are male (N= 225) which is more than 50% compared to female with only 159 respondents (41.4%). Looking at the range of age, majority of the respondents categorized at the early adulthood, ranging from 21-30 years old. That range has accumulated the most at a total of 192 (50%) which is half of 384 respondents due to most of the results are coming from students or young workers. Out of 384 respondents, 96.1% are Malaysian while the remaining 3.9% are non-Malaysian. The evidence can be shown even further with under the ethnic groups where 244 (63.5) respondents are Chinese,

more than 50% compared to Indian (10.2%), Malay (19.5%), Kadazan (3.4%), Iban (8%) and other races (2.6%). Furthermore, the probability is high in students as also can be seen in the occupation category. Majority of the respondents take up by 50% of survey were students at 205, follow by employed status at 129, housewives (7.3%) and retired (5.7%).

The details can be summarized by their working income with earnings less than RM 1500 takes up more than half (56.3%) out of the total respondents (N= 384) as majority are student who are still studying and yet to have a stable income to live with. While an average of 8.3% of respondents have an earning ranging from RM 1501-RM4500. Nonetheless, only 72 (18.8%) respondents earn more than RM 4500 that most likely work as a business owner or a management position.

### Independent Variables Analysis

Based on the frequency of analysis, this research found out that are different level of satisfaction among service quality, price, and web design quality from the 458 usable respondents in Klang Valley.

**Table 1. Customers Satisfaction Level towards Service Quality, Price and Web Design**

Independent variable	Component	Frequency (%)
Service Quality Category	Low level	0(0)
	Moderate level	67(17.4)
	High level	317 (82.6)
Price Category	Low level	1(0.3)
	Moderate level	99(25.8)
	High level	284 (74.0)
Web design category	Low level	0(0)
	Moderate level	65(16.9)
	High level	319(83.1)

Table 1 below shows that web design has the highest level (319, 83.1%) besides service quality and price. As similar as web design, service quality also has a very high level with the total of 317 (82.6) more than half of the total respondents. The price high level states at 284 (74%) among the lowest in the high level between price and web design. The 3 variables are categorized into 3

levels, which are low, medium, and high. Low level values from 1-3.67, medium values from 3.7-5.67 and high values from 5.7-7.

### Dependent Variables Analysis

The satisfaction level of the respondent is one of the main objectives was this study. Base on table 4.1.3 below can conclude that more than 50% of respondent in Klang Valley are satisfy with the food e-delivery service in Klang Valley during the movement control order (N= 283, 73.7%).

Overall, only 1 respondent that have a low level of satisfaction towards the food e-delivery service in Klang Valley (0.3%). Syed & Norjaya (2010) agreed that customer satisfaction is due to meeting all the needs and wants that customer requires. Suhartanto et al. (2016) supported that customers' satisfaction can be measured by comparing the expectation of the overall service. The level of satisfaction can be determined into 3 levels which are low, medium, and high. Low level values from 1-3.67, medium values from 3.7-5.67 and high values from 5.7-7.

**Table 2. Customers Satisfaction Level**

Dependent variables	Component	Frequency
Satisfaction category	Low level	1(0.3)
	Moderate level	100 (26.0)
	High level	283 (73.7).

### Correlation

Pearson Correlation test in research is a suitable research tool to identify the relation of between the two variables. Based on table 2 below, it shows that the relationship between satisfaction\*service quality ( $r=.461^{**}$ ,  $p= .000$ ), satisfaction\*price ( $r=.422^{**}$ ,  $p= .000$ ), lastly satisfaction\*web design ( $r=.523^{**}$ ,  $p= .000$ ).

Based on the Guilford Rule of Thumb, every Independent Variables above shows a moderate significant relationship. From the results, all the Independent Variables has a positive yet moderate linear relationship with satisfaction. This can be worth a try to embellish and explain more using Multiple Regression Analysis.

**Table 3. Results of correlation between Satisfaction, Service Quality, Web Design and Price**

		<b>Correlations</b>			
		Service Quality	Price	Web Design	Satisfaction
Service Quality	Pearson	1	.573**	.658**	.461**
	Correlation				
	Sig. (2-tailed)		.000	.000	.000
	N	384	384	384	384
Price	Pearson	.573**	1	.664**	.422**
	Correlation				
	Sig. (2-tailed)	.000		.000	.000
	N	384	384	384	384
Web Design	Pearson	.658**	.664**	1	.523**
	Correlation				
	Sig. (2-tailed)	.000	.000		.000
	N	384	384	384	384
Satisfactio n	Pearson	.461**	.422**	.523**	1
	Correlation				
	Sig. (2-tailed)	.000	.000	.000	
	N	384	384	384	384

\*\* . Correlation is significant at the 0.01 level (2-tailed).

### Multiple Regression Analysis

There are three tables in addition to the coefficients table based on the multiple regression results. Based on the total variation of the dependent variables, it can be calculating by its variance. Based on Guilford Rule of Thumb (1956), the summary model of the multiple regression correlation coefficients ( $R=.549^a$ ), ( $R=.302^b$ ) and ( $R=.296^c$ ), this indicates that there is a moderate relationship between X (service quality, price, and web design) and Y (customers' satisfaction). Based on Frost (2020), as the range of  $R^2$  is range between .02 and 0.54, the validity of the model of customer's satisfaction towards food e-delivery service is valid. The used of ANOVA table will help the researcher to indicate the conceptual framework is a valid framework or not. The validity can be seen by looking at the F-value & significant value ( $F= 54.730$ ,  $p=.000$ ) therefore, it is a significant as the significant value is less than .005.

The magnitude of the coefficient of determination ( $R^2 = .091$ ) ( $R^2 = .087$ ) ( $R^2 = .302$ ) shows that there is an average of 20% of the variance in satisfaction which explained to service quality price, and web design. Moreover, the consistent explanation can be seen through the  $\beta$  and the p-value that web design ( $\beta = .341$ ,  $p = .000$ ) have the most prominent relationship with customer satisfaction while service quality ( $\beta = .185$ ,  $p = .002$ ) and price which p-value ( $\beta = .185$ ,  $p = .130$ ) However, data multiple regression analysis in SPSS did not include price variable in the table. The price variable is not in summary model as the significant value is greater than .005. Hence, there is not significant. Price variable is out from the equation.

$$[ Y = \beta_0 + \beta_1\chi_1 + \beta_2\chi_2 + \beta_3\chi_3 + C ]$$

**Table 4. Results of beta and regression**

Model	B	SE	$\beta$	t	p	R	R <sup>2</sup>	F
(Constant)	1.229	.217		5.673	.000			
Service Quality	.204	.065	.185	3.155	.002	.302 <sup>b</sup>	.091	
Price	.097	.064	.185	1.518	.130	.296 <sup>c</sup>	.087	
Web Design	.376	.071	.341	5.303	.000	.549 <sup>a</sup>	.301	
								54.730

**Quality, Price and Web Design attributes.**

- A. Predictors: (Constant), Service Quality, Web Design
- B. Dependent Variable: Satisfaction
- C. B, unstandardized coefficients; SE, standard error;  $\beta$ , standardized coefficient; t, obtained t-value; p, significance level; R, coefficient; R<sup>2</sup>, coefficient determination; F, F statistic; \* $p \leq 0.05$

The F-value ( $F = 80.666$ ,  $p = .000^*$ ) that use a confidence level of .05 and shows that it has a significant model fit with a moderate variant in that scope. Cooperatively with the t-value, it shows there is a significant relationship between the Independent Variables (IVs) and Dependent Variable (DV).

It is concluded that 2 units of Service Quality ( $B = .204$ ,  $SE = .065$ ) will increase 1 unit of Satisfaction in contrast with 4 units of Web Design ( $B = .376$ ,  $SE = .071$ ) and 1 unit of Price ( $B = .097$ ,  $SE = .064$ ) in food e-delivery in Klang Valley

area. Based on the table, it can see that Web Design has the most significance to Satisfaction due to the highest t-value ( $t= 6.780$ ) compared to Service Quality ( $t= 3.620$ ).

Therefore, the new equation is form into:

$$Y= 1.229 + 0.376 (WD) + 0.204 (SQ) + 0.097 (P) + C$$

Y: Satisfaction

$\beta_0$ : The interception or constant value

b1: Web Design unstandardized coefficient value

$\chi_1$ : (WD) The web design slope

$\beta_2$ : Service Quality unstandardized coefficient value

$\chi_2$ : (SQ) The service quality slope

$\beta_3$ : Price unstandardized coefficient value

$\chi_3$ : (P) The price slope

C: The error terms

## **IMPLICATIONS AND CONCLUSION**

The results and finding of the research can influence food e-delivery companies, stakeholders, business partners, consumers, and future researchers. By analysing and understand the outline of factors influencing customer's satisfaction towards food e-delivery service in Klang Valley, it can help the companies who are providing this kind of service platform such as foodpanda and grabfood to improve and provide suitable training for future employees to ensure the consistency of the service being provided.

This research also will help stakeholders and business partners who are planning to start up a new company. Contracting a proper business framework and proper training plan for the company so that it can provide the service at a certain prospect level in the industry. This also can help the companies to strengthen the relationship with their customers so that expectation can be meet. The findings of the study can also help future researchers being hired by food e-delivery companies to have a better understanding in regarding the quality of services being provided by the food e-delivery companies which reflecting towards the level of satisfaction among customers in food e-delivery service. Moreover, this helps further understand the studies of previous researchers

finding and reasons which some are yet to be conducting as research. At the same time, allowing the future researchers to dig deeper review and develop further investigation of the research.

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