

Food delivery

- IN A NUTSHELL -



The **Food Delivery** sector refers to digital, on-demand platforms for ordering and paying for prepared food and, increasingly, groceries and other retail items.

Restaurants and retailers fill the orders, then couriers deliver them to customers within a prescribed timeframe.

RANK	COMPANY (HEADQUARTERS)	2020 REVENUES, US\$ MILLIONS	DECLARED LOSSES, US\$ MILLIONS
1	MEITUAN (CHINA)	\$ 9,604	UNKNOWN
2	DELIVEROO (UK)	\$ 5,263	\$ 309
3	UBER EATS (SUBSIDIARY OF UBER) / POSTMATES (USA)	\$ 3,904	OPERATING LOSS
4	ELE.ME (CHINA) <small>"CONSOLIDATED SUBSIDIARY" OF ALIBABA GROUP (ACQUIRED 2018)</small>	\$ 3,593	UNKNOWN
5	DOORDASH (USA)	\$ 2,886	\$ 461
6	JUST EAT TAKEAWAY / GRUBHUB (NETHERLANDS)	\$ 2,850 <small>(EXCLUDES GRUBHUB'S 2020 REVENUE OF \$1,800 MILLIONS)</small>	\$ 168
7	DELIVERY HERO (GERMANY)	\$ 2,819	\$ 1,020
8	I FOOD (BRAZIL)	\$ 494	UNKNOWN
9	SWIGGY (INDIA)	\$ 375	\$ 508
10	ZOMATO (INDIA) <small>(UBER HAS 9.99% OWNERSHIP STAKE)</small>	\$ 370	\$ 322

WORLD'S BIGGEST E-COMMERCE FOOD-DELIVERY COMPANIES



Highlights from the full report:

The food delivery sector is rapidly consolidating, but ownership is a moving target. As companies jostle for regional hegemony, they are buying, selling and swapping stakes in competitors.

From the beginning, the food-delivery business model has been about logistics and e-commerce (including customer data-collection), not about food service.

Venture capital and Big Tech investment has fueled the sector, but companies have yet to deliver profits, even in the sector-friendly circumstances of the global pandemic when delivery became more necessity than convenience. Tweaking the business model to move toward profitability – most prominently by adding grocery and pharmacy delivery – is underway.

Chew on this

While gig work is supposed to allow people to choose how much and when they work, the reality is that the platforms are in control. India's Zomato, for example, can disable the account of any courier who refuses three delivery jobs in one day. Couriers in China can be fined US\$300 – about a week's wages – if a dissatisfied customer sends an email complaint to the platform.

In most places in the world, delivery workers have been considered independent contractors instead of employees. They are therefore ineligible for social security, injury compensation or other benefits. There are indications that some governments may be ready to enact labour reforms to try to end the platforms' free ride. In the USA, New York City became the first city to pass legislation to regulate the food delivery sector, establishing minimum pay and other worker protections.

Other problems the sector has created include "dasher-dodging" on overcrowded city sidewalks, significant increases in trash from take-away packaging, and the deskilling of an overburdened workforce that is constantly controlled (directed and surveilled) by the platforms.