

Food delivery via aggregators amounts to INR 9,000-11,000 crore of additional costs annually

A recent report on the food delivery sector revealed that ordering through delivery aggregators leads to an additional annual cost of INR 9,000-11,000 crore. These expenses arise from convenience fees, delivery charges, packaging, and subscription fees, as highlighted by marketing agency Mavericks India.

The report noted that the premiums imposed by large aggregators in India contribute significantly to these extra costs, with packaging premiums alone accounting for approximately INR 400 crore annually. It also found that food delivery platforms charge an average premium of INR 46 per dish compared to direct restaurant orders, with delivery fees being 150-200% higher. Additionally, aggregators charge INR 2 more for packaging than restaurants, despite using identical packaging.

Mavericks India's analysis covered Swiggy, Zomato, and Magic Pin, focusing on price inflation and hidden costs in food aggregator services, including delivery and packaging fees, and subscription models like Zomato Gold. The report compared these with the more transparent pricing of restaurant-owned delivery platforms and uncovered notable disparities.

The report emphasized that the cumulative financial impact on consumers can be substantial, with delivery fees often being 150-200% higher through aggregators. "While 46% of restaurants do not charge delivery fees on their own platforms, most do so on aggregator platforms," it stated.

Further, desserts see a 15% price increase on aggregator platforms, while vegetarian items carry an 11% premium over non-vegetarian dishes. The report also found that restaurants with multiple branches tend to charge lower fees, with delivery and packaging fees ranging from INR 26 to INR 118, depending on the restaurant's scale. Dine-in restaurants, on average, have delivery fees INR 6.50 higher than delivery-focused establishments on aggregator platforms.

Chetan Mahajan, founder and CEO of Mavericks India, remarked, "As consumers increasingly turn to food aggregators for convenience, the hidden

costs of delivery, packaging, and perceived membership benefits can accumulate, creating a significant financial burden over time.”