

HUNGRY FOR SUSTAINABILITY

Food Startups want a Bigger Helping Out of Commission Thali

Swiggy, TinyOwl & Foodpanda raise fee, cut discounts

Aditi.Shrivastava1
@timesgroup.com

Bengaluru: After heavily subsidising restaurants for most of last year to win their loyalty, food-delivery startups Swiggy, TinyOwl and Foodpanda have steeply raised their commissions. It's either that or scramble for funds.

The startups can afford to do that now, having got a large number of restaurants addicted to selling to a huge base of consumers through them. Swiggy and TinyOwl are in the market to raise funds and need to convince investors that they have changed tack and are focused on building sustainable businesses.

The startups also have mostly stopped offering discounts to consumers — implementing corrective measures more aggressively than ecommerce giants that are still heavily reliant on deep price cuts to retain customers.



INVESTORS SAY fund infusion into food startups will be contingent on cost economics and business fundamentals

STARTUPS CAN afford to raise charges as they now have a large number of restaurants hooked to the medium

RESTAURANTS GET about 15% biz from online platforms

HYPER-LOCAL LOGISTICS startups Opinio, Roadrunnr and Shadowfax have also raised prices per delivery

