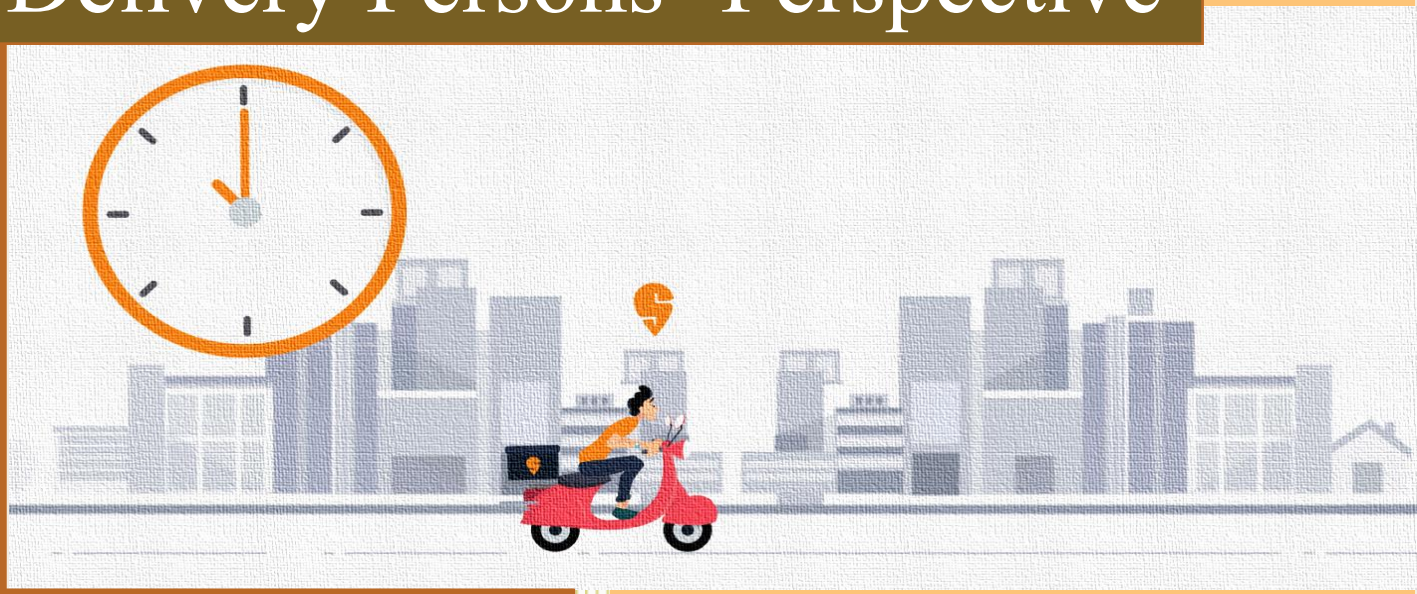
Understanding Food Delivery Platform: Delivery Persons' Perspective



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Theme

Under the Policy Area Concentration – "Regulation and Institutions", this group is conducting research on the theme "**Governance of Online Food Delivery Platform"**

Abstract

The rise of the Platform Economy, aided by the evolution of new digital technologies, has contributed to the tremendous growth of the food delivery sector in India. In recent times, this sector has witnessed the emergence of new players, as Swiggy and Uber Eats with already established players like Zomato tweaking their business models to align them with the demands of the sector.

While the Online food delivery (OFD) platforms have opened new opportunities in the labor market and expanded the consumer base for existing restaurants, the delivery persons associated with them are witnessing challenges in terms of their employment status and their relationship with the platforms. Other than this there exist concerns over the sustainability of small restaurants and fair competitive market for them. The regulatory and institutional response, to the above concerns, has generally been on a case-to-case basis which has implications for the long-term growth of the sector.

In this backdrop our research program aims to understand the following:

1. Working conditions of the delivery partners including
2. The migration dynamics in the context of gig economy.
3. Aspirations in the 'new' economy
4. Entrepreneurial opportunities and sustenance of new business
5. State and regulation of Gig Economy

Based on detailed field work and interaction with diverse stakeholders and regulators, the research programme aims to develop a model of governance that cater to the needs of three important stakeholders – the platform, the labor and the community (consumers and small restaurants). The model will focus on not just providing enough protection to the labor and the community but also on creating a facilitative environment that ensures sustainability and growth of the OFD platforms, balancing innovation with inclusive development.

About us

This preliminary exploratory study is authored by a group of graduate students from the School of Public Policy and Governance pursuing Regulation and Institutions as their *Policy Area Concentration.* The current research programme covers different aspects of platform economy with a focus on Food Delivery Platforms – Swiggy/Zomato etc.

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Key Findings

- The delivery partner/ rider is considered as a partner and not an employee
- Two main reasons behind respondents leaving their previous job: i) Low Payment and ii) Lack of independence
- Two pre-requisites for entering into the market: i) Two-wheeler and ii) Smartphone
    - 80% of our respondents possessed these assets beforehand and 20% bought them with loan
- About 90% opting for loan had access to formal means
- During our field survey we could not find a single female delivery partner
- Caste didn't play a role at work but at entry it does. Since, number of respondents from the reserved categories were significantly less than that of general category
- 47% of our respondents in the full-time category work for more than 12 hours a day and 18% from the full-time category work above 15 hours per day
- 42% of our respondents who work part-time work above 12 hours a day

- 60% of our respondents worked 7 days a week
- 66% of our respondents in part-time have no other additional source of income
- Just before completing their daily amount of order limit with associated bonus money, they stop getting orders
- Those working for 0-8 hours/ day earn between Rs. 6000 to Rs. 12000, those working for 8-12 hours/ day earn up to Rs. 25000 and those working above 12 hours earn up to Rs. 35000
- Zomato provide a 24*7 helpline for delivery partners whereas Swiggy does not

- 40% of our respondents have rated below 3 out of a rating of 5 to the services provided to them by field managers/ team leaders
- Most of the workers are unaware of the modalities of accessing insurance, as a result 1 out of 29 insurance claimants from our sample actually got it
- Majority of our respondents have been associated with this job for 1 to 6 months, with only 4 having engaged for 2 years
- 72% of the respondents who have worked in between 6 months and 1 year are planning to leave the job
- The age group of 18-30 (in years) is the most aspirational with 40% of them having a career goal
- SC/STs have the highest percentage of aspiring respondents

Introduction

The last decade has seen a shift in the traditional understanding of what constitutes work, the nature of employment, and skills required for being employed worldwide. In India, with the rapid expansion of service sector in urban and semi-urban areas, the forms of informal work have also evolved. Spurring this change is the parallel evolution and cheaper access to technology and internet services, facilitating the rise of platforms economies through companies like Swiggy, Ola, Uber, Zomato, Urban Clap, Airbnb etc. The nature of employment provided by such platforms to workers is temporary, on-demand work, considered gig work under the 'platform economy'. The participation here can be regular or occasional, and can be done for primary or supplementary earnings.

In an arrangement of this kind, organisations contract independent workers for temporary and short-term engagements. The status of the workers in platforms like Swiggy and Ola Cabs is not that of an 'employee' rather the 'delivery partners', in the official terminology. There is no contract signed against terms of duty, benefits available, notice period etc. The platforms consider these workers to be self-employed independent contractors, citing the freedom and flexibility associated with working for these platforms. On the surface, there is little control exercised by the business over how the services are delivered. However, gig workers around the world insist that they are in fact employees, as seen in the *Aslam, Farrar and Others vs Uber* (2016) case or *the Pimlico Plumbers v Gary Smith* (2017) in the UK, among others. The reasoning behind the claim was that their wages and terms of service are set by the company, and their work hours impacted by the structure of incentives and penalties in place at these businesses.

It seems, then, that the emerging platform companies seem to be repackaging the informality of work that has long existed in the Indian economy. The report '*Emerging technologies and the future of work in India*' published by the International Labour Organisation in 2018 states that the upside to the lack of a clearly defined labour status in the gig economy is that it offers an opportunity to rearrange informality by increasing job security through standardization of payment, enabling access to the formal banking system and opening up opportunities for training and skilling.

Objective

The objective of this study is to explore the emerging nature of employment in the online food delivery companies, within the Indian social context, by understanding entry, working status and condition and also exit from the job.

Methodology

In order to collect sample data for our baseline survey, we conducted personal interviews. Our field survey was based across the region of Delhi-NCR and was conducted over a period of one month. The basic protocol we developed was for the survey team to meet with the delivery partners when they first arrived in each location, explain the research, describe the surveys, and obtain permission to proceed with the structured interview. The questionnaire for the survey data was prepared using existing literature on food aggregator business and was finalised after three rounds of pilot surveys. In total, 158 delivery persons[1] were interviewed in the following areas- Rajouri Garden, Karol Bagh, Connaught Place, Ghaziabad, GTB Nagar, Sonepat, Green Park, Dwarka, Subhash Nagar, and Gurgaon.

Delivery persons belonged to online food delivery companies- Swiggy, Zomato and Uber Eats, as well as Shadowfax a third party delivery service provider to which Swiggy and Zomato outsources some of its orders. The data collected through the survey was analysed using STATA and Excel tools against secondary theoretical sources - media articles, academic journals, and governmental policies - relevant to the research.

[1] Out of 158, 20 interviews were conducted by Pranjal Yadav from School of Public Policy and Governance, data of the same was integrated with our main dataset.

Respondent Profiles

Sumit Kumar is a thirty years old delivery partner working for Zomato. He belongs to the OBC category and has studied till High School. He recently migrated to Delhi and before joining Zomato, he was self-employed as a farmer. Owing to less remuneration from farming, he decided to migrate. His family-of-five continue to stay in their hometown in Madhya Pradesh. He plans to continue working for Zomato in the immediate future.

On the other hand, twenty-one years old Chand recently started working for Swiggy (worked for 15 days by then). He has a family business where they make and sell bangles. He joined the platform to serve as an additional source of Income. Currently, he is pursuing Intermediate and wants to complete graduation. Tracing the path of one of his relatives, he wishes to learn German and work abroad.

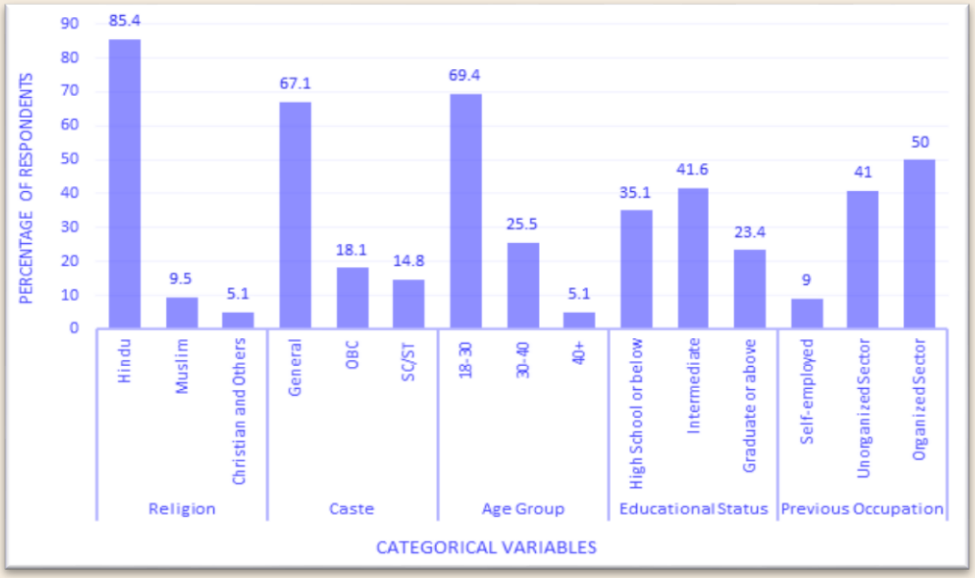

Figure 1

The two delivery partners mentioned above are a small subset of the large set of 158 respondents covered in our survey. But their narratives are relevant enough to highlight the varied social background they come from and the bigger picture that presents. This section, thus, throws light on the social profile of the delivery partners who are part of our data set. The profiling of the respondents (delivery partners) has been conducted across five important categories relevant to the Indian context - religion, caste, the age group to which they belong to, their level of education and the previous occupation (company).

Figure 1 depicts that majority of the respondents (85.4%) were Hindus and two-thirds of the Hindus (67.1%) belonged to General category. Merely 1/6th (14.8%) of the respondents were from SC/ST category. Around 70% of the interviewed delivery partners were lying in the age group of 18-30 years and only 5% were 40 years old or above.

Approximately three-fourth (76.6%) of the respondents had studied till Intermediate (12th standard) or below, rest being graduates or post-graduates. Before joining these food delivery platforms, half of the interviewees were engaged as informal workers in the organized sector and 41% were in the unorganized sector.

Entering into Delivery Persons' Job

Comparing Current with Previous Job:

Even though such a business model reinforces informality, as already mentioned, the workers engaged in it find it relatively better than traditional informal economy on many grounds.

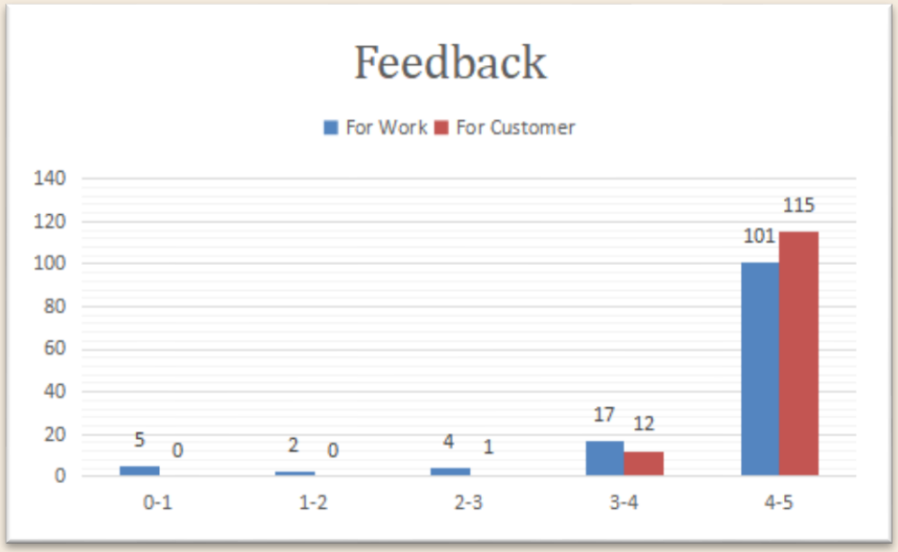

Figure 2

Figure 2 shows the ratings given by the respondents (delivery partner) with regards to their perception about their quality of work and attitude of their customers. More than 90 % have rated their customers above 3 (out of 5). Likewise more than 4/5th (80%) of the delivery partners rated the quality of work above 3. For some who gave lesser rating to work, the reasons spanned from the risk at job to falling income and incentives issue.

Family's Response to Delivery Work:

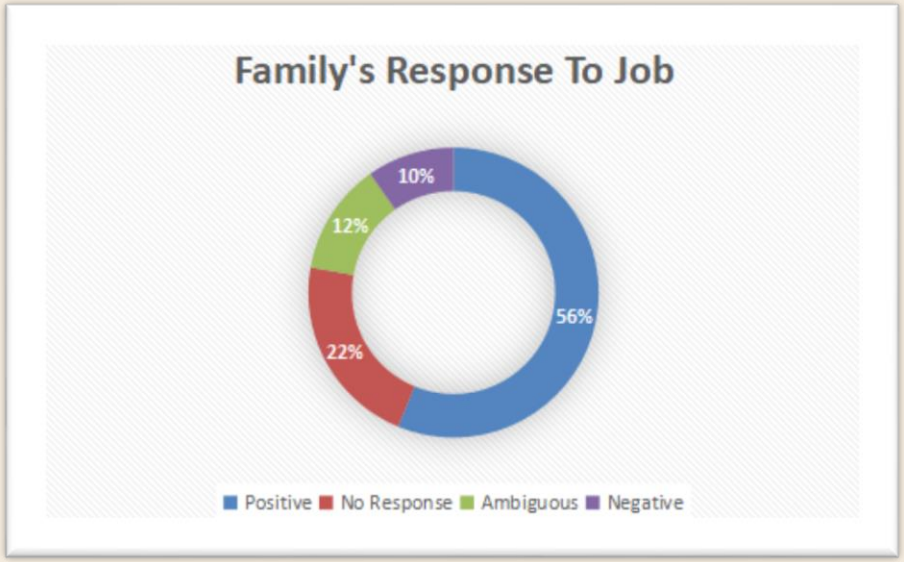

Figure 3

To explore the question of dignity at work for delivery persons, we asked them about the way their family perceived this work. As depicted in Figure 3, little more than half (56%) of the respondents gave positive response. We also found out that there was no significant difference in the positive and negative responses, across Caste lines. Using this and some other insights mentioned in the subsequent sections, we can argue that Caste plays a role at entry but not while in job.

Reason to Work as Delivery Partner:

The reason to enter this work lies in understanding the nature of labour market in the country. For many, the reason to join as delivery partners was that it is relatively better than opportunities available in the economy. As shown in Figure 4 almost 50 % of the people left their previous jobs because of low payment; for 11 % of respondents, the reason is lack of independence in their previous line of work.

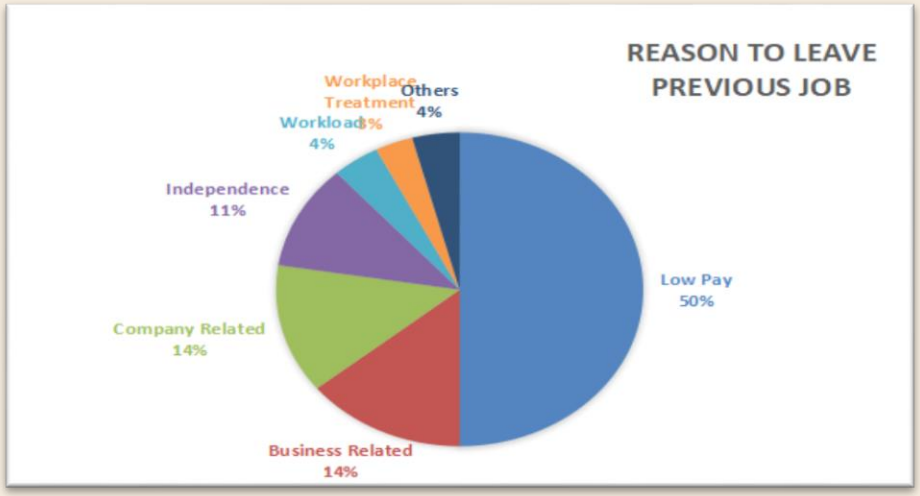

Figure 4

Apart from these reasons, 14 % of respondents wanted to cover business losses or save some money to restart their business. Another 14 % of the respondents had their previous workplace shut down, or the location was an issue, and so on. Also, for 4 % of the respondents, more workload in their previous job led them to join this work.

Assets Required for Entering this Work:

In all these platforms, a two-wheeler vehicle and a smartphone are the prerequisites for the delivery partners to join the work. This restricts, at large, the entry for a section of labour that does not own either or both of these assets or fail to acquire them.

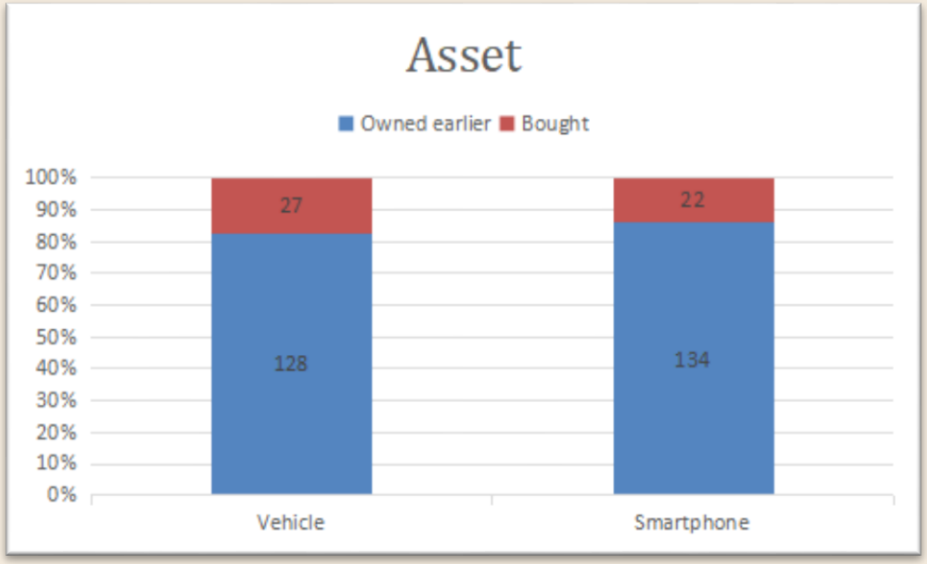

Figure 5

Figure 5 shows the number of respondents who already owned the required assets against those who had to buy it for this job. It can be seen that more than 80 % of the respondents already had the required assets.

Access to Financial Credit for Entry:

Figure 6 shows how majority of the people who bought assets to get into the job had obtained loan via formal means. It is also important to note that for those obtaining loan, the existing social network did play a role. For instance, almost half of the respondents, who obtained loan, obtained it through their relatives.

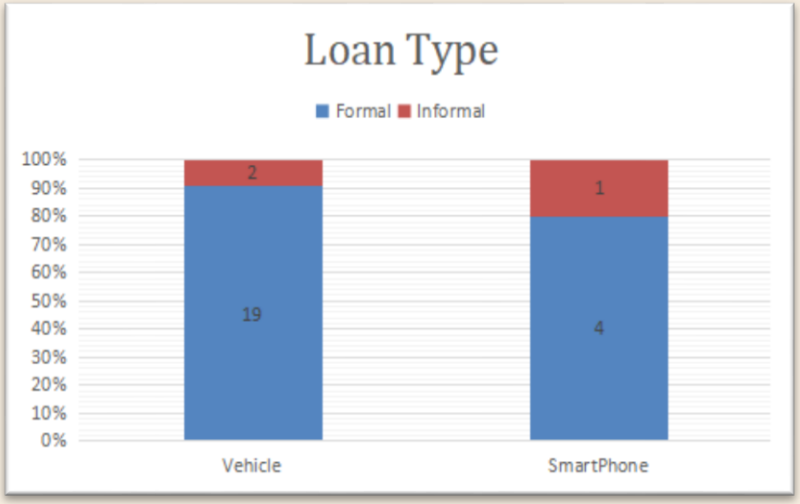

Figure 6

In the Figure 7, asset ownership across delivery persons from different caste backgrounds is shown.

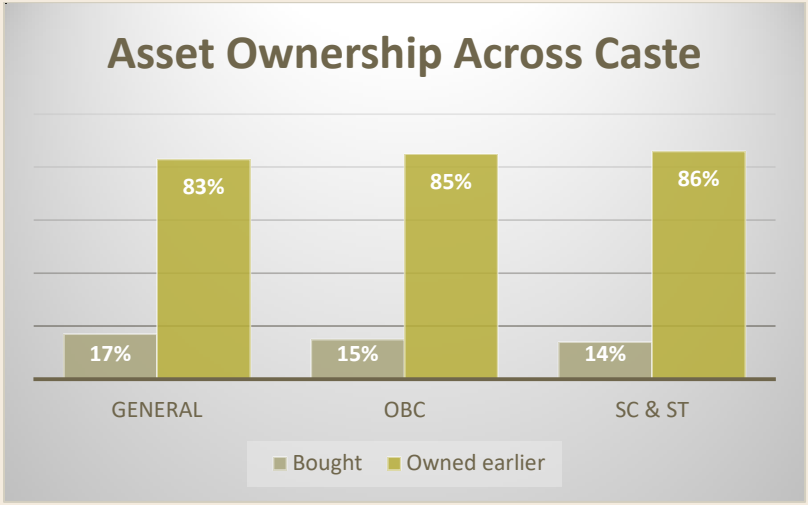

Figure 7

Asset Ownership and Social Dynamics:

In our survey, out of 158 interviews taken, all of the delivery partners were male. The nature of work being such that the rider has to be on the road at odd hours for long duration with lack of support from the platform in times of distress, it restricts entry of women. However, one of the respondents mentioned that recently two women have joined Uber Eats for delivery work, and that they travel together on a Scooty to ensure their safety.

As the Figure suggests, prior ownership of the asset is important for entering into this job market. At the same time most of the respondents (67.1%) belong to the general category, which implies a correlation between prior asset ownership and one's caste background. This supports our argument that *caste might play a role at entry into this job but not beyond that* .(Also see discussion on page 8)

Working Status and Condition

Working Hours:

For the delivery persons enrolled full time, table 1 and 2 shows what are the hours of work/week they spend on work. The category '0-8 hours' in Figure 8 is the ILO standard working hours/day and category up to '12 hours/day' is the official working hours/day. The nature of wage system being based on piece rate and incentives makes the worker devote more hours for more income. In fact, 47 % of the full-time delivery partners work for more than 12 hours a day and 18 % among them even work above 15 hours per day.

Figure 9 shows working hours/day for delivery partners enrolled part-time. Herein we observed that 39 % of the part-time delivery partners work 5 to 8 hours a day and 42 % work above 12 hours a day. The percentage of people actually working within official part-time working hours is only 19 % because of the incentive based income system which pushes them to work longer hours. The flexibility to work as per convenience, coupled with lack of compulsion to keep the app open for 12 hours/day, is a major reason for the same.

Table 1

Working Hours	No. of Riders (Full-Time)
0-8 hours/day (ILO Standard working hours/day)	2
8-12 hours/day (Official Working Hours/day)	37
12-15 hours/day	21
Above 15 hours/day	13

Table 2

Working Hours	No. of Riders (Part-Time)
0-5 hours/day (Official Working Hours/day)	10
5-8 hours/day	21
8-12 hours/day	11
Above 12 hours/day	12

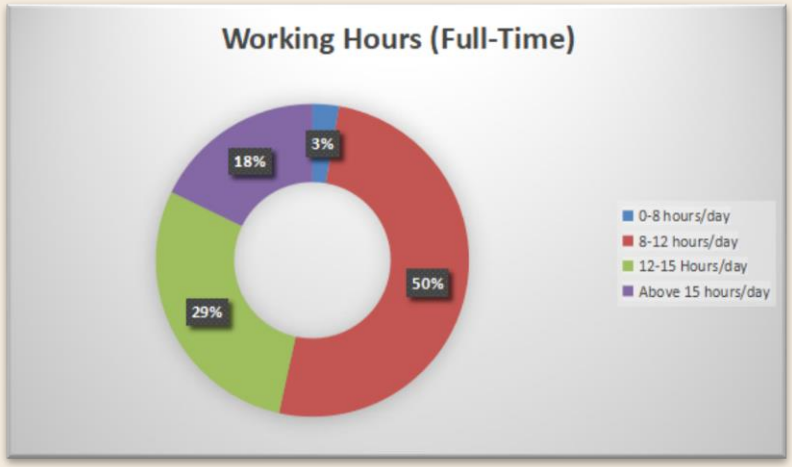

Figure 8

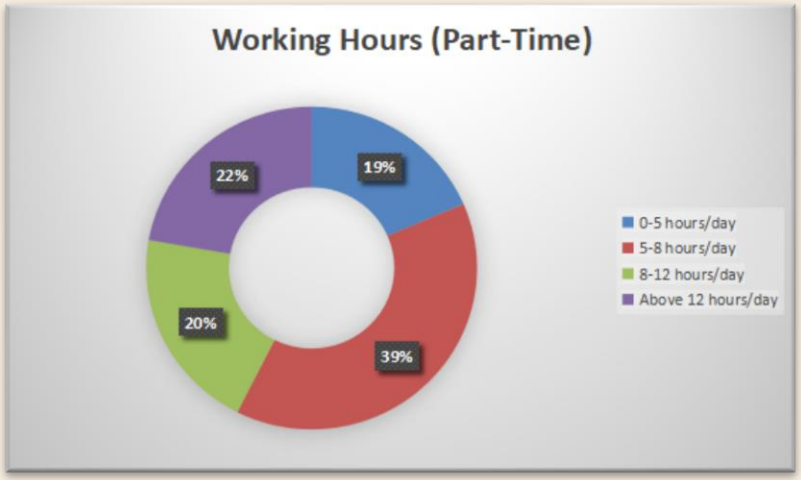

Figure 9

Figure 10 depicts that 66 % of the delivery persons who were enrolled part-time did not have any other job. Some workers opted for part-time, not to pursue other obligations on their side but to have more flexibility in work hours, as mentioned earlier. However, opting for part-time work instead of full-time impacts their incentive structure, since full time work has better incentive structure compared to part-time for them. Also, in our research we found out that 60 % of the respondents work 7 days in a week.

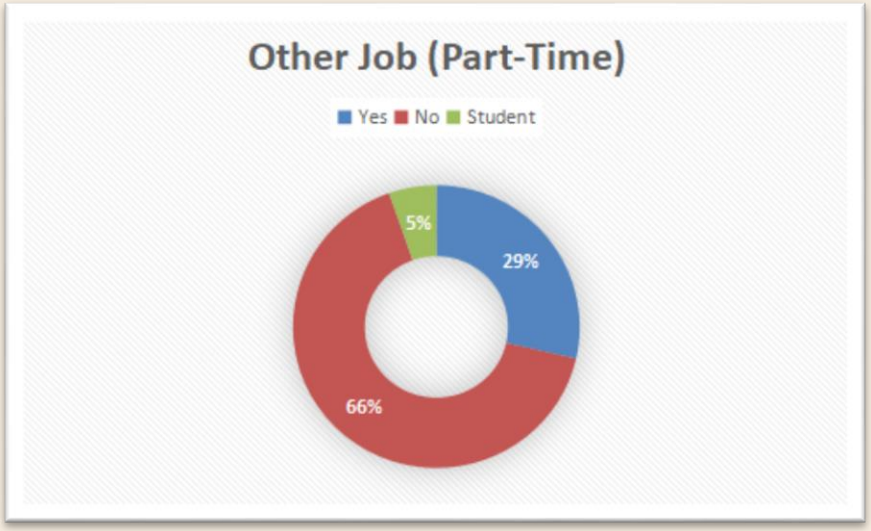

Figure 10

In our survey, a few delivery partners shared that sometimes, when they are about to reach their incentive target, the platforms stop assigning them orders. Hence they end up waiting for an order for 2-3 hours beyond their shift duration.

A 24 year delivery partner reported not getting any orders once his work reached the delivered amount of Rs. 960, to get incentive he had to reach 1000. As a result he ended up investing more time on work to get the incentive amount of Rs 250, which eventually went in vain.

Income:

The source of income in this job is a combination of wages earned on piece rate basis, and incentives earned over and above it. Table 4 depicts that there isn't much difference in the average net income of delivery partners whether working full-time or part-time. Even the range of income doesn't vary much. One important reason behind this is that the workers enrolled part-time continue to work beyond their official time of 5 hours.

Table 4

Category	Average Net Income (Rs.)	Minimum Income (Rs.)	Maximum Income (Rs.)
Full-Time	15500	3000	35500
Part-Time	14647	2800	34000

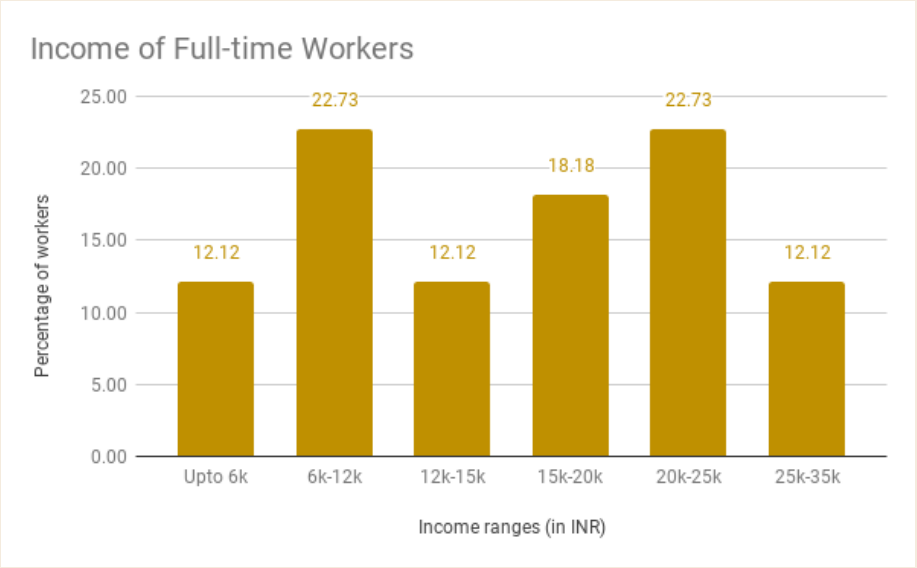

Figure 11

Figure 11 and 12 shows the proportion of delivery partners under different levels of income earned, working full-time and part-time respectively.

Majority of the respondents (53%), working full-time, earn more than Rs. 15000 (their mean income is Rs. 15500) and 34% are earning between Rs. 20000- 35000. In the case of workers enrolled part-time, more than half (57%) of the respondents earn less than Rs. 15000 (their mean income is Rs. 14647).

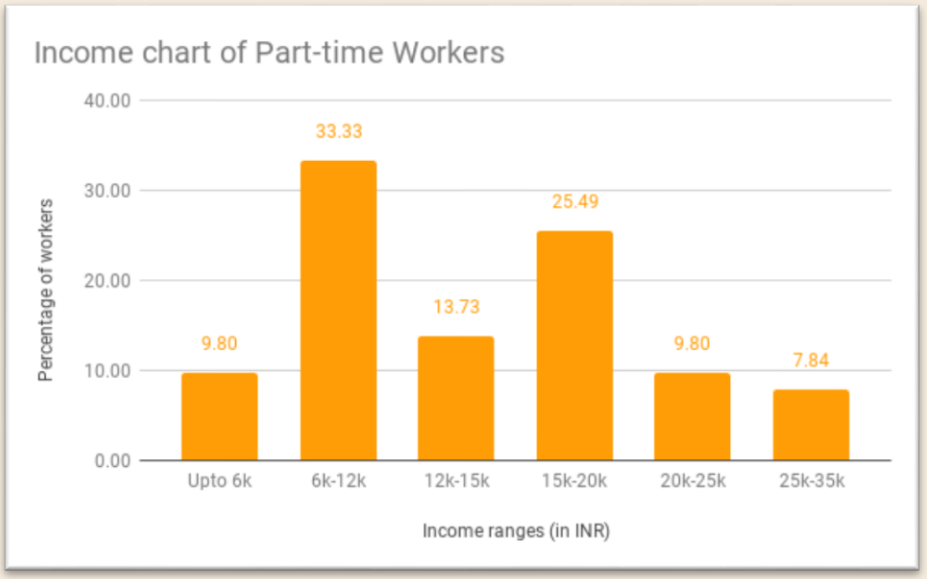

Figure 12

Feedback for Supervisors:

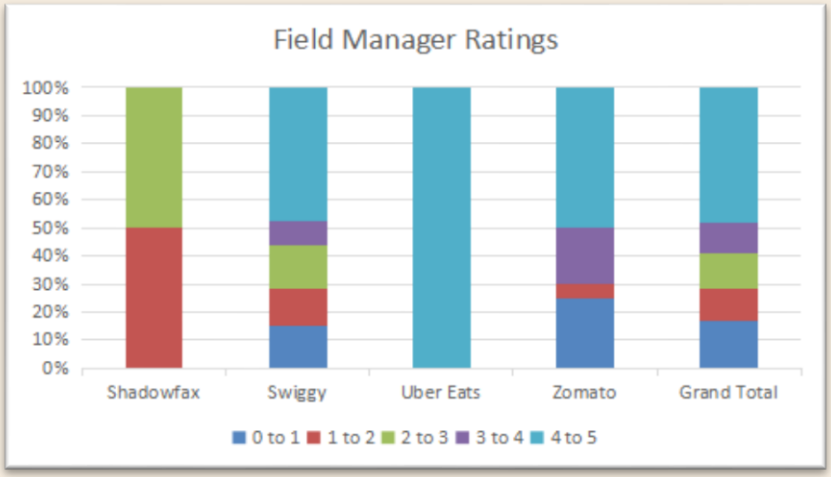

Figure 13

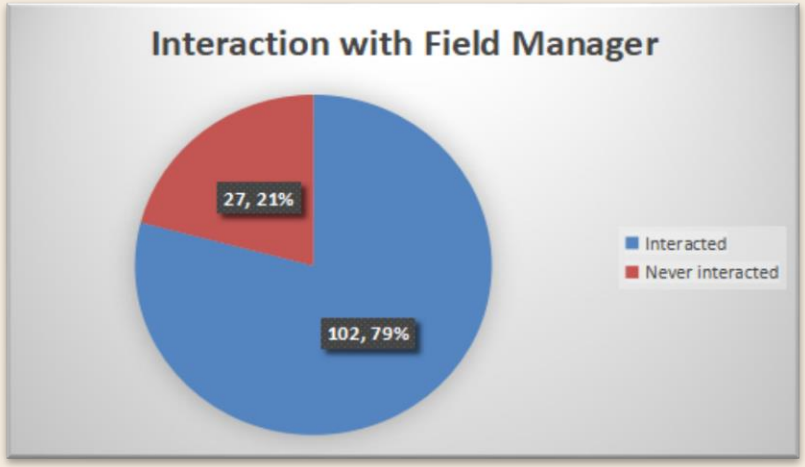

Figure 14

Figure 13 shows rating given to field manager/team leader by the respondents based on their experiences with them. It can be seen from the graph that almost 40% of the people in the case of Swiggy and Zomato have rated them less than 3 out of 5, based on the kind of help they get when in need. According to them, they are often unable to reach their field managers on phone when in need of assistance.

For the delivery persons working in Zomato, the company provides 24*7 helpline and a team leader to resolve the issues faced by them during work. For Swiggy, the responses we got were mixed about the interaction with the field manager to resolve their issues. Swiggy, unlike Zomato, does not provide a 24*7 helpline for delivery persons.

Figure 14 shows that a significant 21% of the people have never interacted with the field manager. The reason for the same was mainly their unavailability or even in some cases, no need to contact them. During the work time, delivery person faces a lot of issues like theft, traffic, cancellation of order by customer, black zones etc.

A 26 year old delivery partner with Swiggy informed us about unsafe areas identified across Delhi – such as Paharganj, Shakti Nagar, etc, where incidents of theft often take place. He says he was in one such situation where he was threatened with physical assault. Being unable to get any help from the Field Manager, his call was diverted to Customer Care, which was of no help. He ended up losing his phone and cash.

Social Security benefit:

The rush to deliver food on time increases the risk of road accidents, as experienced by multiple delivery partners interviewed. While these food delivery apps list insurance as one of the benefits, these workers are for the most part, unaware of the modalities of accessing insurance. The impact of this can be seen from figure 15 below with only 1 out of 29 insurance claimants, actually getting it.

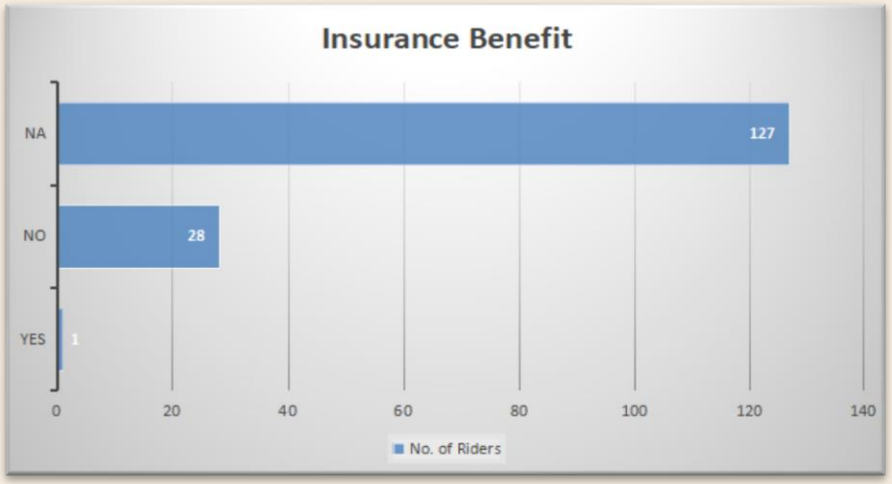

Figure 15

A delivery partner with Swiggy informed us that one of his friends working in the same line lost his life on-duty. While driving hurriedly to deliver food on time on a rainy day, his motor-cycle slipped on the road, and as he skid next to a live wire, he died from an electric shock. His family could not claim medical insurance due to the grief of such a young death and the hassle of making the claims.

One interviewee reported a fatal accident where he fractured his arm; he tried to contact his Field Manager, who did not respond. Having paid for the medical expenses incurred all by himself at the nearest hospital he was taken to, his claim for medical insurance went unfulfilled despite months-long attempt. His arm took more than a month to heal, further restricting him from working.

Understanding Exit

Average duration in work:

The survey findings show that the largest proportion of delivery partners have been engaged in the work for a period between 1 to 6 months only, Figure 16 below. Of the total respondents, only four have been engaged for over 2 years, three of them being from Swiggy and one from Shadowfax. It may be noted that online food delivery business has been in operation for the last 4 years.

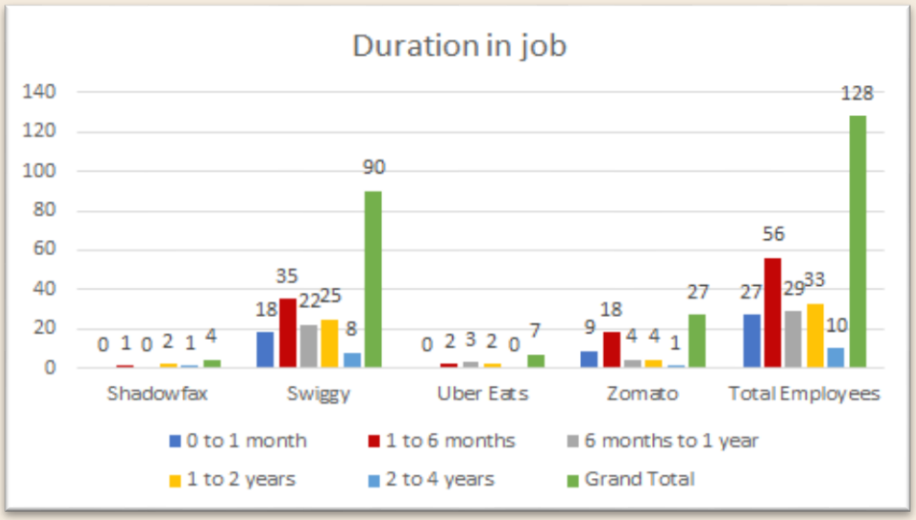

Figure 16

Reason for exit:

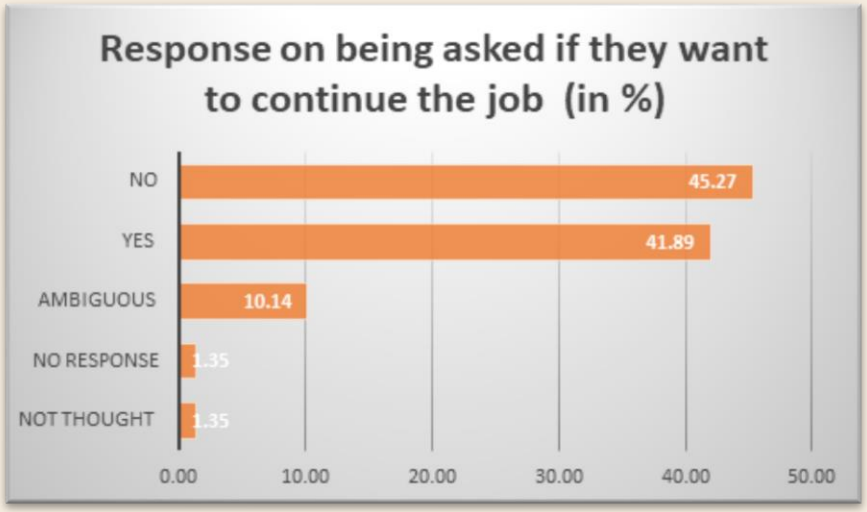

Figure 17

On being asked if they plan to continue this work or not, the delivery partners' responses are almost split between 'Yes' (41.9%) and 'No' (45%), as demonstrated in Figure 17. While some of the workers answering in the affirmative are satisfied with the job, others opt to stay due to lack of alternative employment opportunities and do not see the gig work as a lifelong source of earning. Meanwhile, those who do not plan to stay see it as a junction in their career. The below two responses roughly sum up majority of the responses of delivery partners on being further probed over their responses.

"I'm looking for an office job so that I can sit and work. In this job, I have to be on the move all day long," says Kishan, who has been working as a delivery partner with Swiggy for over a year now. Meanwhile, Bunty who has been working with Swiggy for 6 months tells, *"I'm not planning to leave as of now, as I have to earn for my family… but it is clearly not a job to do for a lifetime."*

This, among other factors, impacts the labour participation in the gig economy. It gains a peculiar characteristic of high job creation coupled with high labour turnover. To test this hypothesis, we explored the correlation between the delivery partners' duration in the gig work and their response to the question of continuing (barring the ambiguous answers). Figure 18 (below) illustrates this correlation. It shows that the freshers are less likely to leave than those who have been engaged in the work for a period between 1 to 6 months. Amongst the latter group, 48% (app.) of the workers plan to leave. The number is higher for those working for over 6 months to 1 year, among whom 71% plan to leave. However, more workers planned to continue with the work after crossing the 1-year threshold (60%). The responses again lean more towards leaving (56%) amongst those working for 2 to 4 years.

Figure 18

Table 3

Planning to continue?	0 to 1 month	1 to 6 months	6 months to 1 year	1 to 2 years	2 to 4 years
No	16	24	6	17	4
Yes	9	22	15	11	5
Total	**25**	**46**	**21**	**28**	**9**
Ambiguous	2	5	5	3	0
No Response	0	1	2	0	0
Not Thought	0	1	0	1	0
Grand Total	**52**	**99**	**49**	**60**	**18**

Table 3 above shows the total responses along with the respondents' duration in the work. The data does not cover workers that have already left the work, and since the respondents' answers may differ from their future course of action, the findings thus arrived upon may not fully represent the reality on the ground. Nevertheless, the findings of this survey do coincide with other existing studies that point towards high attrition rate in the gig economy.

Aspirations:

Suraj, twenty-four years old Graduate, has been working with Swiggy for 2 months, before which he owned a fruit-and-vegetables shop. His business incurred heavy losses, due to which he had to find work as a food delivery partner. He yearns to earn enough to recover all losses, and build his business again with a stronger capital and market experience.

Roshan, 18, is about to complete his secondary education. He delivers food for Zomato as a cycle rider and is trying to supplement his family income through delivery work by working 12 hours a day. He says he chose to work with Zomato as opposed to other delivery companies for its flexible work hours and the freedom to commute on his cycle. He aspires to join the Indian Army sometime in future

The table 5 below highlights the percentage of delivery partners who had a predetermined career goal to achieve and aspired for it in comparison to those who wanted to continue working as delivery partners, or were ambiguous about it, and didn't have any other career-related aspiration in the foreseeable future.

Table 5

Aspiration (Yes/No)	Percentage of Respondents
Yes	52.83
No	47.17

Since more than half of the Delivery Partners aspired for some future goal with multitude of aspirations, it is of vital importance to understand the determinants of this aspiration. The analysis, thus, has looked into the desires or goals and not their achievement. It tries to correlate the aspirations with the background of the delivery partner which includes social identity (caste), age and educational level.

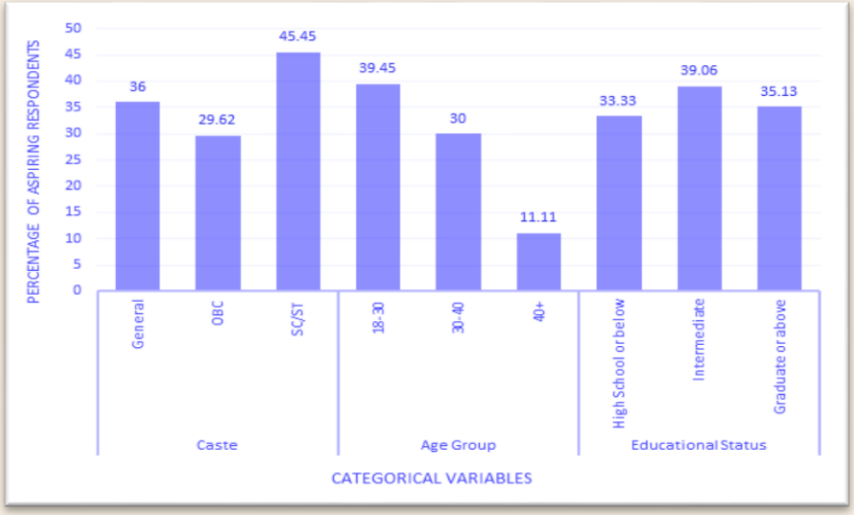

Figure 19

The findings, as depicted in the figure 19, show that except affecting the age-group category, aspirations cuts across caste groups and varied educational background. In case of age-groups, 39.45 % individuals within the 18-30 (in years) group shared a desire for a different career goal which is 28.34% higher than the least aspirational age-group i.e. 40+ (in years).

One other important feature is that among the caste groups, SC/STs have the highest percentage of aspiring respondents, 9.45% higher than General category and 15.83% higher than OBCs.

Comparative Table on Food Delivery Platforms

The Table 6 below gives the difference between three delivery platforms: Swiggy, Zomato and Uber Eats on a number of aspects, collected during field research.

Table 6

	Swiggy	*Zomato*	*Uber Eats*
Established In	2014	2008	2014
Countries of operation	1	24	20
Cities in India	228	213	28
Shift timings of delivery partners	Full Time: 7:00 to 17:00 12:00 to 23:00 Part Time: 19:15 to 00:15 Part Time Weekend (Fri,Sat and Sun): 19:15 to 00:15	Full Time: 12:00 to 00:00 Part Time: 19:00 to 00:00	No Fixed Time
Income of delivery partners from orders delivered(Piece rate basis)	Rs. 35/order for 4.5 kms. Rs 42/order for 5.5 kms. (Above that addition of Rs 7 per additional km) Max. Upto 120/order	Rs 30/order	First 4 orders: Rs 40/order (Above that addition of Rs 10 per additional km)
	Part Time Weekend: Part-Time weekend: First 4 orders: Rs 45/order 4-10 orders: Rs 60/order 10-16 orders: Rs 65/order		
Income of delivery partners from Incentive	Full Time: Rs 250 on Rs. 1000 earnings/day and 350 for Rs. 1400/day Part Time: Rs. 100 on Rs 400 earnings/day Rs 170 on Rs 680 earning/day	Weekday 11 orders: Rs 200 15 orders: Rs 400 18 orders: Rs 600 22 orders: Rs 800 *Weekend* 13 orders: Rs 300 17 orders: Rs 550	10 orders: Rs 40 15 orders: Rs 75 20 orders: Rs 120 and subsequently for more orders delivered

		21 orders: Rs 1000 27 orders: Rs 1500	
	Rs. 170 on Rs. 680 earnings Other incentive: 1. Rs 2000 for 24 hrs shift Rs. 650 for working the whole week	Weekend 13 orders: Rs 300 17 orders: Rs 550 21 orders: Rs 1000 27 orders: Rs 1500	-
Penalty charged on delivery partners	Rs. 500 for five order rejections per week Rs 500 fined for not wearing uniform Part Time Weekend: 1 reject : Rs. 50 penalty 2 rejects: all order now at Rs. 40	-NC	-NC
Insurance provided to delivery partners(Yes/No)	Yes	Yes	Yes
Entry-level Requirements (delivery partners)	Assets: 1. Vehicle 2. Smartphone (Android Phone v 4.4.2) Other (including documents): 1. Driving license 2. Aadhar Card 3. PAN Card 4. Ear Phone 5. Bank Account Passbook (In the name of the person applying)	Same as Swiggy	Same as Swiggy

Zomato Cyclist:

10 order: 100/200(Piece-rate income) + 250(incentive earned) = 450
1-2 km:Rs 10
2-3 km: Rs 20
If min.80 hour per week then Rs 500 more incentive

Note: Company provides battery bike by charging Rs. 700/week for one year.
Working radius: 3km circle (For bikers it is 12km circle**)**

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