

Premium restaurants get hooked to the sweet taste of food delivery

Premium restaurants see gourmet meals on wheels as a long-term business

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For Keenan Tham, founder and director of Pebble Street

The culinary cosmos is clearly expanding with fine dining moving out of its confines

Hospitality that owns premium restaurants like KOKO and Foo, delivery was never a focus of the business. But the pandemic changed that.

“During the lockdown, 100 per cent of our business came from delivery,” says Tham, adding, “For this we tied-up with delivery partners like Zomato and Swiggy.” Before the pandemic, only a tiny segment came from delivery for which the company had partnered with Scotsy. Tham says even once the pandemic is over, delivery will remain a big part of the business.

Tham’s decision finds an echo across premium restaurants and five-star hotels, which got into home delivery of food a year ago to plot their way out of the pandemic-induced loss to business. Today, it has evolved as an important ancillary to their core business.

For an industry that counts heavily on experience and personalised touch, this was a first.

Khushnooma Kapadia-senior area director of Marketing-South Asia, Marriott International, says their home delivery brand, Marriott Bonvoy on Wheels (MoW), has done “extremely well over the past one year and continues to grow in popularity and demand”. In the past few months, it has seen orders double from key cities like Mumbai, Delhi, Hyderabad, Bengaluru and Pune.

Atul Bhalla, area manager, West, ITC Hotels, agrees. “We started small but kept growing month-on-month because there was a lot of pent-up demand.” Since not everything that is served at these premium restaurants can be delivered, a good amount of research goes into crafting the delivery menu. “ITC’s pulao and biryani menu has been a big hit,” he says.

Going far with food

Marriott International, which has a network of 76 hotels in the country, now delivers meals in over 26 cities through its food delivery brand, Marriott on Wheels. ITC presently delivers meals in 18 cities through its network of 24 hotels.

Indian Hotels, with expansive presence across India, delivers meals from 32 hotels in 14 cities through Qmin, its in-house e-commerce app. It has served over 50,000 meals to date for virtual events and celebrations such as weddings, board meetings, conferences and summits across the country.

It has served over 20,000 meals to date for weddings, board meetings, conferences and summits across the country. Both ITC and Marriott cater to their guests through multiple channels that include food-delivery apps, web-based platforms and hotel apps.

Partner pangs

Working with delivery partners, however, has its bitter-sweet side, as many are now finding out. Some say negotiations over commission is an ongoing exercise and these can go up to 30 per cent.

Requesting not to be named, some other industry players say that commissions can range between 16 per cent and 25 per cent, and these keep changing depending on the value of the order.

That's why premium players are also creating their own delivery systems.

While ITC has partnered with Swiggy, Zomato and EazyDiner, it also has its own app. This is especially beneficial for locations that are beyond the periphery of its delivery partners and it allows ITC to make deliveries up to 22-30 km.

Marriott is working on expanding MoW’s reach to more cities and plans to have the exercise completed by later this year.

“While developing our own app is not part of an immediate plan, we do have a web-based platform, marriottbonvoyasia.com, through which people can avail of the home delivery service,” Kapadia says. Tham shares, “Last month, close to 40 per cent of orders came from our own website.”

The other side

For delivery partners, meanwhile, such tie-ups have proved sweet. While Swiggy had started to talk about tie-ups with premium outlets before the pandemic, the lockdown pushed the number of such collaborations to over 3,000.

“This partnership has also supported luxury hotels to access and acquire a new set of consumers through Swiggy, while catering to their existing customer base with home deliveries,” says a Swiggy spokesperson.

Home-delivered meals from five-stars are also cheaper by 15 to 20 per cent as compared to eating at the destination outside.

Zomato, which has partnerships with establishments like Marriott, ITC Hotels, IHG, Hyatt, Accor, Hilton,

Radisson, The Park, Sarovar Group, The Leela, and many others, says food delivery has emerged as an important part of every restaurant's service portfolio. Hotels, restaurants and delivery partners both agree that this is a long-term tie-up, but these big brands are also looking for exclusive tie-ups with other delivery partners.

For instance, Delhi-headquartered Pidge, which has been working with premium brands for long, is convinced that niche players like themselves are more suited to deliver the experience that these premium brands promise.

“Businesses that are listed on such food aggregator platforms either have to pay hefty commissions, which eat into their margins, or settle with reduced independence and control over their own brand recognition and identity,” says Ratnesh Verma, founder and leader, Pidge. Pidge has partnerships with luxury hotel chains such as Taj Hotels, Radisson Hotels and Meridian Hotels. It also delivers for some cloud kitchens in the luxury space, such as Dinner Box, across the Delhi National Capital Region.

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Neha Alawadhi contributed to this report