

## Zomato to pay more to delivery partners, absorb fuel price rise impact



With rising fuel prices pinching the pockets of its delivery partners, foodtech platform [Zomato](#) has put in place a revised pay structure for them which will now include a component of distance pay. It has also introduced a long-distance return pay which means for every long-distance order completed, its delivery partner would either receive another order within 15 minutes that would bring them back closer to their base working location or they will get an additional payout for travelling the extra distance.

Zomato CEO Deepinder Goyal said on Twitter that the company is not yet passing on this cost to customers.

“We are committed to making Zomato the best place to work for our delivery partners. We understand how fuel price hikes can impact their earnings and have decided to factor in such developments in their pay structure. Both of these inclusions combined will increase their earnings by 7-8 per cent,” said Mohit Sardana, COO, Food Delivery, Zomato. The company has already implemented the new structure in about 40 cities and will be rolling it out in other cities in the coming week.

The Tiger Global backed platform had faced criticism for being the worst performing digital platform on the Fairwork India Ratings last year with Goyal later tweeting that the company will try its best to improve the working conditions to perform better next year.

Fuel prices have been on the rise in India for over several days with petrol prices crossing Rs 100 per litre in Rajasthan.

On an average, a Zomato delivery partner travels anywhere between 100-120 km in a day, consuming 60-80 litres of fuel in a typical month, according to the company. The recent increase in prices amounts to an additional monthly spend of Rs 600-800 which is about 3 per cent of monthly income from his/her take-home income. It has 150,000 delivery partners in its fleet currently who earn Rs 20,000-25,000 monthly on an average.

Tencent-backed Swiggy also has a plan under works to cushion the impact of fuel price rise on riders, according to sources. The startup has over 130,000 delivery partners on its platform currently.

“My fuel cost has gone up by up to Rs 100 per day and it could end up hurting my income by Rs 2,500 per month,” said a Swiggy delivery partner who completes 15-20 orders per day in Bengaluru.

Zomato