

Millennials' hunger for online food grows

While locals have been known to enjoy dining out, many of the country's chompers are choosing to eat in with gourmet cuisine and fast-food meals available at the tap of a finger.



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Growth in on-demand food delivery from individual brands and third-party aggregated apps has largely been driven by millennials seeking convenience and quality food.

"Locally, we have seen fast-food brands introducing online ordering and delivery as well as the launch of Uber Eats," said Sue Morris, trend translator at Flux Trends.

"The market seems to be shifting to takeout and delivery rather than favouring sit-down restaurants," she said.

One of the oldest food delivery services, Mr D Food (previously Mr Delivery), was relaunched as an app and online service earlier in 2017. The app has been downloaded more than 200,000 in the past two months alone. Head of Mr D Food, Devin Sinclair, said this equated to more than 100,000 orders per month through that platform.

"There is huge opportunity in SA. According to Euromonitor, less than 1% of food ordering in SA in 2015 took place online," said Sinclair.

"As smartphones become the norm, people are migrating from phoning restaurants to order food for collection and using apps where they have the option either to deliver or to collect."

Mr D Food is 100%-owned by Takealot.com and backed by Naspers and Tiger Global. Naspers has invested more than half-a-billion dollars into online food delivery businesses since May, with \$425m going to Germany's Delivery Hero and 80m into India's Swiggy.

Online food delivery presents a large opportunity and the industry has experienced strong global growth. Morgan Stanley estimates that food delivery in the US alone is worth \$30bn.

"The food industry as a whole may be flat in SA, but there is no indication that growth in food delivery services will wane," said Sinclair.

"There is definitely more competition in the sector, but Mr D boasts the widest selection of restaurants and the best coverage in SA. We have been in the business for decades and we have now changed our underlying business model which will make the eat-in experience easier and better for customers."

Uber's food delivery service Uber Eats launched in Johannesburg in 2016 and in parts of Cape Town in 2017. It [has expanded](#) its territory to Pretoria, including Centurion, and plans to be in all major cities in SA by the end of the year or early 2018.

Mr D Food operates in 1,900 suburbs across the country.

"We are strongly placed to fulfil our growth ambitions, thanks to our national footprint and strong relationships with SA's favourite restaurant groups. We are also the only online food delivery service in the country that provides cash on delivery as a payment option, an appealing choice for many consumers," said Sinclair.

Source: Business Day

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