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**The Competitive Landscape of
Italian Food Delivery Market.**

Key Strategies of Italian Platforms

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*«To see a world in a grain of sand
And a heaven in a wild flower,
Hold infinity in the palm of your hand,
And eternity in an hour»*

William Blake

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INTRODUCTION

Food delivery represents a worldwide market worth more than \$100 billion. The size of this market has exploded in the last decade and it is growing at an expected rate of 10% annual. This phenomenon is to be considered a direct consequence of platform economy and gig-economy. The first one brought a breath of fresh air to all those businesses that connected two or more sides in the market. The peculiarities of this model are to be potentially adaptable to any type of business, through the openness and network effect. This has led many large companies to convert to this business model and have led many others to be born and become in a few years market leaders in a sector. For this reason, they have eliminated well-established companies and created an entire economic ecosystem from scratch. If the first phenomenon revolutionized interactions, the second one revolutionized the job. The gig-economy changed the working attitude of millions of people around the world, redefining the concept of working and gaining. Both phenomena are due to the development and diffusion of digital and internet technologies. Thanks to the rise of new needs and new opportunities, there had been a rapid expansion of online services that put in contact costumers 'request and intervention service in a faster and more direct way, avoiding extra costs.

The aim of this thesis is to clarify the phenomenon of food delivery in Italy and in the world, starting from how and why it began. The attention will highlight the competitive strategies adopted by Italian food delivery platforms against international companies. It will discuss about the different strategies put in place by the platforms born in Italy against their competitors who did not have the resources and skills of international players. Following these guidelines, the argument is divided into four chapters.

The first chapter talks about digital platforms as a new business model of the 21st century. We will start by analysing their definition in the literature until identifying the most correct and accredited one. The different types of platform will be categorized, and their intrinsic characteristics will be highlighted. There will be a deep analysis of their business model and their pricing model that have made them so widely used. Finally, it will be discussed about their spread in the world and in Italy.

The theme of the gig-economy is the second phenomenon to justify the wide success of food delivery. In the second chapter crowd work and on-demand jobs are discussed as the two types of working organized by the platforms. There will be a debate about numbers, size and evolution of this sector, both globally and at Italian level. A deep analysis about how is working as gig-worker, the advantages and disadvantages for platforms and workers has been conducted. The last part is dedicated to a particular category of workers: the Italian riders of the food delivery platforms. The types of contracts and their remuneration are analysed and compared one to one. In addition, there will be a long debate on the Law 128/2019 on worker protection which represents a very hot topic in Italy in recent years.

The third chapter will arrive into the heart of the discussion and start to talk about food delivery as a phenomenon exploded since the beginning on the twentieth century. It will show the size, numbers and evolution of the sector thought the world and in Italy. Subsequently the market in Italy is presented: firstly, the business models with which the food delivery platforms usually operate have been analysed continuing with the main players of the Italian market made of companies "made in Italy" and multinationals. Finally, there was place for a brief overview over the positive and negative results during the recent covid-19 health emergency.

In the last chapter of this thesis the methods used for the research and the sources of information are defined. The most important platforms in Italy were first analysed by typology and then individually, based on interviews conducted and data collected. It has been done an attentive analysis comparing the international platforms with Italian ones, paying attention on a series of elements presence in the territory, financial performance, strengths and weaknesses, contracts and pay of riders. Then the competitive strategies of the Italian platforms against international competition has been obtained thought three typologies. Finally, predictions of the future of this market and of food delivery platforms have been hypothesized.

CHAPTER 1. THE PLATFORM ECONOMY

In the last two decades there has been a technological, economic and social change due to the advent of digital platforms in the economic scenario. The platforms' advent has revolutionized through exponential growth and large-scale growth of many large companies such as Google, Microsoft, Amazon and Airbnb. The birth of these giants has given rise to new opportunities and new businesses, wiping out many other traditional companies. In 2016, the global market capitalization of digital platforms was more than \$4.5 billion and among the top ten companies in the world, eight of them adopt the platform model.

The advantage of this new form of digital progress is the ability to adapt to a multitude of economic spheres, such as health, tourism, sales, networking and many others. Each of them seems to be unique in promoting and bringing success to companies that have adopted it as a business model. Platforms have a huge success in our years. They have started from a basic activity such as booking a trip, changing cars, looking for a restaurant but they change the way of performance. They simplify their usage and reduce their time. Through IT, they have changed the way of showing values and persuading users. Talking about an activity where information is confusing and difficult to find, the way with which the platform organizes all information is easier, quicker and intuitive for users. In doing so costumers can make the best choice and enjoy their holiday, buying their car, reserve a table for dinner and all this at the best price on the market.

The most significant point distinguishing them as the best business model of the 21st century is the network effects. This phenomenon can be explained as the ability to increase the value of a product or a service according to the increase of subscribers. In return it can lead to a positive feedback loop feeding both value creation and the growth of utilities. This is the biggest point of strength of the platforms and one of the reasons of their success.

The first chapter concerns platforms and their ecosystem. It discovers all about their creation, their features, how they work, the economy surrounded them and their diffusion around the world.

1.1 Defining a Platform

In the literature and research conducted it is possible to come across a set of definitions on the meaning of platform. Over the years the different designers have contributed to give their own definitions according to the type of treatment. Basically, you can find two types of definitions. The first has a more technical background and it related to technical and scientific subjects (e.g. software, digital components, etc.). The second type is more related to authors dealing with concepts like trade, marketing and transactions between different actors. Table 1 summarises some of these definitions (Asadullah, et al., 2018). Each author has a different idea of what a platform based on functionality, functions or way of use represents. This multitude of definitions is not surprising, considering that the different authors have worked in different contexts and with different tasks.

Despite the amount of definitions, the most noteworthy and accepted among the literature on this subject is the one of Parker, Van Alstyne and Choudhary (2016):

“A business based on enabling value creating interactions between external producers and consumers. The platform provides an open and participative infrastructure for these interactions and sets conditions of government for them. The platform’s purpose is consummating matches among users and facilitate the exchange of goods, services or some sort of social currency, thus enabling meaningful value exchanges between all participants.”

CONCEPTUALIZATION	DEFINITIONS	REFERENCE
Technical	“a building block providing an essential function to a technological system and as a foundation by which complementary products, technologies or services can be developed”	Spagnoletti et al. 2015, p. 364; Yoo et al. 2012, p.1400
	“The extensible codebase of a software-based system that provides core functionality shared by the modules that interoperate with it and the interfaces through which they interoperate”	Tiwana et al. 2010, p. 676; Ghazawneh and Henfridsson 2013, p.3
	“a set of subsystems and interfaces that form a common structure for/from which derivative applications can be developed and distributed”	Xu et al. 2010, p. 1305

Non-technical	“a commercial network of suppliers, producers, intermediaries, costumers and producers of complementary products and services termed “complementors” that are held together through formal contracting and/or mutual dependency”	Tan et al. 2015, p.249
	“multisided platform exists wherever a company brings together two or more distinct groups of costumers (sides) that need each other in some way, and where the company builds an infrastructure (platform) that creates value by reducing distribution, transaction, and search costs incurred when these groups interact with one another”	Pagani 2013, p. 625
	“...value is created by facilitating the interaction between two or more mutually interdependent groups of costumers”	Ye et al. 2012, p. 211

Table 1 – Definitions of platforms

1.1.1 Platform vs. Pipeline

To understand how the platform model has revolutionised the way many companies do business today, it is worth starting from the basics, which is how most companies operate: using the *pipeline model*.

A company designs a product or service based on its market researches and market demand. At this point, it relies on its own capabilities to produce or make available the product or service. Starting from the suppliers, it asks what it needs for its activities. Finally, it promotes and sells the finished product to costumers. The pipelined model can be described in this way. It also be called linear value chain (Parker, et al., 2016).

Platforms have existed for many years in various forms: for example, as real estate agencies linking sellers and buyers or as shopping malls connecting shops and buyers. Although they are not a new form of business, they have never experienced such exponential growth and diffusion as in the last decade. The reason is to be found in the evolution of technology and in the digitalization, which allows companies to free release themselves from the yoke of costly and useless activities. The platforms through the internet technology can eliminate or reduce greatly the operations of a company that operates in pipeline, so that in the end only four players remain: the *owner*, the *provider*, the *producer* and the *consumer*. In this way the value is created and exchanged in more

dimensions among the four actors (Figure 1), and not moved linearly from supplier, to producer and finally to the buyer. The role of the platform is to simplify this passage through the network that is created.

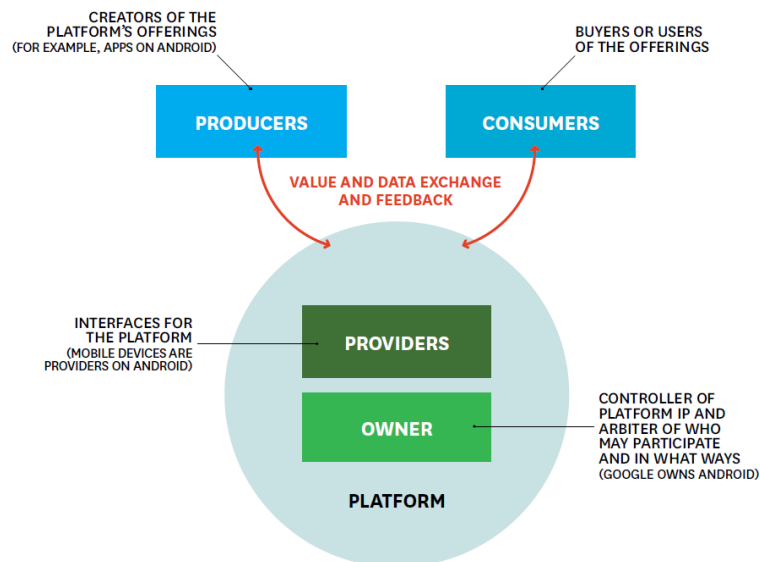


Figure 1 – The players in a platform ecosystem (Parker, et al., 2016)

The transition from the pipeline to the platform is certainly not easy for companies. Most of the largest companies that today are market leaders were born using the platform model. As Parker, Van Alstyne, & Choudhary (2016) point out, there are multiple advantages over the pipeline model:

- *Increased efficiency by eliminating gatekeepers.* Unnecessary and inefficient selection processes are avoided both upstream and downstream. The value creation process is more direct, less prone to errors, and less labour-intensive.
- *Unlock new sources of value creation and procurement.* Platforms do not need to own heavy assets and fixed costs to operate. It is possible to widen the offer using non-property goods, simply connecting owner and user.
- *Use data-processing tools to create community feedback loops.* The selection of the best products and services is left to consumers who through feedback determine who rewards in the market.
- *Innovate traditional farms.* The magnifying glass moves from the activities within the community to the ecosystem.

In addition, the evidence demonstrates that as soon as a platform enters the same market in which pipeline company operate, most of the time it wins. Not by chance many giants in the trade, sport and manufacturing sectors have decided to implement the platform model (Parker, et al., 2016). The change of the business model is a hard choice in terms of costs, but dutiful if you want to maintain a competitive advantage. In this regard, Parker, Van Alstyne & Choudary (2016) suggest several measures to be taken to approach the change:

- *From resource control to resource orchestration.* Companies need to shift their focus from controlling tangible and intangible assets to the network of people around them that create value.
- *From internal optimization to external interaction.* A review of the strategy is necessary in terms of reducing the focus on optimising internal processes in order to focus more on the external and ecosystem.
- *From a focus on customer value to a focus on ecosystem value.* While pipelines focus on extracting value from end customers, the platform strategy is to use the multi-sided market in order to balance revenues from both sides.

The path of change is not simple and the competitive landscape at the end of the tunnel is very turbulent and variable. Today, however, this should not discourage companies, but should draw inspiration from the many examples that are flourishing in various sectors. The change of the ecosystem, of the habits, of the ways of doing business must ignite in the companies the input to the modernization considering that the platforms today more than ever will govern the economic panorama of the tomorrow.

1.1.2 Traditional Platform vs. Digital Platform

Basically, a platform aims to connect two or more actors, typically seller and buyer, and to facilitate the exchange of information and the agreement between them. This type of organization is generally called multisided platforms (Boudreau & Hagiu, 2008). The name is because one group interacting with another create what the literature calls *network effects*. As this effect increases, the user base also increases, setting in motion at a certain point, a virtuous circle that triggers a reciprocal effect: the more users join, the more the use of the platform increases, which in turn increases users. Clearly, externalities networks are valid when users use the same platform (or technology).

There are two types of network externalities. Direct, when multiple people share the same platform, attracting others and so making the user base wider. In this way it is the user base itself that attracts other users (Facebook, Instagram, WhatsApp). Indirect, when not the user base, but a different group of providers make increase the users of the platform. This group provides products and services at the user base, and increases their size (PlayStation, Airbnb). Externalities are generally positive, as it brings benefits to all sides that populate the platform in economic terms, uncertainty, innovation and opportunity. It can happen that the externalities are sometimes negative as in the case of advertisements that most of the times disturb the user risking to make them abandon the platform or to switch to different solutions (ex. Yahoo) (Dew & Read, 2007).

There is a substantial difference between digital and non-digital platforms. Most of the authors who have worked on issues relating to platforms have not paid attention to clearly defining the dividing line between them. To be clearer, platforms with the purpose of mediating between two different groups (users and providers), without providing a codebase would not be considered with the attribute "digital" (summer agencies, shopping malls). Otherwise, "digital platforms" are immersed in an ecosystem composed of multiple components such as applications, operating system and devices. These components in turn are linked to each other creating a network of platforms that interact and collaborate with each other (Reuver, et al., 2017). Think of an application like TheFork, which is used for the purpose of booking a restaurant table. This platform in turn relies on TripAdvisor who uses Google's localization services for location and fruits the iOS and Android operating systems for spreading the installation.

As a general meaning the term "digital platform" has been used to describe a range of services available on the internet including marketplaces, search engines, social media, creative content outlets, app stores, communications services, payment systems, services comprising the so-called "collaborative" or "gig" economy, and much more. Simply, a digital platform is defined as a digital service that facilitates interactions between two or more distinct but interdependent sets of users (whether firms or individuals) who interact through the service via the Internet technology (OECD, 2019).

Digital platform, compared to "non-digital", seem to be more characterized by homogenisation of data, editability, reprogrammability, distributedness and self-referentiality (Yoo, et al., 2010). The high level of hierarchy that can be found on the past models, seems to be absent on the latter. In most of the cases as the evidence shows there

is no single individual who manages and controls the platform, but different players contribute. Although openness is also a feature of non-digital platforms (Eisenmann, et al., 2006), the main advantage is free access to APIs (application programming interfaces) and SDK (software development kits) which thus facilitates the relationship between developers and provider of the platform (Reuver, et al., 2017). Openness and what come with it is present in different degrees in all digital platforms. Think of Apple, which in comparison to Android, allows external developers a more limited and controlled contribution in their platform and systems.

Over the years, many businesses have adapted to increase digital transformation. Many businesses have decided to switch to digital because they are forced by technological growth and changing habits (Figure 2). Companies that first produced or gave physical services have converted using digital and widening their audience (arrow 1 and 4, figure 2). There are companies that have decided a radical transformation not only by moving to digital field but also changing the business model (arrow 3, figure 2).

The predominant change of route in terms of a company’s success in the past years is having adopted the business model of digital platforms ensuring these companies exponential growth in a few years (Reillier & Reillier, 2017).

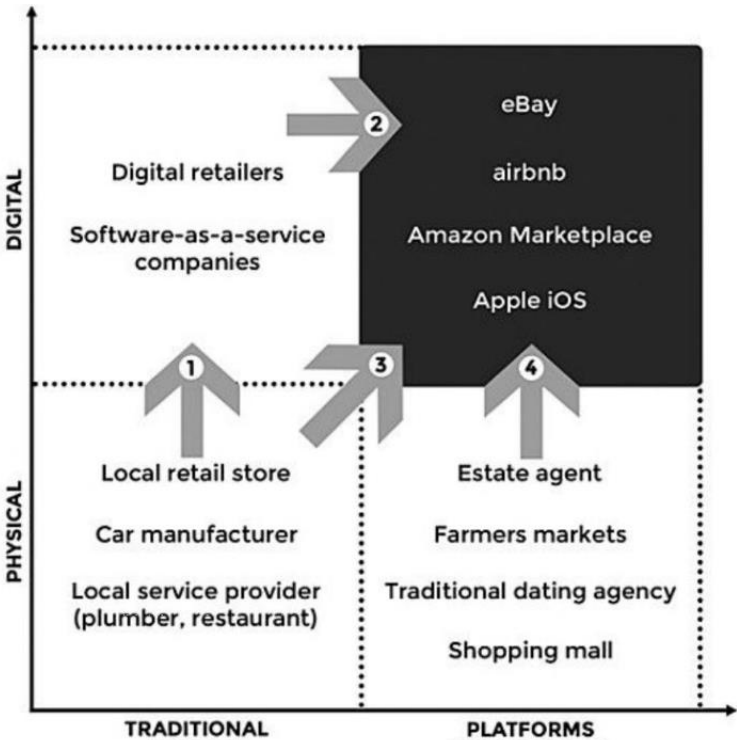


Figure 2 - Digital transformation (Reillier & Reillier, 2017)

1.1.3 Categories of Platforms

Since in the economic panorama there are many platforms with very different functions from each other, it is useful to divide and categorize them. The literature proposes different ways to divide them.

The first and most noteworthy is given by Evans (2003) who defines platforms as "catalysts" dividing them into three different businesses:

- *Market maker*: connect two parts (seller and buyer) earning on the transaction (eBay, Uber, Airbnb);
- *Audience builder*: the advertiser takes advantage of the attention of the audience consuming or sharing contents (Netflix, Spotify);
- *Demand-coordinator*: coordinates the creation of goods and services capable of generating externalities in the network (iOS, Android, Windows).

In another subdivision there are four different kind of platforms present (Evans & Gawer, 2016):

- *Transaction*: act as a conduit or intermediary facilitating the exchange and interaction between different users, buyers or suppliers (Airbnb, PayPal).
- *Innovation*: serve as a foundation for another company that develops technologies, products or services (SAP, Kickstarter).
- *Integrated*: is a type of platform both transaction and innovation. They include companies that have their own platform and a large ecosystem surrounding third-party developers that support creative content in the platform itself (Apple, Google).
- *Investment*: is adopted by companies that have developed a strategic portfolio platform and work as a holding company and/or an active platform of investors (Softbank, Priceline).

They all consist in a technology, a product or a service, although each of the categorized platforms share the same basic dynamics of operation. Each platform category turns out to be well defined depending on the sector or function it covers.

Another categorization is proposed according to the dual mode type (Farrell & Greig, 2016):

- *Labour*: refer mostly to the so-called "gig economy". Connect clients with freelancers or contingent workers who perform discrete tasks (Deliveroo, Uber).
- *Capital*: connect costumers with individuals who rent or sell p2p goods (Shpock).

The main distinctions between labour and capital platforms are to be found in the type of users, frequency of use and type of earnings.

Another form of categorisation is based on the business model of the (Boudreau & Lakhani, 2009). There are three different types of BM:

- *Integrator*: the platform acts as a connector between the external contributor and the end user, so that it can control and profit on transactions (iOS, TopCoder).
- *Product*: the exchange between the external contributor and the end user takes place through the technology developed by the platform itself. In this way, however, the platform is less involved in trade (cloud services providers).
- *Multisided*: end-users and external contributors interact freely without barriers. The platform may impose rules on the external contributor (LinkedIn, eBay).

There is another type of categorization that are based on interactive modes, focusing on how different contributors interact with each other (Boudreau & Lakhani, 2009):

- *Collaborative*: the norms and rules in this category are soft and elastic; also access to information is free and easy (SAP, Wikipedia).
- *Competitive*: contributors compete on the services and goods they offer to the final costumer; access to information is difficult (TopCoder).

Other research divides platforms according to government structure (Parker, et al., 2016):

- *Opened*: possibility to contribute to the governance of the platform (Linux, Wikipedia).
- *Closed*: the platform is completely closed to governance changes (Apple, Google).

A further subdivision is based on the ownership structure that reflects differences in profitability and corporate impact (Parker & Van Alstyne, 2017):

- *Property*: exclusive property prevents external influence (Microsoft, Nintendo).
- *Open source*: possible to contribute to the construction of the platform (Linux, R).

1.1.4 Key Features

Digital platforms are enjoying huge success thanks to the many features that make this model highly efficient in terms of cost savings (research, bargaining, distribution), and new opportunities to attract users (Eisenmann, et al., 2006).

Plantin & Punathambekar (2018) have listed several features regarding the platforms starting from a vast literature on various topics concerning platforms. First, the platforms are *programmable*, that means they can be subject to reconfiguration due to technological change or trends. They are *generative* in the sense that they generate a variable result, if the interaction takes place within it. They are *participative*, so users, that could be clients or providers of goods and services, that participate leave a digital track. Moreover, they enjoy *modularity* because they interconnect systems and technologies with different functions in such a way as to define the characteristics of the same.

Talking about the common economic characteristic on the digital platform, OECD (2019) has highlighted some of them then make this model such unique:

- *Scale without mass.* The possibility to grow extensively, and to do so quickly and inexpensively in comparison to scaling up in physical goods markets, due to the extremely low and still dwindling unit costs for processing, storing, replicating and transmitting data.
- *Cross-subsidisation.* To reach at least a viable size by capitalising on the multi-sided nature of their markets. For instance, to increase the user base on one side of their business many platforms subsidise it.
- *Panoramic scope.* Some platform companies benefit from economies of scope because of complementarities between two or more of the services they provide on a given platform, or across platforms.
- *Potentially global reach.* online platforms have the possibility to attract costumers all over the world thanks to the Internet openness.
- *Disruptive innovation.* Successful platform drastically alters markets or create new ones.
- *Generation and use of user data.* they may be distinguished by the richness of their user data, the sheer amount of it at their disposal, and the sophisticated ways in which they use it.

- *Switching costs.* Some online platforms require or encourage investments by users that, once made, are not easily transferable to other platforms.
- *Winner-take-all or winner-take-most.* Successful platforms in such markets can experience hyper growth that is all but impossible for even innovative companies to achieve in physical product markets.

In addition to these features there are other two that are worth to be discussed more extensively, that make the platforms a highly profitable and successful recipe for business: *network effect* and *openness*.

1.1.4.1 Network Effect

The most peculiar feature that make platforms highly successful is the *network effect*. This effect can be explained in very simple terms: in a platform as the number of participants increases, the value created for them varies accordingly (Parker, et al., 2016). So, the value created in the platform for one part varies as the number of participants on the other side changes (Asadullah, et al., 2018). In this way the cost of creating the market for the platform is moved from business to network (Morvan, et al., 2016). For example, in travel and booking platforms such as Booking.it or Expedia.it, the value of the platform increases with the increase in the number of hotels and facilities providing overnight stays. This means that the final customer has a greater choice available and is always able to find the best offer. This effect affects the value of the product and the service and the power is calculated on the capacity of the platform of interacting new users within the network. It can be understood as a chain of cause-effect reactions which are triggered not by a single factor but by simultaneous influence. So, the more people interact in the network using a product or service, the more the value of the latter increases for users. The network effect also has an attractive effect on the outside as it attracts other potential users to join the network (Parker & Van Alstyne, 2005). Actually, it is a positive retrospective mechanic that the platforms enjoy and that is the source of their success. However, like any mechanism, it can have negative implications, so platforms must constantly monitor.

Theory on network effect are originated from the literature about the externalities (Liebowitz, 1994). Indeed, network effects are divided in two kinds: direct and indirect. With direct network effects, it is simply referred to the effect of increasing use of the same product or service, thus creating a benefit for the network. As mentioned above, positive

direct network effects can lead to rapid and formidable growth, as they create a kind of virtuous circle: the more users there are on one side, the more valuable the service becomes, which attracts even more users to that side, etc (OECD, 2019). Think about the social networking platforms (Facebook, Instagram, WhatsApp) and how they have been adopted over the years by an increasing number of users. These companies have grown enormously for the most part taking advantage of the direct effect of the network. On the other side, there are indirect network effect, that occur when a group of users benefits more as the number of people in another group of users increases, and possibly vice-versa. Thus, if a platform provides better service to one side of its market, it increases the demand for its service on the other side(s) (OECD, 2019). In turn they are divided into negative and positive. The negative one concerns the case in which there is a transfer of value between one group to another, through a variation of the demand and consequently of the price. This creates short exponential decay and negative feedback. The positive one, on the other hand, create secondary markets of complementary goods and services, thus benefiting the platform itself. Think of smart devices manufacturers as Apple that around its products has an entire ecosystem of developers of applications and products and accessories adaptable to its devices.

Therefore, in a multi-sided market there are two types of effects: *same-side* and *cross-side network effect*. In turn these can be both positive and negative (Parker, et al., 2016). In the Table 2 below it can be seen how the value changes for the four types.

	POSITIVE	NEGATIVE
SAME-SIDE	Increase for users as the number of these increases (video games, social networks). The opposite effect can happen if you do not control users (Chatroulette)	Decrease to the increase of the number of suppliers. Increases the competition (travel platforms, real estate platforms)
CROSS-SIDE	Increase for users as suppliers increase (Mastercard, Uber)	Decrease to the increase of the complexity of the system and the availability of participants from one side to the other (advertising, disproportion between suppliers/users)

Table 2 – Different kind of externalities (Parker, et al., 2016)

1.1.4.2 Openness

Another unique feature of platforms is the *openness*. The openness of a platform concerns the constraints that it imposes in terms of use, diffusion, development. An open platform has a great advantage in terms of innovation and value creation (Boudreau, 2010). A platform can grant third-party development complements (physical or digital) to users of the same (iOS, Android, Kickstarter). Or it can grant greater freedom and cooperation in the development of the platform and its components (Open Office, Linux). The logical way to open a platform is to generate and disseminate innovation, as well as to create added value through a positive network effect (Parker & Van Alstyne, 2005).

There are different kind of openness in a platform. A platform can decide to be open to three types of participants, individually or simultaneously (Parker, et al., 2016):

- *Manager and sponsor*
- *Developer*
- *User*

Openness to the different participants presupposes different difficulties, implications, advantages and disadvantages. There are also two modalities through which a platform is open to participants and its resources can be exploited (Karhu, et al., 2018). The first way called *resource openness* exploits the technological potential made available and owned by the platform. The platform allows the use of the its resources while maintaining its IPR. In this way users benefit, and the platform can recover costs through other means such as advertising (YouTube, Google). The second called *access openness* allows to external complementors the possibility to enrich the platform through dedicated resources. In this case it is given the possibility to enter the platform, through API, creating new complements (digital or physical). The platform extracts value by dividing part of the revenue with the developers of the complements or through advertising.

TYPE OF OPENNESS	BOUNDARY RESOURCES	SHARED RESOURCES	ACTOR WHO SHARES	TYPE OF SHARING	OWNER'S RATIONALE
RESOURCE OPENNESS	Open-source license	Platform core (AOSP)	Platform owner	Shared IPR	Strategic forfeiture of IPR while recovering costs from somewhere else
ACCESS OPENNESS	API, app store	Complement (apps)	Complementors	Shared for distribution	Generate network effects, and extract value from complementarities

Table 3 – Platform openness (Karhu, et al., 2018)

1.1.5 Strategy and Best Practices

Platforms represent the next step that many companies have adopted in order to become highly profitable, getting rid of many activities useless to the creation of the value and taking care of the community of users and producers. Do not forget that they are operating a competitive environment, and in some cases very fierce.

The ecosystem may be the best ally, but it can also become hostile and difficult to control. It is essential to adopt a series of measures to predict and control the circumstances and the ecosystem (Parker, et al., 2016). The platforms must constantly control the environment and the forces that are exerted within it and that are generated. Participants in value creation could at a time work for the platform and later become competitors because they are no longer satisfied. Consideration should also be given to the possibility of the platform becoming obsolete and the need for a change of route. Facebook was born with the intent of joining people through the sharing of personal content; today personal content is less and less, and have left room for video, news, events that have transformed the platform into a means of daily information and entertainment for users. To obviate this and do not miss the user base, Facebook has purchased similar platforms like Instagram and WhatsApp.

Unlike a pipeline, a platform focuses its attention on interactions. Contacts between participants are measured in terms of quantity and quality. These interactions are fundamental in order to maintain and acquire competitive advantage. The role of the platform is monitoring, in order to make interactions in the network positive. Another important point concerns the control of architecture and rules. Owners can decide how to behave and what limit to give participants in terms of openness and governance. Openness determines how many and what types of content you can create or share, as well as who you can access. Governance is about who gets to choose the rules. Virtue lies in finding the right medium in the powers granted to participants, in order to prevent exploitation phenomena and to ensure that the needs of the wider public are adapted. Another concern is about the way through performance are measured. Unlike a pipeline where the internal efficiency of the processes it is constantly optimized and the costs minimized, in the platforms other parameters and measurements take place that could affect the interactions, the network effect, the engagement (Parker, et al., 2016).

An interesting perspective is given by Launchworks, a company active in consulting on digital business and platform business models. The company has developed a model called "Rocket Model for Digital Platform" which summarizes the steps in creating a successful digital platform (Figure 3 - Rocket Model for Digital Platform). The rocket representation serves to understand how a missile trying to escape the gravity needs a considerable amount of energy in the initial phase, and as it moves away it needs less and less. The activities representing the propellant necessary to the launch are:

- *Attract critical mass.* It is an activity of primary importance, both in departure and in the continuation of the journey, to be done on all the sides.
- *Match.* A good result is given as a result of the right match between the two sides, based on information and needs.
- *Connect.* Connection between different sides of the market is essential to build confidence and to reduce the information asymmetry that leads to unsuccessful transactions.
- *Transact.* The transaction is the step where the exchange takes place and consequently creation of the value.
- *Optimise interactions iteratively.* Through data analysis this phase serves to regulate the right weights to give to every activity of the platform.

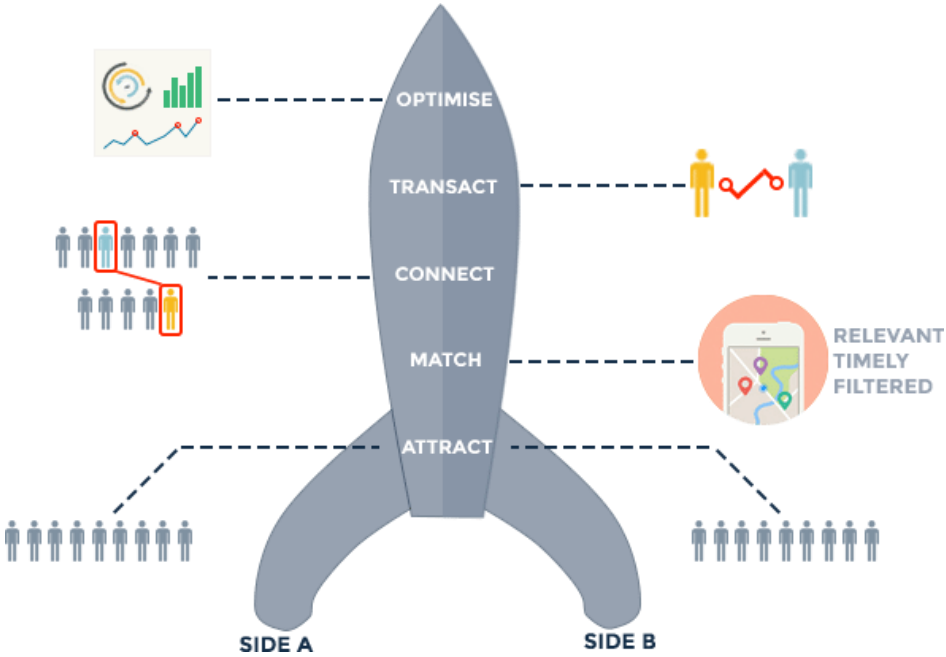


Figure 3 - Rocket Model for Digital Platform (Claire & Reillier, 2016)

1.2 Platform Business Model

Nowadays new industries and sectors emerge and disappear, and with them new and old business models. The business models (BM) that existed in the past, give way to the new ones thanks to the advent of new technologies that change the landscape and activities. Generally, with the term business model we refer to the strategy and the structure of a company, referring at the same time to a multitude of components such as the market, the products, the price and the organization. Literature on this topic has always found itself in great contrast in finding a unique definition on this concept (Table 4). The reason for this debate on the subject is to be found in the different focal lens with which the various authors have investigated the dilemma. Although there is no common definition, a BM can be defined as the entire process through which a company creates value and transfers it to users (Kim, 2015).

BUSINESS MODEL DEFINITION	AUTHOR(s), YEAR
The business model depicts “architecture of the product, service and information flows, including a description of the various business actors and their roles; a description of the potential benefits for the various business actors; a description of the sources of revenues”	Timmers, 1998
The business model is “stories that explain how enterprises work. A good business model answers Peter Drucker’s age-old questions: Who is the customer? And what does the customer value? It also answers the fundamental questions every manager must ask: How do we make money in this business? What is the underlying economic logic that explains how we can deliver value to customers at an appropriate cost?”	Magretta, 2002
“A business model articulates the logic, the data and other evidence that support a value proposition for the customer, and a viable structure of revenues and costs for the enterprise delivering that value”	Teece, 2010
It is “the heuristic logic that connects technical potential with the realization of economic value”.	Chesbrough and Rosenbloom, 2002

Table 4 – Business model definitions

It is important to understand how a platform works and its business model. From the business model of a platform you can understand how it creates, distributes and collects value, how it generates profit and how it interacts and proposes itself to the outside. Analysing the business model of an enterprise also means understanding which strategies and organizational solutions the platform uses to gain a competitive advantage.

Starting from a fundamental distinction that in recent years has become more and more popular, it is necessary to differentiate the pipeline model from the platform model

(Stanton, 2012). In the first case companies produce value from the final product, a good or a service, which is sold to the consumer. In contrast, in platforms, value is created through the interaction of multiple interdependent groups that using the technology provided by the platform itself allow to create and consume value directly within it. Therefore, many companies are increasingly adopting this model, as it has become one of the best strategies for achieving sustainable results and growing (Kim, 2015). The companies that more than a decade ago thought about platforms and implemented them in their BM are now the market leaders in their industry. Think of Amazon, Apple, Google and how they revolutionized the existing economic landscape.

In the analysis of the BM platform represented by Kim (2015) we can see how everything can be traced back to three dimensions (Figure 4):

- Transaction
- Network effect
- Business ecosystem

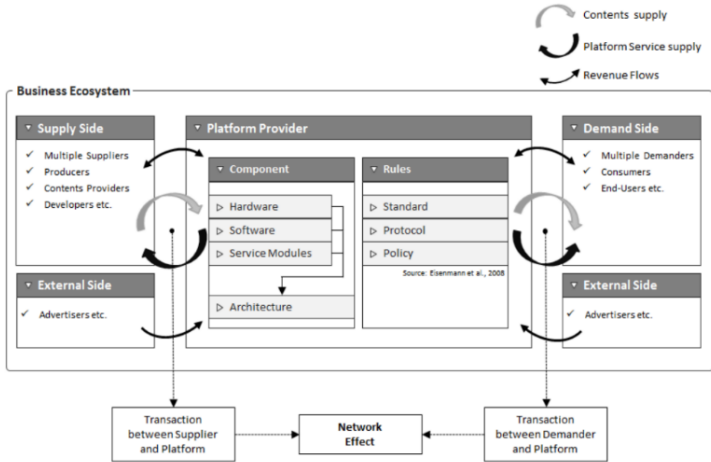


Figure 4 – Platform business model layout (Kim, 2015)

In a two-sided market there are transactions of products or services where two or more players benefit from the effect of the network (direct and indirect). The effect of the network affects the value of what is exchanged within it. The more the network is substantial the more the value increases as it increases for participants (Dew & Read, 2007). Externalities, or network effect, are of primary importance for platforms, as well as their source of success. This is made so because of an intrinsic characteristic of the platforms, or at least most of them: the openness. And more than that, the presence of third parties ready to contribute to the maintenance and growth of the same. Last but not

least, the ecosystem in which the platforms operate. Each of them occupies a specific space in a given time. As happens in nature, even in the business ecosystem, entities are subject to changes, largely due to changes in the ecosystem itself or to imbalances and realignments of forces. Platforms, like many other entities operating in the business ecosystem, adapt themselves and expand by acquiring other platforms, changing their business model and in the worst cases disappearing because obsolete.

Yablonsky (2018) instead, defines the BM of digital platforms using multiple sizes (figure 5). Yablonsky divides the platforms into two types: Business and Technology platforms. These in turn are subdivided between talent, delivery, promotion and other for the first type and between information system, customer experience, data and analytics, IoT, Ecosystems, trust, integration and others for the second type. Each type has its own goal and ways to create different value. For the author the business model of the digital platforms is represented as a "stack" composed from layers of the two types (figure 5).

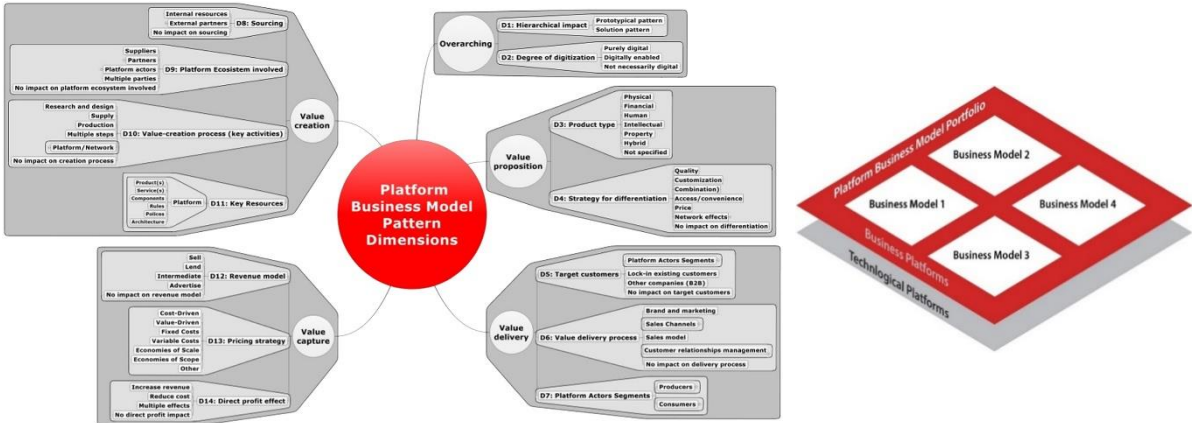


Figure 5 – Platform Business model layout and layers (Yablonsky, 2018)

Moser and Gassmann (2016) have conducted an interesting research on the innovative business model of the most ranked companies operating across the platforms: Amazon, Apple and Google (figure 6). These platforms have grown exponentially over the years and have changed their BM by adding new forms of business and changing the BM itself. The authors justify this frequent change in BM in relation to the changing conditions of technology, the environment and competition. If the platforms decide to change BM is mainly for three reasons: *offensive*, for the risk of losing positions and earnings; *defensive*; to avoid finding them self in disadvantage compared to the competitors; *opportunism*, innovating and evolving to subtract market or creating new ones.

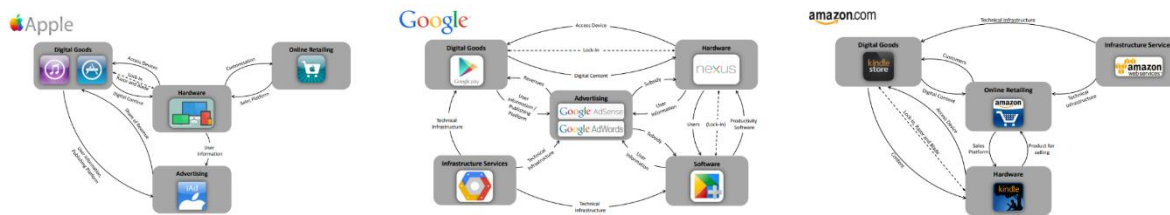


Figure 6 – Google, Apple and Amazon platform business models (Moser & Gassmann, 2016)

1.3 Platform Pricing Model

Platforms like any form of business need to monetize the value of their products and services. The difficult task is to determine which part to charge and how to do so, taking advantage of the excess value produced without inhibiting the network effect. It is about to find the right weight that balances the friction with making people pay a price.

The parts that a platform can charge are two: consumers and manufacturers. It can decide to charge the sides individually or simultaneously. Choosing to charge one side rather than another can have effects that are not entirely obvious. Rarely a platform chooses to charge all users, as happens in the business pipeline, since most of the times it has inhibited the network effect. The most common policies are to charge a part or most of the users, while subsidizing the price-sensitive users or the stars. The evidence shows that deciding to subsidise the price-sensitive users is a good strategy because they represent most of the time the majority; this strategy is a direct consequence of the "Seesaw principle" (Rochet & Tirole, 2003). This means that users do not abandon the platform and that the network effect continues to work. Alternatively, it can be decided to subsidise only the stars, that is the category of users that through their presence in the network attract many others. Another possible way is to charge some of the users by subsidizing the other. This strategy is used to encourage the subsidised category to join the network in such a way as to attract the paying sided (Parker, et al., 2016).

In any case, there are some validated principles to apply when a platform has to choose the pricing (Hagiu, 2014): for each side, charge the highest price to the least price sensitive group; in the presence of price transactions, charge the party that extracts most value from the other party; in the absence of price transactions, charge the party that benefits most from the presence of the other party.

The excess of value that is created by the interactions within a platform can have several ways to be monetized. Who wants to access a platform to make a profit can be interested in: value creation, market, tools and curation. There are basically four ways to monetize (Parker, et al., 2016):

1. *Charging a transaction fee.* It is the fastest and most efficient way to monetize without damaging the network effect. There are no entry barriers and users are not discouraged from joining and participating in the network. It may be that users agree to conclude the off-platform transaction.
2. *Charging for access.* Manufacturers can be charged to access to a community of users and thus to an entire market. There is a possibility that parties will agree to work off the platform.
3. *Charging for enhanced access.* If a producer wants to have more visibility or access to a wider audience, the producer can be taxed. It does not damage the network effect and both parties are free to participate in the platform.
4. *Charging for enhanced curation.* When the amount of content becomes high, users can pay for access to higher quality content, saving time and avoiding effort.

Often happen that users try to bring the transaction outside the platform to save money. Systems are being put in place to defend against these abuses, such as feedback or blocking information exchange software. Another frequent issue is to start loading the user when the user receives the free service for a long time. It has been proven that in most cases it leads users to abandon the platform (MeetUp). If such a choice is necessary, it would be better to opt for an increase in supply (Uber) or at least to provide justification. In any case, the monetization strategy is a step that must necessarily be planned during the study and design phase of the platform, in order to avoid financial problems.

Users are willing to pay a price when the utility they derive from participating in the platform is greater than the price they pay. At the same time, however, users participate in the platform when the community is large enough to justify the price paid. A coordination and feedback loop problem arise as user decisions are not isolated but are simultaneously influenced (Sánchez-Cartas & León, 2019).

Monetization is a difficult but crucial challenge that determines the financial success of a platform. It must be designed step by step from the designing process of the platform, to avoid running into later difficulty and forced choices that could cause huge damages.

1.4 Platforms in the World

The huge success of digital platforms means that this business model has spread exponentially throughout the world since the first decade of the 21st century. Many countries have taken advantage of this digital technology innovation, and as a gold rush, they have begun to implement the new business model of platforms using the underlying business, or as in most of the case they have founded a platform from scratch.

As well as creating an immense economic value, digital platforms are able to become market leaders in a few years (Reillier & Reillier, 2017). It is easy to see how platforms are among the most valuable business models. In a ranking drawn up by Millward Brown on Brandz Top 100 Most valuable Global brands (2019) it is pointed out that most of these brands are platforms, and compared to many other companies in the leaderboard, most of them are under 15 years old. Significant also the data on the top ten companies of greater value in classification: the first 8 are platforms.






Brand	Category	Brand Value 2019 \$Mil.	Brand Contribution	Brand Value % Change 2019 vs. 2018	Rank Change	Country of Origin
1 	Retail	315,505	4	+52%	2	
2 	Technology	309,527	4	+3%	0	
3 	Technology	309,000	4	+2%	-2	
4 	Technology	251,244	4	+25%	0	
5 	Payments	177,918	5	+22%	2	
6 	Technology	158,968	4	-2%	0	
7 	Retail	131,246	3	+16%	2	
8 	Technology	130,862	4	-27%	-3	
9 	Fast Food	130,368	4	+3%	-1	
10 	Telecom Providers	108,375	3	+2%	0	

Figure 5 - Brandz Top 100 Most Valuable Global Brands 2019 (Millward Brown, 2019)

Starting from a research on the advent and global spread of the platforms conducted by Evans & Gawer (2016), the platforms have found ample space in the world in terms of diffusion, use, turnover and employ of human resources.

The research conducted bases its results on a cluster of 176 platforms, both public and private, spread around the world with a market capitalization of at least one billion dollars. Looking at the results of this research, we can see how most of the platforms are based in Asia (47%), followed immediately by the USA (36%). These numbers results are due to the presence of large technological regions that have allowed these platforms to flourish and thrive. The data on the numbers are in contrast with the value. The US platforms have a total value of \$3123 billion (72%) which compared to the Asian one (22%), makes the continent the leader in most of the sectors in which platforms operate. The use of human resources is also important. Across the world public platforms engage 1.3 million people, of which 63% in the US alone. Figure 6 refers only to directly employed workers, omitting the entire ecosystem that revolves around this business.

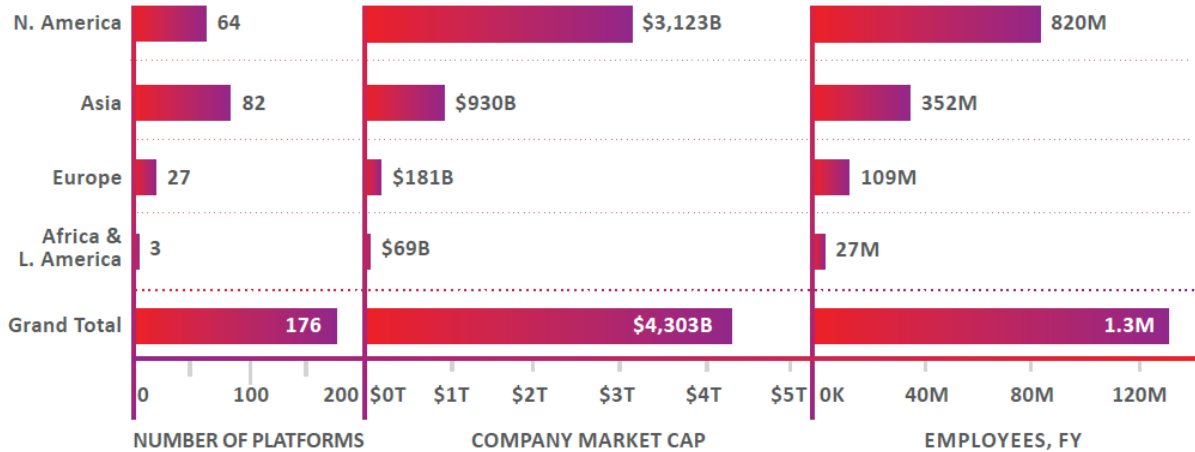


Figure 6 – Platforms in the world (Evans & Gawer, 2016)

In the aggregate sample analysed, most platforms are private (61%). Although the largest number, the overall capitalization is \$300 billion, a little considering that the total amounts to \$4.3 trillion. It is also important to note that many private initiatives come from Asian countries.

As the authors of the research say there are four types of platforms: *transaction*, *innovation*, *integrated* and *investment*. It is noted that most of the platforms taken into

consideration (91%) are transaction platforms, with a market cap of \$1.1 trillion. This type is covered by all those that connect two parts such as marketplace, music, media, entertainment and gaming (Netflix, Uber, eBay, PayPal). This fact it is sobering, since the total of innovation and integrated platforms have a market cap of \$911 billion and \$2 trillion, compared to a number of 5 and 6 platforms respectively. The innovation platforms base much of their value on the joint creation of their products and services with third parties; among those considered there are Microsoft, Intel, Sap, Oracle and Salesforce. Integrated platforms that bring together a set of different platforms include Google, Apple, Alibaba, Amazon, Facebook and XiaoMi. This suggests how the platforms belonging to the category of integrated have taken advantage of the supremacy of the market in order to acquire other societies that operate with the same business model creating such a network to render them leader in the own field. The same applies to innovation. To support this fact, we can see that among the transactions there are platforms that operate in the same fields and are in competition. The last category is made only of 5 companies of the sample in analysis including Softbank, Nasper and Priceline. It would not be correct to define them as real platforms, as their activity is limited to providing investments for new initiatives or to acting as holding of existing ones. In any case, compared to the others, this last category generates a turnover much lower, and they are equally distributed globally.

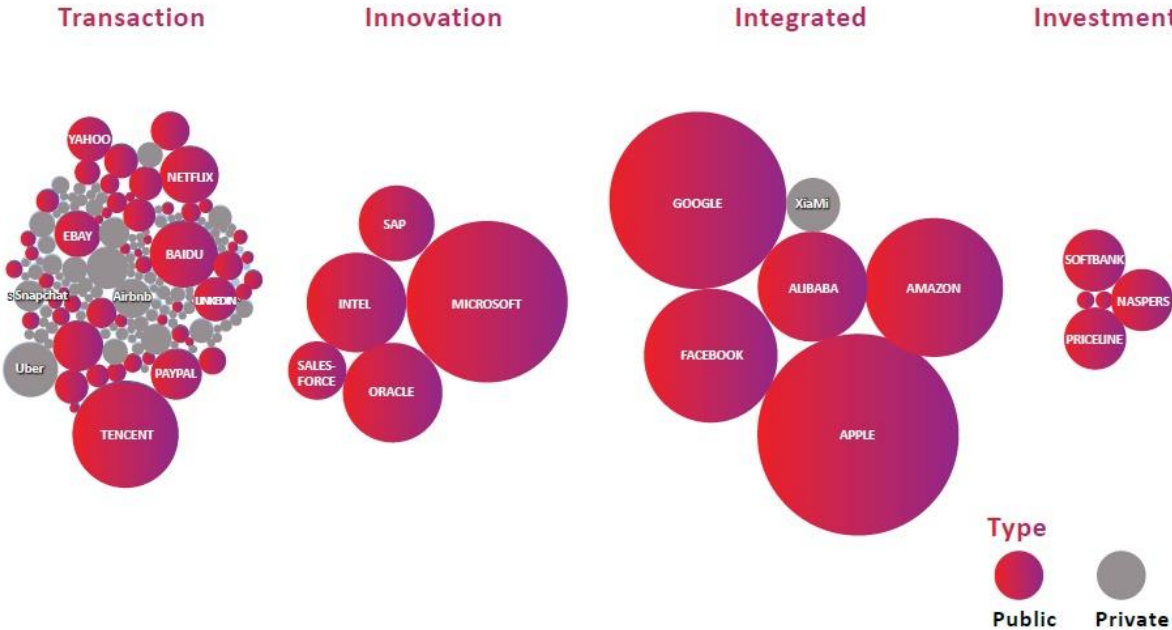


Figure 7 – Platform types and categories (Evans & Gawer, 2016)

1.5 Platforms in Italy

In recent years, Italy has undergone a major digital renewal. Global digital platforms have impacted on the Italian economy since the first decade of the new millennium and have given great impetus to new initiatives in heterogeneous sectors. The advent of these new models in Italy has created jobs and new opportunities for companies and people.

Starting from the research of Guarascio and Sacchi (2018) about Italy, the revenues and salaries of Italian employees of the most important platforms (Amazon, Facebook, Google), have undergone a huge growth compared to the reference sector. This is partly due to the small number of employees, by the very nature of digital platforms. The same applies to the smaller platforms born in Italy that operate in different sectors such as real estate brokerage, insurance and food delivery (Immobiliare.it, Segugio.it, Foodracers). Although the small number, the employment of dependent in the digital platforms in Italy is in strong increase, especially for those that use workforce for logistic and manual services (Amazon logistic, Deliveroo).

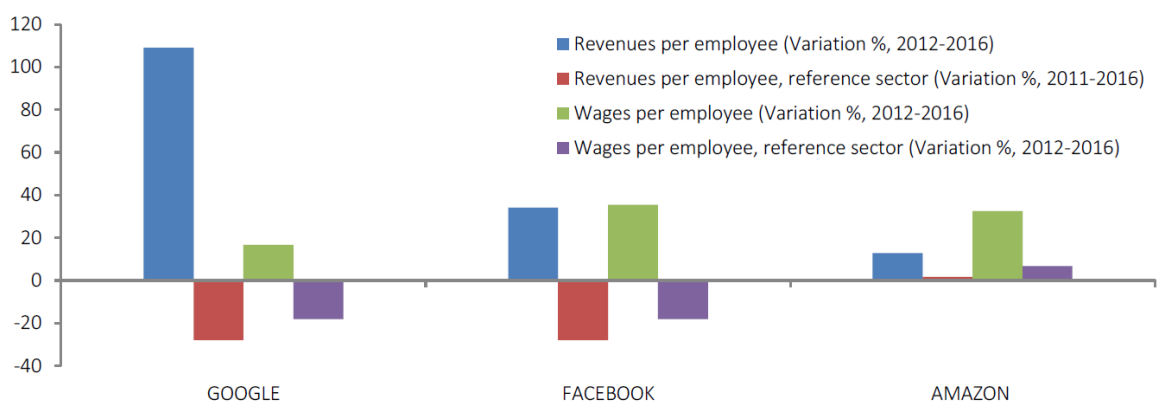


Figure 8 – Google, Facebook and Amazon revenue and wage per employee in Italy (Guarascio & Sacchi, 2018)

However, there are significant differences between the new contracts. For example, platforms like food delivery prefer contracts that bind the company less with the employee. This saves money on taxes and transactions by making the system of employment much more flexible. This is due in large part to the high turnover among riders and the lack of protections and national collective agreements of category. This system is as convenient for the platform as it is inconvenient, in most cases, for the worker forced to work without protection and for less money.

The results of the research carried out show that the three big platforms Amazon, Facebook and Google, since 2012 have experienced an exponential growth in revenues and new employees. The results were compared from their reference sector. Although the ratio of employees to turnover is very low, most of the costs for these three big platforms are due to salaries, compared to services. In contrast, in food delivery and brokerage platforms, overall costs are clearly dependent on services as these platforms base the work organisation by delegating it to third parties.

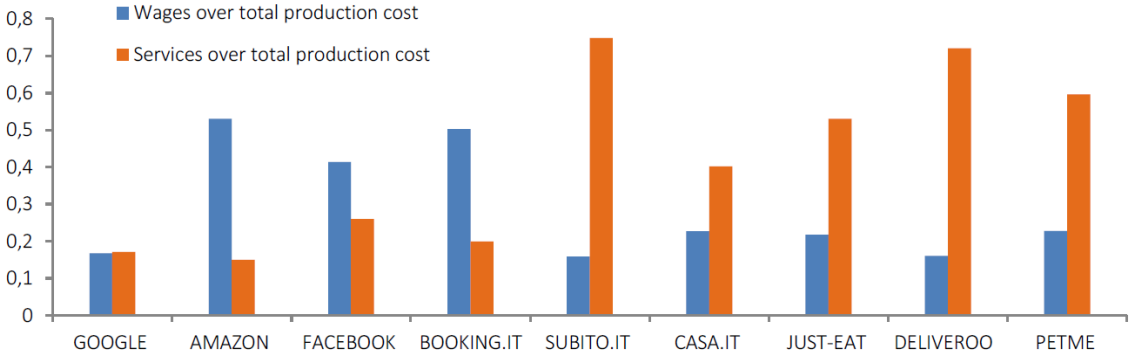


Figure 9 – Italian main platforms wages and services (Guarascio & Sacchi, 2018)

As described, the Italian scenario of digital platforms is still expanding. The majority of the platforms of superior dimensions are in Italy as a national branch. The headquarters are concentrated in the USA and in particular in Silicon Valley, where the majority of the workforce serving the whole world is employed. As we have seen so far, this market is young and full of new opportunities still to be exploited. Still there are few numbers of Italian platforms that generate important numbers in terms of turnover and employees, but the prospects are hopeful.

CHAPTER 2. THE GIG-ECONOMY AND NEW JOB OPPORTUNITIES

2.1 Crowdwork and On-Demand Job

The first decade of the 21st century "*gig-economy*" was born, a new system based on occasional, daily jobs or a matter of few hours, did by people who are looking to integrate the salary of a main job. A form of *gig-working* is babysitting, food and goods delivery, lift service, tutoring, home repairing and many others (Giorgiantonio & Rizzica, 2018). The remote origins of the gig-economy can be dated at the first half of XX century in the United States when the term "*gig*" was used to indicated a subject engaged in a single short-term job, for example a jazz musicians of the era, employed for a particular evening (Berg, 2016). The term refers to the concept of "engagement" to remember how these activities occur occasionally and with the express consent of both parties. The term was also used by Hillary Clinton, the American presidential candidate for the Democratic Party against Donald Trump during a speech to the nation in 2016. The candidate highlighted how important it was to find tools that could fully protect people involved in this job, defining this type of economy as "On Demand Economy " (Magliocco, 2018).

The *gig-economy* was born with the development and diffusion of digital technologies, with the IoT and with the birth of new needs and new opportunities. As a result, they led to the rapid expansion of online services putting in contact demand and supply faster and directly, skipping useless costs.

There are different categories of workers in the *gig-economy*: independent contractors, contract firm workers, on-demand and temporary workers, and online platform workers. The most recent trend is associating the *gig-economy* to the economy of platforms because they promote the match between demand and offer assuring certain guarantees and standards of performance through a system of reviews and ratings often happening from side to side. In addition, most of the turnover of this new economy takes place directly through digital platforms. For convenience the different categories of workers of this economy are collected by the platforms in two forms of organized working: *crowdwork* and *on-demand job* (De Stefano, 2017).

Crowdwork consists in the execution of different types of works in outsourcing through a platform. They could be creative jobs like the creation of logos, covers, presentations,

production of documents, or simple mechanical jobs like photo retouching, translations, transcriptions of audio and video files. The offer is located in every part of the world and this is the most important advantage of this form of organization. It is easy to write down a book written in Italian by a Chinese translator living in Beijing in few weeks and cheaply. This is due to the *crowd* of people looking for these kinds of jobs that can be done in *smart working* in times and modalities in agreement between parties (De Stefano, 2017).

On-demand job carried out through platforms is the second most common type of job in the *gig-economy*. Unlike the first form of delocalised and virtual job, here the job is local. For example, personal shopping, food and goods delivery, housekeeping and house repairing, car renting and many others, are the forms of job done. This job is more personal because there is direct contact between parties (De Stefano, 2017).

There are many differences and common points. Starting from execution, the first one is carried out entirely online with the possibility of obtaining the service from every part of the world, while the second one is more local and personal in view of the nature of these jobs. In both types using internet is essential in order to join supply and demand. In addition, payment of this job is based not only on the amount of activity carried out or the price fixed for every service but also on feedback and scores.

At the same time these conditions allow companies to choose large-scale workers and to require them to work in unfavourable conditions. In order to better explain how companies operate in *crowdwork* and *on-demand job* with apps, we must think on the way they manage their relationship with their employees. Workers are *just-in-time employers* and payed only when they work (De Stefano, 2016). The CEO of Crowdfunder underlined: "*Before the arrival of Internet, it would be really difficult to find someone, sit them down for ten minutes and put them up to work for you, and then fire them after those ten minutes. Contrary through technology, you can actually find them, pay them a little amount of money, and then get rid of them when you don't need them anymore*". Therefore, all of this has led to the disappearance of the deep link between firm and workers and to the creation of flexible arrangements in which workers do a particular task at a given time. The arrival of the *gig-economy* has radically changed the labour market. In fact, uncertainty and economic risks have increased. Moreover, incomes is much more variable than in the past.

To give an example, in the USA this led to a big imbalance, because the whole social system, such as health insurance and pensions, were designed to be used by indefinite workers for example regular and long-term workers with a strong link to the company. (Friedman, 2014).

2.2 Dimension, Numbers and Evolution of Gig-Economy

Capturing the size of the *gig-economy* through statistical data is very difficult for several reasons depending on the unreliability of traditional statistical data (Abraham, et al., 2017). There is no real classification of jobs and tasks carried out within this category providing results through sample survey and administrative welfare data. In addition, the jobs done are not considered as the main occupation of workers. As a consequence, tracing back these activities to standard sample surveys become impossible (Giorgiantonio & Rizzica, 2018). Finally, people often involved in these specific surveys do not considered these activities as a real 'job' but rather the business nature of these activities is hidden using words like 'services', 'rides', 'deliveries' and even 'favours'. Practically it is never used the word "work" (De Stefano, 2017).

The majority of data and researches were conducted through ad hoc surveys or using data related to individual platforms (Katz & Krueger, 2018). Studies conducted by McKinsey about the number of independent workers. About 20-30% of the working-age population in the US and the 15 most solid European countries are currently engaged in some form of independent gain (Manyika, et al., 2016). Another innovative approach is given by Farrell and Greig (2016) which have used information derived from banking data by tracking payments received by major platforms. In their research the authors pointed out that from 2012 to 2016, in the USA the workers of online platforms have grown 47-fold and the total employment grew more than 4%. Among the participants 78% is part of the capital-based platforms, 21% of labour-based platforms and 2% of both (Figure 10).

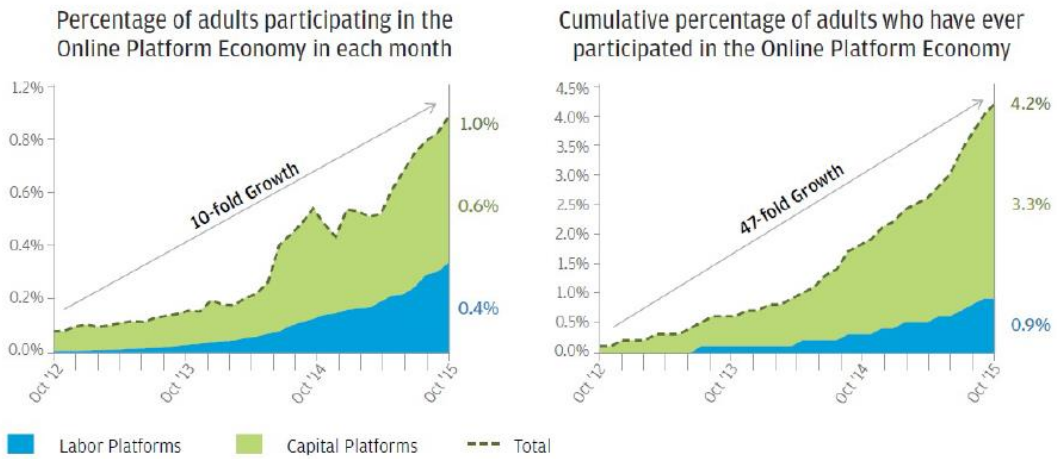


Figure 10 – Labour and Capital Platform participation 2012-2015 (Farrell & Greig, 2016)

There are still big differences at European level about the development and the deployment of digital platforms. An interesting research conducted in 2016 by Price Waterhouse Cooper (Vaughan & Daverio, 2016) has shown that the record in the sharing economy and the labour rental sector goes to the United Kingdom. In addition, it has shown that Italy is in last position (Figure 11). Online platforms are divided for 52% in services of crowd funding and lending, for 36% in labour based (home delivery service and house maintenance) and for 11% in capital based and asset rental (flat and room rental) (Figure 12).

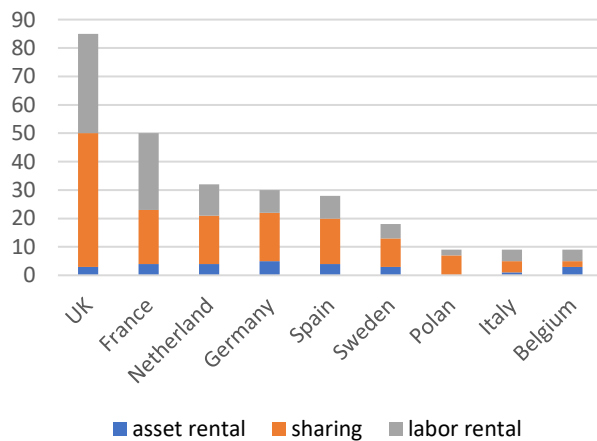


Figure 11 – Platform composition in the European countries (Vaughan & Daverio, 2016)

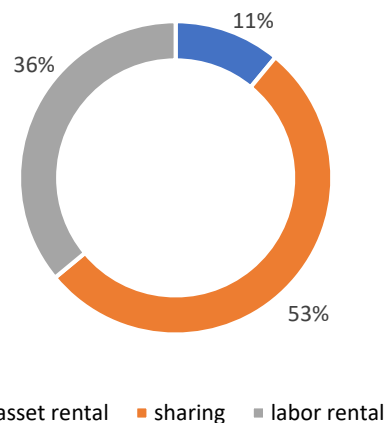


Figure 12 – Online platform composition in EU (Vaughan & Daverio, 2016)

Although there are both economic and legislative differences between the US and Europe, there are some similarities among *gig workers* between the two continents (Manyika, et al., 2016). In a research of McKinsey including USA, United Kingdom, Sweden, Germany, France and Spain, the country that worst performs in terms of employment was Spain because it was still recovering from an economic downturn. Its unemployment remained the highest and there has been a significant increase of precarious jobs insecurity since the last crisis. This survey also suggests that Spanish workers under 25 years of age in the current working environment dealt with big obstacles to find any kind of job. In fact, there is around 48.3% youth unemployment, compared to 7.2% in Germany.

		United States	United Kingdom	Sweden	Germany	France	Spain
Economic context	Working-age population Million	251					
	Labor force participation rate % of working-age population	62.7	62.7	64.8	60.2	56.1	58.8
	Unemployment rate % of labor force	5.3	5.3	7.4	4.6	10.4	22.1
	Youth unemployment rate % of youth labor force	11.6	14.6	20.4	7.2	24.7	48.3
	GDP growth constant prices, 2010–15 Compound annual growth rate (%)	2.0	2.1	2.0	1.5	0.9	-0.2
	Median household income, 2010–14 ¹ Compound annual growth rate (%)	0.1	1.6	3.0	2.3	2.1	-1.3
Independent workers (Responses from MGI Survey)	Primary workers % of working-age population	13	11	13	12	10	15
	Supplemental workers % of working-age population	14	14	15	18	15	16
	Total independent workers % of working-age population	27	26	28	30	25	31
	Total independent workers Million	68	14	2	21	13	12

Figure 13 – Independent workforce in various country in the world (McKinsey Global Institute, 2016)

In Italy, in the last decade the digital platforms operating in the gig-economy although considerably less widespread than in the rest of the economically advanced countries, have grown drastically (Giorgiantonio & Rizzica, 2018). In a 26 Italian platforms’ sample, from 2011 to 2017 the turnover has gone from a few thousand to 50 million per year. This is due both to the increase in the number of platforms in the market and to the increase in their size over the years. However, there are considerable differences in the composition of the job offered by Italian platforms. Unlike countries such as the USA and the UK with the most popular ride sharing services (Uber, Lyft), in Italy this is blocked by regulations preventing payed passenger transport unless you have a license. On the other hand, food delivery service has the most successful platforms with an annual exponential growth.

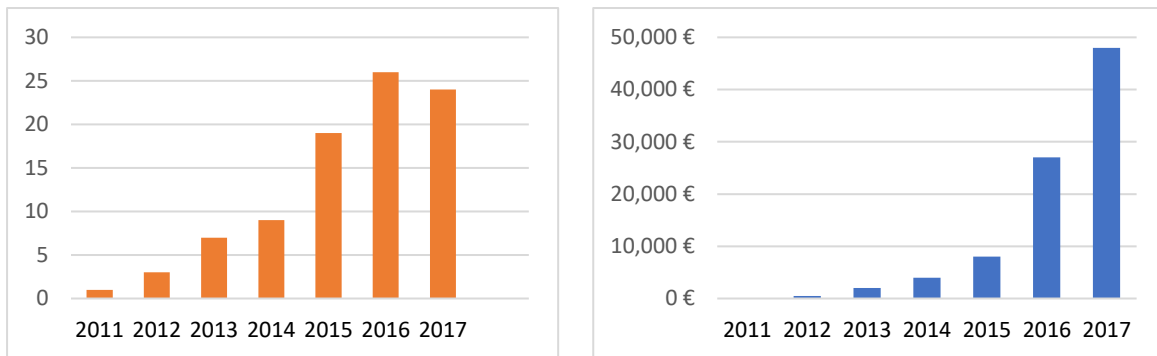


Figure 15 – Numbers and revenues of the main platform labour-based in Italy (Giorgiantonio & Rizzica, 2018)

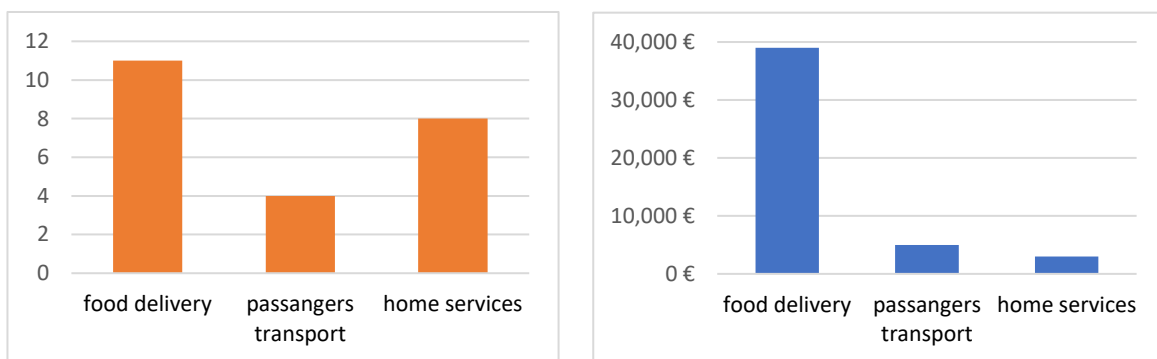


Figure 14 - Numbers and revenues of the sector of the main platforms labour-based in Italy in 2017 (Giorgiantonio & Rizzica, 2018)

By deeper the gig-economy, we can identify the factors that have driven many new companies to choose the platform model and operate in this way. First of all, the idea of giving a job to an indistinct "crowd" of people is fast since it is regulated by IT devices satisfying the demand and supply of labour almost instantly, reducing transaction costs. Secondly, labour costs are minimized caused by the high competition between platform and the intense global virtual work. Therefore, workers in developed and developing countries can compete for the same task. In addition, compensation is also reduced because the employees of a group are almost always classified as independent contractors and have a limited access to job protection. As a result businesses and costumers normally do not bear costs such as social security contributions, maternity and sick pay and statutory minimum wages, while workers often risk being excluded from freedom of association, collective bargaining and protection against discrimination, since many jurisdictions reserve these fundamental rights to employees (Nieddu, 2018).

However, there are still some grey areas on this side, especially in the interactions between work and legal issues. The phenomenon of the gig-economy is therefore complex to analyse and presents positive as well as negative implications.

2.3 Working in the Gig-Economy

2.3.1 Gig-working: real job or free time hobby?

The *gig-worker* is characterized by uncertainty, flexibility, payments based on the job done and short-term commitments and just-in-time availability. However, this kind of job have a lot of positive elements such as free management of working hours and flexibility, but also negative, such as poor contractual protections and work uncertainty, and in some case inadequate wages for the work done. Another negative point of this kind of jobs is that workers of the *gig-economy* are contacted by the costumer simply by touching a screen of a smartphone, leading to a gradual dehumanization in the long term (De Stefano, 2016). This could lead costumers to see workers as simple extensions of this service and therefore expecting them to do a quick and efficient performances like electronic tools, not considering that workers are human. This vision of *gig-economy* workers can lead costumers to give them critical judgments compared to traditional workers. In this way workers always operate under pressure and under very poor contractual and economic conditions (De Stefano, 2016).

Workers of the *gig-economy* are classified as “independent contractors” or “self-employed workers” (Berg, 2016). This classification reduces responsibilities of platforms, for example for insurance, and it also reduces the obligations of labour laws and the protection of workers, such as the minimum wage and sickness and holiday benefits. In turn, due to the absence of these protections, workers can work independently without fixed schedules and even together with other activities, such as study or family commitments (De Stefano, 2016). In fact, the *gig-economy* has also spread in response to the new people needs, like the need of being flexible and personal time management. More and more people do not want to have fixed working hours, the classic six or eight hours of daily work, but they want to manage their time between family and their own interests (Brown, 2016). Being too flexible in our own daily timetable can be negative, because sometimes difficulties faced by workers can be big. To give an example, the widespread and disproportionately use of Internet has increased competition between workers and this decrease their bargaining power. Moreover, talking about gig-workers having income stability is impossible. Consequently, having access to the required services for a stable future, such as a mortgage or pension fund is difficult

In order to better understand who they are and what motivate people to get closer to gig-economy and in particular to the crowdwork analysing the data emerged from the questionnaire ILO conducted by Berg is useless (2016). The survey showed that in the US there is a substantial gender equality between the gig-workers involved in crowdwork while in the rest of the countries such as India, it is mainly composed by men. It is important to highlight from the questionnaire why people are approaching to the gig-economy world (Figure 16). Firstly, it has emerged that, on average, the majority (27.3%) are employed in order to obtain a supplementary payment to add to their stable one. Instead in second place (23%) there is the will to perform a job from home. Therefore, the crowdwork copes with the desire of comfort and flexibility expressed by workers. In fact, working from home allows people having motor disabilities to make a profit despite difficulties in moving (De Stefano, 2016). Another reason is the inability to find another job, explaining how the boom of gig-economy followed the financial crisis of 2008. The other reasons are the impossibility of working away from home, the better salary compared to other jobs, the possibility of obtaining a profit while studying, the pleasure in carrying out the entrusted tasks. In addition, workers love this kind of employment (Berg, 2016).

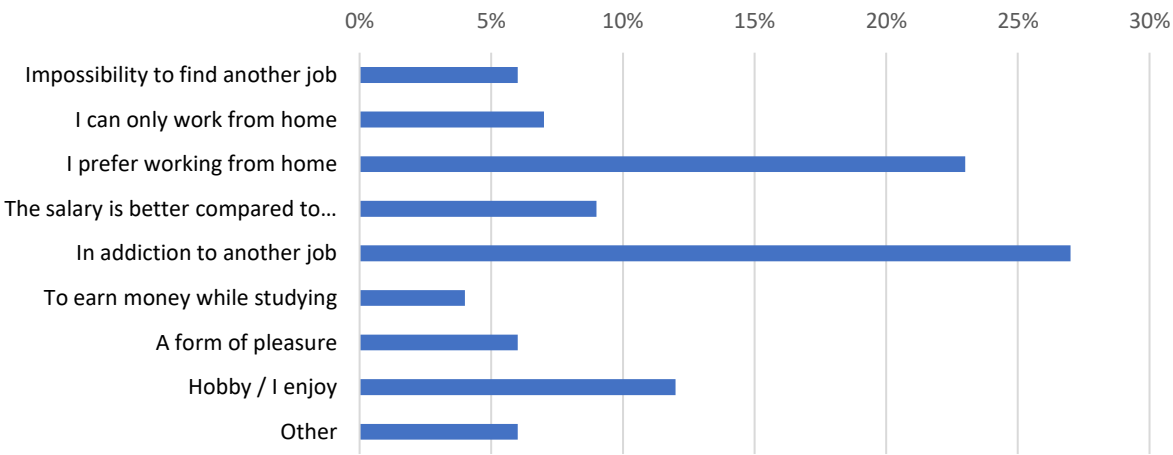


Figure 16 – Explanation for crowdworking (Berg, 2016)

Exploiting workers skills in crowdwork allows the subject to exploit their abilities and personal resources which cannot be employed in another way or through the traditional work. Thus, the gig-economy phenomenon involves different groups among the population: old people who need to supplement their income, the people who have lost their job or with a temporary job, but also young people looking for money for their needs.

Millennials are large providers and consumers of this kind of services as members of the community born under the digital technologies birth. Moreover, they choose to work as gig-workers because they do not believe in large companies or multinationals, because of job insecurity or the excessive number of working hours per week.

2.3.2 Advantages and Disadvantages for Platforms and Gig-workers

The gig-economy has positive and negative sides depending on which side you are playing if you are workers in the gig-economy or if you are the platform aiming to achieve profits from this phenomenon.

From the perspective of workers there are both strong and weak points as much as of weakness depending from which point of view we see them. Firstly, the first strong point is flexibility. Working in gig-economy as an Uber driver or as a Deliveroo rider, means working a limited number of hours per day according to your availability, without staying in an office all day long. The possibility of a flexible job instead of a “traditional job” has a big disadvantage, discontinuous incomes. In the first case the more you work the more you earn, in the second case, working more does not mean higher salary. This job often depends on the reviews he gets from applications and these may or may not determine the future of this job and its future incomes. All this system is in net contrast with a traditionally paid job, social security insurance and pension contributions. In addition, gig-workers can choose among a significant quantity of jobs. Due to the presence of a wide and varied requests, anybody can do the required tasks without any particular skill or requirement. The main requirement of the majority of platforms is being of legal age and having an appropriate equipment to perform the task. Another positive aspect for the type of workers without a stable job, is the presence of a wide range of new jobs and activities to reduce stress and to manage many offers at the same time waiting for a new stable job. However, the gig-workers must deal with labour costs. There is often no reimbursement of expenses, for example usury, maintenance of the vehicle, the fuel. Unfortunately, there are no benefits included by traditional contracts, such as severance pay, leaves and sick days and payment of social security contributions.

On the platform side, the positive side is not being, forced to negotiate working conditions with employees, which can very often be renegotiated unilaterally and without heads-up by companies. The worker will be able to make-up for these differences pointing towards

the flexibility and the multiple options offered by gig-economy. Certainly, companies and entrepreneurs must be able to exploit benefits, to balance innovation and stability and to be flexible and to respect regulations and workers' rights. One of the biggest advantages that the gig-economy offers to the companies is the reduction of costs and assets. A flexible company will have very low fixed costs and therefore the break-even point will be reached more quickly, incurring lower risks to business stability. The low costs are allowed by huge technological developments and nature of employment contracts which permit an easy management of a fleet of workers through an application. In fact, very often between the workers and the company there is not a precise relationship as a real work contract, but rather a collaboration with independent or occasional contractors. This allows the company to reduce dramatically labour costs and bureaucratic practices. The negative side of this condition is that the competition is very tight and often platforms act in ways that do not fully protect workers, to try to remain competitive with other players.

Foodora is an emblematic example: it was obliged to leave Italy because of a strike of workers for terrible working conditions and the failure to adopt the necessary contractual safeguards. Platforms are obliged to cultivate a positive reputation, despite the competitive dynamics of this market and ensure adequate labour standards if they want to survive.

ADVANTAGES for gig-worker	DISADVANTAGES for gig-worker	ADVANTAGES for platform	DISADVANTAGES For platform
flexibility	low protection	low fixed cost	fierce competition
wider job offer	precariousness	low labour cost	feedback and ranking
low requirements	variable salary	innovation	fast sector transformation

Table 5 – Advantages and disadvantages for gig-workers and platforms (Nieddu, 2018)

2.4 Riders in Italy

The *rider* is the person who deliveries food or goods for platforms, through a scooter, a bicycle, or by car in certain cases. According to the DeBenedetti Foundation’s estimates for 2018, the number of food delivery guys has reached 10.000 and there are 1 million gig-economy workers in Italy between crowd workers and on-demand workers active for all the online platforms (Gabanelli & Querzè, 2018). Assodelivery, a trade association of

food delivery platforms, has estimated that in the middle of 2019 there were about 20.000 riders, of whom 14.000 for less than six months (Assodelivery, 2020). Therefore, it is clear that the phenomenon is growing year by year, but this kind of jobs are mainly carried out for short periods.

In most cases, delivery workers are formally “self-employed” people. The administrative data do not allow us to trace the precise number of individuals working through platforms, and it is impossible to reconstruct the profile of their working stories. However, from financial statements of companies operating in the sector, the number of employees has increased significantly, both looking at salaries’ and services expenditure, including the self-employed salaries (Giorgiantonio & Rizzica, 2018). According to a survey done by the Banca d’Italia on the online food delivery sector in Italy during the period from 2012 to 2017, the following results are deduced and compared to those of other delivery sectors. The proportion of women appears reduced both among the delivery staff of digital platforms and among those of other sectors, but higher in information and communication services than in transport and storage. The proportion of foreign workers is around 23%, lower than in other information and communication services companies and consistent with the transport and storage sector. The average age of delivery workers in food delivery sectors is 25 years old, about 10 years younger than that one of other delivery workers in the other two sectors. However, the proportion of graduates is significantly higher : almost one in five workers holds a degree among riders, percentage that goes down to respectively 4% and 2% between the assigned to the delivery guys in other information and communication services’ enterprises and in those of transport and storage (Giorgiantonio & Rizzica, 2018). These results confirm the characteristics of temporary and flexible jobs, appreciated in Italy by young students looking for an extra income.

From the data provided by some platforms it is possible to obtain information about the main activity carried out by riders. For example, according to Deliveroo (2018), 32% of workers on the platform would consider delivery guy an activity to be carried out during studies, 17% an activity to be carried out in parallel to another job, and only 34% considered it the main source of income (Table 6). Similarly, according to a survey

conducted by Foodora (2016) among its employees, 48% of them would be students and only about 25% would not carry out other activities (Table 7).

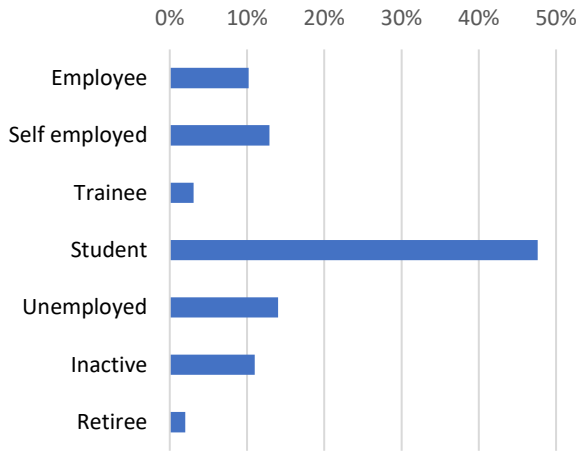


Table 7 - Riders working conditions (Foodora, 2016)

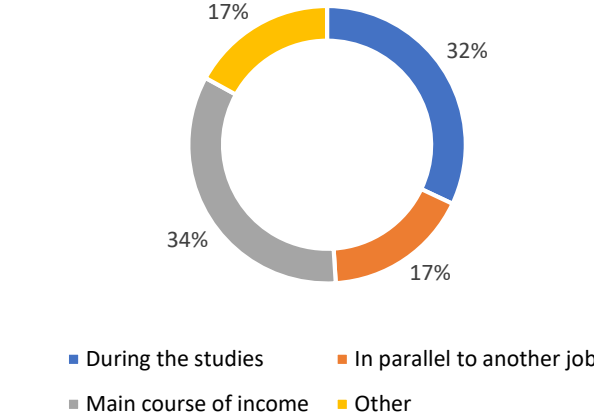


Table 6 - Riders consideration about the job (Deliveroo, 2018)

2.4.1 Contracts and salaries ante Law 128/2019

The methods of employment used by platforms for these workers are quite varied, but the most common is the example of 'self-employment'. In the food delivery sector, there are fundamentally three categories: i) coordinated and continuous collaborations; ii) self-employment occasional collaborations; iii) VAT number collaborations (Table 8) (Giorgiantonio & Rizzica, 2018).

	<i>Coordinated and Continuous Collaborations (co.co.co)</i>	<i>Self-employment occasional collaborations (maximum €5.000/year)</i>	<i>VAT number collaborations</i>
SALARY	Determined according to the platform (no minimum wage)	Determined according to the platform (no minimum wage)	Determined according to the platform (no minimum wage)
PENSION	INPS pension, paid for 2/3 by the employer	No pension obligation	INPS paid entirely by the rider
INSURANCE	INAIL insurance, paid for 2/3 by the employer	No insurance obligation	No insurance obligation

Table 8 - Main contracts type in food delivery sector in Italy

After the Law 128/2019 of 2nd November 2019, numerous significant contractual changes have been introduced in the insurance and social security plan. In fact autonomous occasional workers have no obligations of social security contributions and of insurance cover against injuries and occupational illnesses. Contrary in this period riders are asking for more safeguards for their job, starting to include this category of gig-

working in the category of the “traditional jobs”. Before that moment just few of the three contractual forms adopted by platforms had provided a minimum salary. However, the holder of *VAT number* was obliged to register (at least) with the Separate Management of the INPS, but with charges entirely at his expense. Moreover, it is not provided any obligation in particular with regard to insurance against labour diseases and accidents. The system of *coordinated and continuous collaboration (co.co.co)* is different which provides greater protection in terms of social security and insurance. In fact, it provides, both the compulsory registration to the Separate Management of the INPS and the subscription of the INAIL insurance against sickness and occupational accidents. In both there are burdens of 2/3 charged to employer’s expenses. However substantially the protection of employees was limited by the current rules of access requirements’ calculation. In fact, for policyholders in INPS Separate Management, the accreditation right of all monthly contributions for each year is conditioned by a minimum income (€15.710 for the year 2018) (Giorgiantonio & Rizzica, 2018). Food delivery workers tend to have a higher number of contracts. This greater fragmentation of their careers is reflected in the types of contractual arrangements employed: the percentage of those with an open-ended employment contract is lower, while higher and other collaboration contracts (co.co.co.) are higher. In any case it is interesting to note that 67% of the delivery workers have a second job while about 13% of the total have at the same time an open-ended employment contract. In addition, the 8% of riders (41% of them have a second job) would have a full-time job. (Giorgiantonio & Rizzica, 2018).

Depending on the platform, the type of contract changes, even if the object of the rider activity is always identified in the one of home delivery of products to be carried out by own means. Before Law 128/2019 of 2nd November 2019, pay checks were established in differently even if they were always decided by platforms (Table 9). The prevailing model is employees paid by the piece (model 1), or little varied by mileage costs (models 4 and 5). There are also mixed systems based on part-time, part-variable compensation for delivery (model 2) or a series of additional allowances (model 3). In addition, shifts and rests periods system is presented, although the predominant one is the binding one. The rider, once expressed its availability for a given turn (or slot), will not refuse to make deliveries. Otherwise it will be penalised. (Cavallini, 2017) (Giorgiantonio & Rizzica, 2018).

MODEL	CONTRACT TYPE	SALARY	CONSTRAINED SHIFT
1	Co.co.co	Piecework (fixed for every delivery)	Yes
2	Self-employment occasional collaborations or VAT number collaborations	Mixed system (hourly + fixed for every delivery)	Yes
3	Co.co.co with a different company	Mixed system (hourly + kilometric reimbursements + bonus)	Yes
4	Self-employment occasional collaborations with restaurant or co.co.co with different company	Piecework (fixed + kilometric reimbursements)	No
5	Self-employment occasional collaborations with different company	Piecework (fixed + kilometric reimbursements)	Yes
6	Self-employment occasional collaborations with final customer	Piecework (fixed + kilometric reimbursements)	No

Table 9 – Main compensation method in food delivery sector in Italy

The job situation of these employees has been in the spotlight in recent years. In order to better understand the profits of a rider you can take as an example a 30 euros dinner at home. The actors interested are the restaurant, the platform and the rider. Usually about 30% of the revenue goes to the platform and the remaining goes to the restaurateur. The role of the platform is to manage the remaining 9€ obtained. Riders usually receive about 4€ for each deliver (Gabanelli & Querzè, 2018). Therefore a rider earns about 11€ per hour (Carli, 2019).

2.4.2 The Law 128/2019 of 2nd November 2019

The protests for the protection of riders in Italy has been in the spotlight of the media in Italy. After weeks of strikes, political pressure and serious threats from workers, the Conte Government has decided to set a minimum protection in favour of all workers of the gig-economy, working in the activities of delivery food and goods working for platforms, in the urban area using bicycles or motor vehicles.

On 2nd November 2019, the Law 128/2019 of conversion of Decree-Law 101/2019 of 5th September 2019 came into force. The Employment Protection Decree has ensured a huge step forward for riders from all over Italy concerning insurance and remuneration.

First of all, the so called "Decreto Tutela Lavoro" gives a precise identification for the working category of *riders*. In particular, they are considered as workers employed in goods deliveries on behalf of third parties in the urban area. The conduct of the activity through digital platforms, workers use two-wheeled or similar vehicles.

Riders work thanks to digital platforms connecting people digitally for remote deliveries of goods. When you order the system determines the characteristics of the provision or service provided and then you will fix the price.

Therefore, according to the law for the protection of riders there are different categories concerning their employment: they can be "employee" or "para-subordinate" (co.co.co). The novelty is the extension of the "traditional job" discipline for these figures, with the advantage of all rights and benefits. Therefore, except for the protection for dismissals and the lower disciplinary and hierarchical power from the employer, for all the rest, as working hours, holidays, sickness, security, pension, a rider benefits from the same prerogatives as a "traditional job". Of course, in order to apply the all the rules of paid employment, it is necessary that work is:

- exclusively personal;
- continuous;
- organized by the platform also with reference to the time and to the job (so called hetero-organisation).

The decree-law also helps the riders working independently and discontinuously, through batch occasional partnerships and VAT number. The purpose is increasing levels of protection and improving working conditions even for riders working with less strict employment contracts.

In this regard, the regulatory measure will work in three ways:

- Remuneration of riders based on deliveries done, but not predominantly, so the majority is represented by a fixed salary.
- Possibility for collective bargaining to identify a minimum wage.
- Introduction of a minimum hourly pay, in favour of those who answer to at least one call in the hour of waiting. If there are no calls in this hour of waiting, the remuneration should still be given. This amount is to be added to the normal remuneration for deliveries.

The amount of the minimum an hour salary is defined between the company and the worker, in order to determine a minimum level of pay below which it is not possible to fall.

One aspect which unites both categories of workers is the INAIL insurance. It became an obligation for the platform from February 2020. Both para subordinate and independent workers are subject to compulsory insurance that cover against accidents at work and occupational diseases. The cost is full responsibility of the company, as well as the obligations for the INAIL accident insurance and the costs for compliance with the regulations on health and safety of workers.

A series of minimum compensatory measures have been provided to supplement the reference compensation (additional compensation not less than 10% of the work done) for night-time work, public holiday, or work done during unfavourable weather conditions.

Another important aspect is the prohibition of discrimination. Specifically, riders are under anti-discrimination rules and the protection of the freedom and dignity of workers provided for employees, including their access to platforms. The exclusion from platforms and the reductions of job opportunities due to the no acceptance of service provision are prohibited.

2.4.3 The Foodora case and what really changed

Emblematic was the “Foodora case”. In 2017 some riders working as delivery guys, asked the Court of Turin to recognize their status as employees with indefinitely time contract. However, Foodora, the interested platform, said that the riders are self-employed because they do not use means made available by the company for deliveries: the bike and the smartphone are owned by them.

The Court of Appeal of Turin, after the sentence 26/2019, providing an articulated reading of the art. 2 of the D. lgs. 81/15, concluded that, although the employment relationship of riders should be considered technically not subordinate, the rules laid down for normal employed persons should be applied as well, in particular the right to a fixed salary based on CCNL forecasts for employees in logistics and freight transport (Pepe, 2020).

On 24th January, the Court of Cassation, definitively consulted on the Foodora case, essentially confirmed the conclusions reached by the Turin Court of Appeal. Such collaborators (riders) have the right to be treated like employees, without converting the relationship in a form of subordinate job, whenever the element of the so called “hetero-organization” subsists.

The Court of Cassation clarified that there is no crucial resolution for these forms of cooperation, already placed in the field of subordination or autonomy. In other words, whenever, in the relationship of collaboration with a rider, a company exercises the organizational power by following the article. 2 of Decree-Law. 81/15, not leading to the conversion in a subordinate relationship. Employees are subjected by the company to the discipline applied to subordinated employees performing similar tasks.

In short, the current labour law of workers in the gig economy has introduced rules in a totally new and with lo regulation sector. However, it is very likely that new interventions and measures will integrate the current framework, in relation to what will be done by social parts (trade unions) in the collective bargaining side (Pepe, 2020).

What has changed since the enactment of Law 128/2019 and the resolution of the “Foodora case”?

After more than six months, no contact has yet been seen between food delivery platforms, unions and independent representatives of riders. Nevertheless, the law has produced some steps forward. Since February 2020, INAIL coverage has been applied (48.74€ per day in case of accident or occupational disease). However, the most urgent chapter remains open, namely remuneration. Companies are neither collaborating with trade associations, nor they are interested in finding a deal (Wired, 2020).

The reasons why platforms have no interest in reaching an agreement are multiple.

The first point concerns the lack of a collective agreement, since it is not clear who is a trade union with which to start negotiations. In fact, there is no shortage of representatives of riders: from the self-organized association on the territory, such as Deliverance Milan, Riders Union Bologna and ANAR (associazione nazionale autonoma dei rider), to the syndicates (CGIL, CISL and UIL), until the Union of flexible riders who are contrary to the rules of protection.

The second point concerns norms' confused aspects. Is it possible to pay a bonus over the minimum wage? Jurists have several opinions on this point. In this regard, platforms asked the ministry to clarify that it must be established by the ministry through the observatory on digital platforms but it has not yet been created.

There will be hard times for Italian riders who despite legislative efforts, are still seeing their demands and their new rights not fully fulfilled.

CHAPTER 3. PLATFORMS AND FOOD DELIVERY

The global revenue in the Online Food Delivery sector amounts to US\$107.4 billion in 2019, supported by over+10.2% growth rate per year till 2024.

Thanks to the big quantity of benefits costumers are enticed to use Online Food Delivery services.

The main reason for ordering food online is the affordability. Costumers do not need to order with their phone calls so misunderstandings caused by wrong deliveries are avoided. They can simply use an application to solve their problems related to position, timing and required products. Another point in favour for Online Food Delivery is the saving of time. Costumers do not need to cook or go out and pick up food from somewhere. While waiting for food to arrive, costumers can use the time efficiently. In addition, Online Food Delivery services offer an effortless ordering process by storing payment card details, contacts, information on favourite restaurants and previous orders. In addition, direct home deliveries imply no effort for costumers. Making recommended choices and discover new kinds of food is another big advantage offered by Online Food Delivery. The Online Food Delivery companies aggregate menus and cooperate them with a variety of restaurants, providing costumers an increased number of choices. Furthermore, costumers can specifically choose certain restaurants or dishes among the many present based on costumer reviews (Blumtritt, 2019).

3.1 Historical Origins

The phenomenon of food delivery began with the British in the 1940s during World War II. In those years Europe was constantly under attack by German aerial bombardments, which razed houses, canteens and shops to the ground. In this state of uncertainty and precariousness was born the *Women Volunteer Service*, an organization created to help people in difficulty throughout the UK. During the war the women of this organization were responsible for preparing and delivering food to all citizens in need. Therefore, the first manifestation of food delivery was marked by a very suffering social context. In fact, going to the restaurant or going shopping meant risking losing life under bombings. Food was delivered in different ways: a very efficient mean was called "*stop me*". It was initially made of a wagon containing tea and buns pulled by a woman on a bicycle and later by a

car. Therefore, during the whole period of the armed conflict, food delivery developed and took its first steps in the world economy. At the end of the World War II the home delivery service of food did not stop its development and even in peacetime it achieved success and increased continuously its power (Nieddu, 2018). Food delivery from the UK landed in the United States where it spread very rapidly up to today's form. The development was helped and encouraged by the technological progress in the second half of the XX century, using a more precise, faster and cheaper service. In fact, compared to home food deliveries by car, online services developed with the spread of the Internet increased. Starting from 1996, the first online grocery services were born. They consisted on online sale of those packaged consumer products for example food, cosmetic and house cleaning products. This is all thanks to the birth of companies such as WebVan and Homegrocer. The company Webvan was founded in 1996 in California and achieved excellent results in its early years of life, expanding its business throughout different countries. Unfortunately, it collapsed in the early 2000s due to the high and unsustainable costs. The same fate had Homegrocer because of the explosion of the technological bubble in the '90s (Caratù, 2018).

Because of these events, companies had to renovate their business model to continue to operate in food deliveries. The constant development of technology allowed companies to operate in food delivery from the 21st century in order to create new, convenient, functional, quick and cheap type of services. As a consequence, profitability in this sector improved. In particular, a great boost to the development of grocery delivery was given by the foresight of Large Organized Distribution. Thanks to a modern retail system, it started operating through a network of supermarkets and various kinds of intermediaries. Moreover, many companies decided to focus their activities on online services and on food purchases deliveries. Society has changed and it is going to change. Moreover, life is more frenetic and people have no time. Many supermarkets have chosen to adopt these new distribution channels immediately in order to maintain high their position.

3.2 Dimension, numbers and evolution of food delivery

The international food delivery market has a turnover of around one hundred billion each year. It is still a new and growing market and future prospects are very positive. In Italy

the percentage of users is only 14% lower than other European countries. Every year revenues from food delivery are around half a billion euros. Results are unquestionably destined to rise.

3.2.2 Food Delivery in the World

The growth of the international food delivery market has been very fast thanks to the evolution of internet technologies and digital devices. In 2019 a worldwide Internet and smartphone penetration is going to grow with a rate between 57% and 54,6% (Blumtritt, 2019). Many of the new online with different business models are running to acquire the largest number of costumers throughout the world. They started from simple marketplaces online platforms used for producing orders but they only connected the supply and demand of food at home. Then they got used to logistics and then they finally tried to provide an even more integrated experience, taking control of the entire food chain.

Global revenues in food delivery market overcame a critical threshold in 2019, reaching US\$107.4 billion divided equally between *Restaurant-to-Consumer* and *Platform-to-Consumer* delivery model. The average growth of this market rate per year up to 2024 is set at +10.2% with a higher percentage increase in the “order + delivery” model. The utilization rate of the early pioneers countries of this market had a 20-30% growth while it is under the 20% for European countries (Figure 17). Food delivery reached 117 and 164 million users respectively in the US and Europe in 2019, with growth forecasts ranging between 25% and 50% for the year 2024, depending on the current penetration rate of individual countries (Blumtritt, 2019).

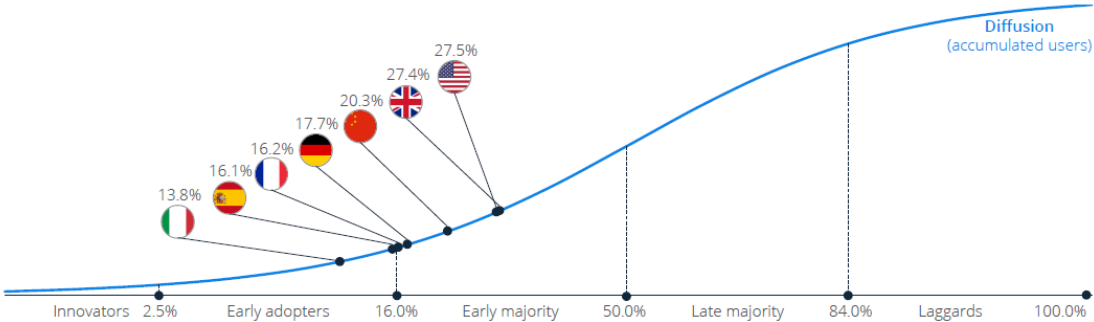


Figure 17 – Innovation diffusion curve for 2018 (Blumtritt, 2019)

3.2.3 Food Delivery in Italy

The food delivery market in Italy done by platforms counts more than 15.000 restaurants scattered in about 500 provinces (Assodelivery, 2020). It is a huge number considering

that the market is less than 10 years old and it is only at the beginning of its enormous expansive potential. In Italy in 2019, food delivery reached US\$674 million with a number of users (once a year min.) around 10 million. Turning to the analysis of the composition of users (Figure 18), we note a slight but not significant disproportion between male and female. The division between income brackets is homogeneous. Contrary there is a great disparity between age brackets. Partially this is due to the increase and variety of the offer given by *platform-to-consumer* company that have given to high price restaurants the opportunity to join the market and take advantage of higher age and income levels.

Compared to other European countries, Italy is last in the places concerning business, due to the lower penetration of internet technologies and smartphones. Important to remember that in 2019 the European average penetration of these technologies was respectively 76.5% (69.7%, Italy) and 73.9% (71.1%, Italy). This has caused a significant slowdown in Italian food delivery market development

The growth prospects of this sector in Italy are very promising. The revenues forecast in US\$ for the 2024 are around the critical-price line of the billion, with a number of users of 13.3 million. Overall, the Annual Growth Rate Compound of the sector is about +8.4%. The prevalence rate in 2018 was estimated at 13.8% because this service is not commonly used. (Figure 18). Anyway, Italy compared to the main European countries is still among the early adopters, which suggests that this market has not reached his peak.

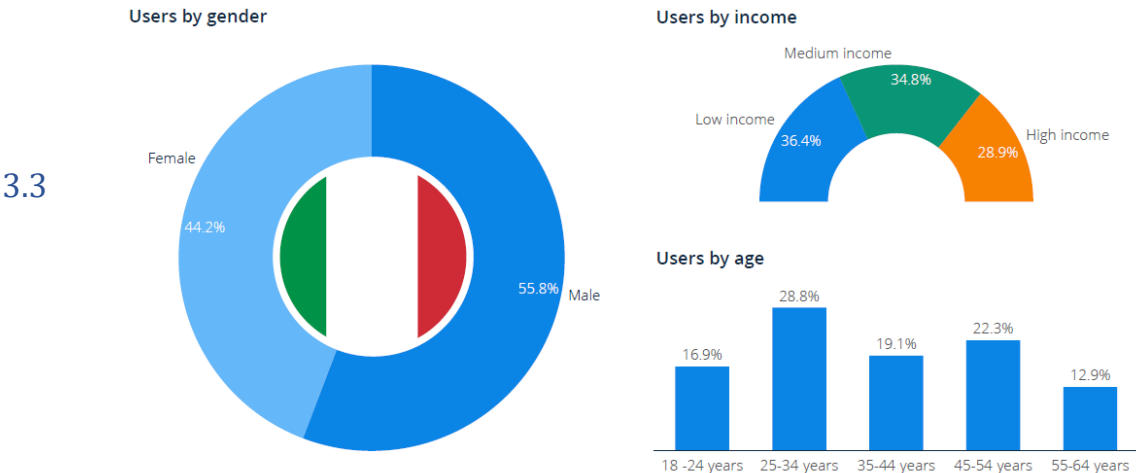


Figure 18 – Italian users traits (Blumtritt, 2019)

Market offer

The food delivery market in Italy is booming. The main international players have settled on the area since 2011 finding a blue ocean and huge prospects. The Italian initiatives

were not many but in a few years from their birth the majority was acquired by the largest international companies. Today the field of activity is very contentious and difficult to access. The future is expected to be very good for first settlers but not as good for the late arrivals. So, the question is, who will be saved and who will be eaten?

3.3.1 Business Model

The global market of food delivery is organized mainly through two business model: *restaurant-to-consumer* and *platform-to-consumer* delivery (Figure 20) (Blumtritt, 2019). There is another model including the first couple, called *fully-integrated*. What distinguishes a business model over another is stages of the chain in which platforms are involved. Indeed, ordering a meal online involves three main sequential steps (Figure 19): ordering, cooking and delivering.

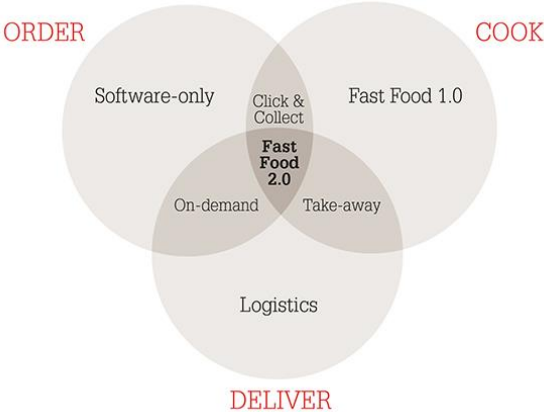


Figure 19 – Food Delivery Steps (Martin Mignot)

The *Restaurant-to-Consumer* delivery model, or “order only” model, includes the delivery of meals carried out directly by the restaurants. The order can be submitted via platforms (e.g. Delivery Hero, Just Eat) or directly through a restaurant website. The aggregation services collect the menus of independent restaurants and specialized delivery services. In other words, they are responsible for availability of restaurants and for transactions. The restaurant itself takes care of the delivery process.

The *Platform-to-Consumer* delivery model, or “order + delivery” model, focuses on online delivery services that provide costumers with meals from partner restaurants that do not necessarily have to offer food delivery themselves. In this case, platforms (e.g. Deliveroo, UberEats) handle the delivery process.

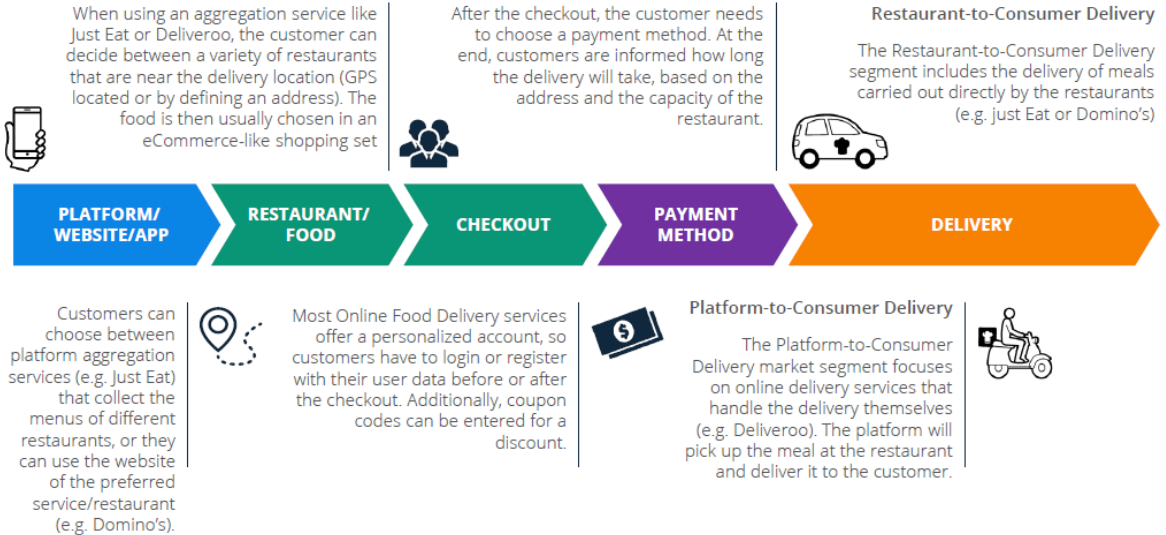


Figure 20 – Restaurant-to-Consumer and Platform-to-Consumer model (Blumtritt, 2019)

According to the type of business, platforms connecting costumers with restaurants have different commissions. This is determined by the type of service performed and the type of visibility and conditions offered.

Platforms operating in "order only" model, not dealing directly with the different stages of delivery, ask a commission of 10-15%. on orders to partner restaurants .In addition, to final costumers is often not asked for any additional cost for having used the platform and it is not even guaranteed that the price put in the site is not higher than what you would pay at the restaurant. However just the use of restaurant riders, allows to accept cash on delivery payments, which remains for many countries (especially in Italy), one of the most used payment methods. Moreover, these platforms are pure business software and they do not have to create their own delivery network. They are highly scalable and they are experiencing in recent years a huge growth, expanding much faster on the national territory.

On the contrary, using the model "order + delivery" in a more rich and complete service, platforms can request to restaurant partners a commission of 25-30%. to pay for each order This type of service has allowed restaurants to add home delivery to their table

service. In this way the portfolio of partners of these platforms is more varied, reaching to include high-profile restaurants and extending the offer to a higher audience spending.

The last model putting together the functions of the other two is the “fully-integrated” one. The companies using this type of business model deals with all the three steps of the process: *ordering, cooking, delivering*. Companies operating under this model represent the third and final wave of companies operating in the online food delivery market. The peculiarity is to give the possibility to costumers to follow the entire process. Examples of companies that were operating with this model are Sprig, Maple, Munchery and Spoonrocket. All of them have been acquired by other companies.

The success of these companies is due to meals designed by professional chefs or to the use of healthy food. Everything is done with the clear objective of giving an additional and different value to the service.

Since companies themselves are executors of the preparation of dishes, the consumer’s satisfaction judgment concerns not only the quality of orders and deliveries, but also of the food. For this reason, some fully integrated companies had to equip themselves to keep food at its best during delivery, for example through equipment that heats dishes or coolers to keep it fresh. Costumer satisfaction is also wanted through rapid deliveries in a pre-determined time window at the time of order, benefiting the platform itself at a logistic level. As a consequence, the success of these platforms is based in the search for a differentiation strategy from competitors. In addition, another point of differentiation is the use if a *subscription economy* by platforms. (Lunardi, 2016). It is a tool preventing consumers from purchasing services or products through a regular subscription, for example monthly. However, the “fully integrated” model unlike the two forms of business described above, has significant margins of improvement both in the food industry and in the catering. Firstly, this model allows the creation of "virtual restaurant chains". They help to reduce preparation and delivery time and allow a more targeted use of the software dedicated to this service, being able to respond promptly to changes in the demand or preferences of the consumer. Secondly, as noted above, data play a key role. This system allows to accumulate a large amount of data to frame costumers and respond with an increasingly specialized offer (Lunardi, 2016).

3.3.2 Key Italian Players

Just Eat



Just Eat is one of the oldest food delivery company in the world. It was founded in 2001 in Denmark by five brave entrepreneurs, including Jesper Buch. Since 2007, it has been growing internationally in the Netherlands and subsequently in Ireland. Its growth has continued with several acquisitions of small start-ups and with Stock Exchange listing in London. Nowadays the company works with over 13 countries and has over 100.000 affiliated restaurants in the world with 30 million active costumers. In 2018, Just Eat charged £780 million. England is the country where this platform became more successful by guaranteeing about half of the annual revenues (Blumtritt, 2019). Moreover, its business is well established in other countries even where delivery services arrived only later (in Italy, for example). In fact, the company arrived in Italy in 2011. Italy is seen as an "emerging market" where the use of this service is still at the beginning. The Italian peninsula is a very profitable country for Just Eat, where it has about half of the market shares of the entire sector €34.5 million¹ in revenues in 2019 spread over 217 cities. The situation in Italy has big possibilities to improve and expand in the future. Just Eat strategy to conquer the Italian market was based on acquisitions. In fact, in recent years it took control of *PizzaBo*, *Clicca e Magna* and *Deliverex*. In 2020 Just Eat has been merged with *Takeaway.com* for a total value of €7.1 billion and in June of the same year has bought *Grubhub* for €7.3 billion creating the biggest delivery group in the world.

The coverage of the cities is complete and often allows people to order from suburbs. Deliveries can be made by the restaurant or by the team of riders of Just Eat. The main business model is still restaurant-to-consumer. The delivery activities through the Just Eat app are carried out by collaborators hired by a different company, *Food Pony S.r.l.*, which adopts coordinated and continuous collaboration contracts with an hourly fee of €6.5 per hour, plus several variable bonuses (ante law 128/2019) (Cavallini, 2017). The waiting time is indicated immediately after placing the order but is not very accurate. Delivery costs can be free or paid according to places and the minimum expense to place

¹ AIDA

orders depends on the restaurant policy. Payment can be made by credit card, PayPal or with cash at the time of delivery.

The value of Just Eat is based on the wide and different choice of restaurants. It provides almost every kind of food existing in the market such as pizza, indian food, american burger, vegetarian cuisine, African food, Spanish tapas and so on. Another strong point is the widespread presence in many cities, from north to south of the country, for expanding the potential demand and the possibility of ordering even from peripheral areas of cities. However, one of the elements decreasing its value is, as pointed out above, the strong discretion of delivery costs and the minimum expense of orders, which vary from restaurant to restaurant and therefore influence the consumer when choosing and comparing the various alternatives.

Deliveroo



The home delivery company Deliveroo was founded in London in 2014, thanks to an intuition of Will Shu. The company immediately expanded in the following years in other European countries, including Italy. Their main strength is the technology that allows to offer a super competitive and convenient service to costumers, with the aim of a delivery in about 30 minutes from the already made order. Another strength of the delivery service offered by Deliveroo is the ability to track in real time the position of riders in order to monitor real-time delays. In 2020, the company operates in over 200 cities spread over 12 countries and 80.000 restaurants worldwide. Its arrival into the Italian market was profitable for this British company, claiming in 2020 more than 9000 affiliated restaurants in 175 cities and well-deserving 20% of market shares (Blumtritt, 2019). In 2018 the turnover in the country for Deliveroo was around €14 million². In 2020, Amazon invested €500 million in Deliveroo, after funds had been blocked for nearly a year by the British antitrust.

An important factor for the English company is the relationship with restaurateurs. In 2018 the company launched the Marketplace+ service, thanks to which restaurateurs manage orders referring both to the riders of the platform and to their own. However, the

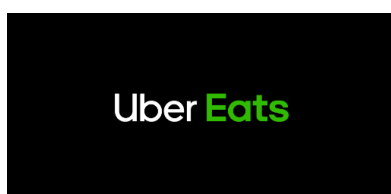
² AIDA

main business model remains the platform-to-consumer. The intention is to broaden the service in order to ensure that the restaurants can offer different kind of food and meals at every moment of the day.

One of the features of Deliveroo in Italy are to be present in quite every city, but not covering the suburbs. This is due to the riders who work directly with the platform, which to be efficient cannot cover long distances. In fact, the average waiting time of the order is around 32 minutes. The customer once having done the order can have a more precise and detailed estimate of the waiting time. The cost of the service for delivery start from €2.50 with a minimum order of €15. Payment, which takes place at the end of the order, can be made either by credit card or via PayPal. Deliveroo, for its riders uses the contractual form of occasional collaboration (co.co.co, ante law 128/2019) and pays the worker €7 hourly, plus a small bonus equal to €1.50 for each delivery made (Cavallini, 2017).

One of the strengths point of Deliveroo are represented by the discount policy through loyalty programs and credits for the customers and for the people they can affiliate to the service. Another important point is the fast delivery of just half an hour, that is effective compared to the other platforms. In addition, as noted above, thanks to the strong technological development of the application the customer can follow the courier throughout the delivery process via GPS. In the event of a delay of 10 minutes or more, the customer is immediately notified by telephone by the customer service. In case of delay the customer is refunded, not instantaneously but with a credit for the next order. On the other hand, the weak points are the few choices in the suburbs of affiliated restaurants and the failure in ensuring an adequate estimate of delivery times, in case of delays over ten minutes due to exceptional events, that cause many complaints by the customers accustomed to an excellent service.

Uber Eats



Uber, the Californian multinational ride-hailing company, launched in 2014 an additional service in order to differentiate its offer, called Uber Eats. It is an online platform where the customer can find restaurants, order

and make payment through the Uber account and then monitor the courier in real time by receiving the order at home. In July 2020 Uber has bought Postmates for US\$2.65 billion redeeming itself from the failed conquest of Grubhub.

Uber Eats operates with the platform-to-consumer delivery model. Deliveries are made by couriers who can decide to work by bike or scooter and are paid weekly. Uber Eats riders do not receive an hourly fee but only an amount for each delivery made, including a fixed item of €2 plus a variable fee depending on the distance covered. The cost of ordering for the customer is fixed at €2.5 (Cavallini, 2017). The order application is very intuitive and linear, in line with the company's goal that is to represent Uber Eats as "*the easy way to get the food you love delivered*". Payment is made automatically through the card associated with the account or via PayPal. Throughout the delivery process the customer can follow the rider and also view some details, such as name and photos.

In the world Uber Eats is present in more than 500 cities, with a turnover of \$1.46 billion in 2018, which makes it the biggest food delivery platform in the world. The delivery service entered the Italian market in 2016, in particular in Milan, and then immediately entered other cities of Italy. In 2019 it was active in 13 cities of the peninsula with 4000 partner restaurants and revenues of €4.9 million³ in 2018. The service unfortunately struggles more than other companies because of the intense competition and late entry into the market. Although this in 4 years the platform have earned 5% of the Italian market share. Uber Eats expects in the future to retain customers by exploiting the user base of customers already active with Uber.

Glovo



Glovo was born in Barcelona in 2014 by Sacha Michaud and Oscar Pierre. The company was born not only with the intention of delivering ready meals, but all kinds of products. Through its application you can receive at home ready food, gift ideas, pharmacy products, and much more. It allows businesses and companies to receive goods and packages at competitive prices. The company uses a team

³ AIDA

of riders called *Glovers*. They are couriers who, equipped with their own means, such as cars, bikes or motorcycles, must make deliveries as soon as possible. The company's website explains that Glover's goal is to "*help everyone save a lot of time by simplifying their lives*". The application clarifies how it solves the problem of home delivery and logistics for commercial activities, ensuring gains and no fixed costs. The cost of the delivery depends ranges from €1.9 to €4.9 depending on the location and affiliation of the shop or restaurant. Payment is made, through the application or cash on delivery, once the service has been provided, and there is no minimum expences for the order.

The 2017, subsequently, has been a year of development for the Spanish delivery start-up. It has carried on a capital increase for €30 million and the entrance as shareholders of the Japanese company Rakuten Capital and the fund of investment Cathay Innovation. This operation allowed the expansion of the company in many new cities. The objective of the company, as stated by the two co-founders following the capital increase, is to invest more in technology and to ensure the best relationship between those who are define as the "three key pillars" of their market: *users*, *Glovers* and *partners*. What allowed the startup to get this funding was the strong growth that the platform had and the ability to grow internationally. Currently the company counts more than 250 thousand users scattered in 600 cities of the world.

Glovo entered the Italian market in 2016 acquiring the Italian Delivery start-up Foodinho, through which the company operates in the country. It also acquired Foodora in 2018 that was coming out from Italy for impossibility to continue with the business. Glovo has been successful since the first moment in Italy, covering 146 cities and obtaining profits in 2018 for €9.8 million. Interesting was the evolution of contracts over the years that saw a descending parable of the expected economic treatment of riders. Before January 2017, the contract was a co.co.co. with a minimum compensation guaranteed on an hourly basis of €7.35, as part of the variable compensation (determined according to distance and waiting time). However, subsequent contracts showed a growing decrease in the amount of the guaranteed compensation, which was then eliminated in May 2017. Today, the contract only provides for a variable fee depending on the time spent working and the distance covered. The remuneration is always communicated to the rider before the acceptance of delivery (Cavallini, 2017). In 2020 things might come back to the previous

compensation model because of the law 128/2019 regarding rider's compensation and protections.

The advantages of using this service are represented by the wide choice of products that are delivered, from ready-to-eat food to pharmacy products, and the possibility of paying once the delivery is done, which usually takes about 35-40 minutes. On the other hand, the cost, as shown above, is quite high compared to competitors if you order from a non-affiliated activity. In addition, deliveries are made mostly around central areas of cities and almost never in the suburbs.

Domino's Pizza



Domino's Pizza was founded in 1960 by the two brothers Tom and James Monaghan who opened their first pizzeria in Michigan. A year later they started delivering pizzas at home and founded their empire, arriving in 1985 to have 5000 pizzerias in the world.

Domino's Pizza today has more than 16.500 pizzerias spread across 86 countries around the world with a turnover of \$3.4 billion⁴.

In Italy the platform that operates with the fully-integrated model arrives in 2015 with a very aggressive commercial plan, aiming to become "*the first digital delivery company in Italy*" (Alessandro Lazzaroni, country manager). Milan, Turin, Bologna, Bergamo, Modena and Piacenza are the main cities where Domino's prepare and deliver pizzas, for a total of 25 cities throughout the country. In 2018 the revenues were €5.8 million, with a net loss of €3.5 million due to restructuring and good-will of the pizzerias.

The goal for the next ten years is to reach a 2% share of pizzerias in Italy, that are 880 stores. The strategy is the franchising of pizzerias in places where there is movement and residence of people since home delivery makes about 60% of the profits of pizzerias. Delivery costs are €1 with a minimum order of €9. To become a franchisee, the chain requires a space of about 120 square meters, with a rent of twelve years, only ten seats,

⁴ AIDA

situated on roads with high passage of cars and fifty thousand inhabitants, reachable within nine minutes by the rider (of which 20.000 to three minutes). The chain retains a 6% royalty on receipts plus a 5% for marketing, divided between digital and offline communication. The company estimates the initial investment for opening a pizzeria to be €250.000, of which €25.000 in entry fees to Domino's, and €100.000 in personal availability.

Foodracers

The logo for Foodracers, featuring the word "Foodracers" in white, italicized, sans-serif font on a red rectangular background.

Foodracers was born in 2015 in Treviso from an idea of Andrea Carturan. The platform was thought two years earlier under the name of "TE>LE>TRASPORTO". Initially the idea was to deliver to customer's home every kind of product, laundry, florist, supermarket; then it has been chosen to change business model and focus on food delivery, being the driving force of sales. The start-up raised with a capital of €200.000 by a venture capitalist friend of the founder. Then in 2018 there was a capital increase of €600.000 thanks to a family that believed in this Italian company pioneer of delivery in Italy, even before the foreign multinationals entered the country.

Foodracer represents a food delivery company totally different from the others, still working with the platform-to-consumer delivery model. The company was born with the idea that delivery on demand services were increasingly widespread in large cities, but in most of the Italian medium and little city centre were totally missing. Foodracers has chosen these kinds of towns as its own market, finding the favour of local restaurants and the large Italian chains (Roadhouse Grill, Befed, Old Wild West). The exclusive contracts established with restaurateurs is certainly a point of strength for Foodracers compared to competitors that allows the platform not to increase prices to the customer, except for a small delivery fee that will be retained by the rider.

The platform is active in 52 cities with more than 1000 partner restaurants. In 2018, the company revenues were €650.000⁵. The cost per delivery starts from €2.50 up to €8 for longer routes. Foodracers declares itself to be a mere intermediary of self-employment

⁵ AIDA

services, however, the relationships of occasional collaboration would not exist between the restaurant and the rider, but between the latter and the final consumer. At the end of each delivery, in fact, the rider receives an email containing receipt of payment of compensation (variable according to the distance) paid by the customer as "occasional activity of delivery of food at home". The payment of the food can be done through credit card or cash on delivery. The strength of the platform is to cover large areas of the cities in which it works and to be able to implement its model potentially in any small and medium-sized town.

Foodys



Foodys is a group of food delivery in central-southern Italy born from the merger in November 2019 of the two Italian company *Moovenda* and *Prestofood*. Through this merger, the platform is active in 11 cities: Rome, Catania, Viterbo, Naples, Cagliari, Cosenza, Palermo, Reggio Calabria, Messina, Lecce and Bari for a total of 1500 restaurants that meet the demands of 3 million people between 18 and 50 years.

Moovenda is the name of the app that was born in 2015 from the project of three young Romans, thanks to a funding for start-ups of €70.000. In 2019, after three years, the company has raised funds for about 2 million euros and from Rome has also reached Turin, Cagliari, Naples, Viterbo and Cosenza. Before the merge it employed about 350 people, including riders and staff employed in different sectors (from app development, to marketing, to sales) and had about a thousand restaurants in its network.

Prestofood is an Italian start-up born in 2016 that grew up quickly thanks to a crowdfunding campaign on the platform Crowdfundme. The food delivery company, with over 25 thousand registered users in 2019, cover the southern market in Italy and last year was the fourth company for dimension in Italy. Prestofood in 2019 operated in 9 cities: Catania, Palermo, Reggio Calabria, Messina, Lecce, Cagliari, Sassari, Bari.

The idea behind Moovenda and Prestofood is similar to other platforms, but the way the company works is partly different. Riders all have a co.co.co. contract of six months or a year and are not paid by piecework but by shift. For each shift, which lasts four hours, the

pay is €25 net, plus a refund for mileage. Accident insurance and pension contributions are included in the contract. Compared to competitors, there is another difference. It does not use an algorithm to organize working hours, but it manages the assignment of the shifts according to the availability of riders. In this way the problem of the "little transparent" criteria (speed, efficiency and willingness to work in the most uncomfortable shift) with which the other platforms would allow the riders to access the shifts is overcome.

The group today, is the first Italian made food delivery platform in size and turnover and the fourth in Italy considering international competitors. Among the next projects there is also to expand in Europe.

MyMenu



MyMenu is an Italian food delivery company founded in Padua in 2012 by the idea of Edoardo Tribuzio. In 2019 the company merged with *Sgnam*, a Bologna start-up founded by Giovanni Cavallo and Lorenzo Lelli. In addition, the same year there was the acquisition of the Milan competitor *Bacchetteforchette*, which allowed the three young entrepreneurs to access a medium-high consumer range.

From the beginning, MyMenu has tried to differentiate itself from the international competition by focusing on an excellent service and on a high spending costumers. The idea is to focus more and more on B2B service with the delivery of meals in the office through corporate conventions. In this way the service becomes more continuous because it points to large law offices and consulting firms. A choice in contrast to the other players in the market, but that just for the type of costumers to which it is addressed guarantees MyMenu an average receipt higher and about 15% of the overall turnover. In fact, the average expenditure is €37, while in the business segment it reaches €62 with a frequency of 6 orders per month against 3 of private costumers (Business Insider, 2019).

MyMenu uses a network of more than 600 riders, which move by bike or scooter, and is one of the few food delivery platforms to sign the "Charter of Digital Workers' Rights" of the Municipality of Bologna to protect the riders of the gig-economy.

Since the foundation, the company has served 1.25 million meals with a turnover of 5 million euro in 2018, double the previous year, and 500 partner restaurants between Milan, Brescia, Bologna, Modena, Padua and Verona.

MyMenu raised 1.5 million euro from private and institutional investors, including venture capital P101. In 2019 it opened a new collection of 1.5 million euro to achieve the balanced budget and to expand its presence in other cities and enrich the team.

NutriBees



NutriBees

NutriBees is a Milan start-up born in 2017 from an idea of Giovanni Menozzi and Mario Villani.

By weekly subscription, NutriBees produces and delivers throughout Italy ready and balanced dishes, healthy and without additives. The start-up was born through a bootstrap financing by the two founders and then, after two years an industrial groups gave to the company a huge financing. It started with a base of a few dozen users and grew so much that in 2019 it counted more than 60.000 registered users and delivered about 5.000 dishes per week.

NutriBees purpose is to propose in Italy a food-delivery service different from the classic model that rely on local restaurants and deliver through riders in the surrounding area. The idea was to think of a more scalable business model that would use a single centralized kitchen, a weekly scheduled delivery throughout Italy through national couriers, and a focus on the growing segment of healthy ready meals (stored in a protective atmosphere). The dishes are delivered weekly throughout Italy in a single box, to have always healthy and tasty meals ready in a few minutes.

The service starts with an online nutritional test that is used to collect nutritional data and to create a menu specifically for the different needs of costumers. In fact, once a costumer has selected a food style and has reported any intolerances, the system/algorithm is able to recommend the dishes best suited to his the nutritional needs.

The meals suggested by the system can be confirmed or modified by the customer, who can choose from a wide range of 40 different recipes, which are renewed each week. For each dish are indicated ingredients and nutritional values, so that the customer can easily customize his menu according to his preferences.

There are different subscription solutions, both weekly and continuously. Depending on the duration of the subscription and the quantities ordered, the price per meal changes. Once the dishes are ordered, they are prepared by real chefs through an innovative cooking technique that allows to use fresh ingredients and keep the dishes fresh during the delivery and up to 20 days in the fridge without the use of additives.

The entire weekly menu is delivered throughout Italy and it allows anyone to have healthy dishes always available. Moreover it is very easy to prepare by heating on the pan, in the oven or in the microwave. The result is an healthy and balanced meal ready in a few minutes and without waste.

The points strength of the start-up is the absence of fixed costs (no kitchen, no riders), the ability to scale a market very quickly through commercial campaigns set digitally and the absence of waste from traditional food delivery. The weaknesses are relate to delivery times and the limited menu compared to other traditional platforms.

In the immediate future, NutriBees plans to consolidate its presence in Italy before considering a future expansion in other European countries. In the short term it is planned to innovate the weekly menu and insert an area for the snacks. The platform is also introducing as a payment option meal vouchers and delivery at collection points.

3.4 The Covid-19 Pandemic in 2020 in Italy

During the first half of 2020, Italy was subject to a covid-19 epidemic, also known as Corona Virus. Epidemic began at the end of January 2020 and its effects are still continuing (June 2020). During this extraordinary event that has upset not only Italy, but the whole world, the rhythms and habits of people have changed drastically. Many governments around the world, including the Italian one, have started a phase of compulsory quarantine for citizens for a period of about two months. In this period the results

regarding the food delivery have changed a lot and the perception of Italians with respect to this service.

The Italian Government, with the DPCM of March 11th, has provided for the suspension of the activities of catering services, including bars, pubs, restaurants, ice cream and pastry shops. Only the activity provided with home delivery service has been admitted, in compliance with the hygienic-sanitary rules.

Assodelivery, the reference association of the Italian food delivery platforms, and FIPE, Italian Federation of Public Exercises, have imposed some rules that riders should scrupulously follow, according to the indications provided by the Ministry of Health. Restaurant shall make sanitizing products available to their staff, making sure that they are used as often as necessary and shall recommend that the interpersonal distance of at least one metre be maintained in the performance of all activities; restaurant shall define areas for the collection of prepared food, for which they observe extraordinary cleaning and sanitization procedures. These areas must be separated from food preparation rooms; the withdrawal of prepared food shall take place by ensuring the interpersonal safety distance of at least one metre and the absence of direct contact; the prepared food is closed in special containers or bags by means of close-bag stickers, paper clips or other means to ensure maximum protection; the prepared food is immediately stored in thermal rucksacks or transport containers, which must be kept clean with sanitising products to ensure that food safety requirements are maintained; the prepared food is delivered with at least one metre of interpersonal safety distance and no direct contact.

Moving on to analyse consumption data, according to the latest Trade Lab survey, the coronavirus is currently stopping not only the Italian economy in general, even the Food Delivery. During the lockdown period, delivery via online platform also slowed down, thanks to smart working (which reduced the segment of demand for lunch), the fear of contagion, the longer time available and the desire to cook at home. The percentage of users, via app, has dropped by over 40% in the weeks of quarantine from 35% to 20%. The percentages have changed with the certification of hygiene and quality guaranteed by the food supply chain during the "phase 2" of the pandemic. In recent months has also grown the use of "traditional" delivery, managed independently by restaurateurs.

In the pre covid-19 era, the delivery market was worth €590 million in 2019⁶, less than 1% of total home consumption. In recent years, the trend of strong growth of online service via the app has been such as to suggest an increasingly accelerated development, slowed mainly by the weak digitization of bars and restaurants. Based on the responses of consumers interviewed by Trade Lab, in the period before Covid-19 over a third of the Italians interviewed (35%) used the online Food Delivery service. Among the most 'addicted' there are Young Millennials (26-35 years): one out of two (50%) usually ordered lunch or dinner online. In this period of isolation, the service has suffered a slowdown. On the other hands there was an increase in Food Delivery organized independently by restaurateurs. The trend is evident in Milan and Rome, where the number of orders on the app goes from 51-49% to 32-29% respectively, and among the Young Millennials (26-35 years), where 50% falls to 28%.

In total, only 4 out of 100 Italians started using the online delivery service during the lockdown period, compared to a decrease of 50% of pre-covid-19 regular users. At the same time, the phenomenon of “autonomous initiatives” by individual operators is beginning to spread. The managers of restaurants and bars have in fact promoted autonomous delivery services, independent of platforms. It will be curious to monitor this phenomenon in the coming months to understand whether it will remain a short-term tactical action, in response to the health emergency and lockdown, or whether it will become a long-term strategy that will change the business models of the points of consumption. The scale of this phenomenon will also depend on government decisions on the issue of take-away.

The use of digital for home food orders is growing, especially in relation to digital payments, preferred by new users and at an increasing rate of +36%, with a higher expense than the one using cash on delivery, and bringing it to 70% of the total transactions, also due to a reduction in cash in terms of absolute values.

In this context, even the use of the app to order, compared to the web, has increased, now reaching 77% of consumers who use the service via app. Predominant is the proportion of young people who have always preferred the app compared to the site with an average of 75%, the young people between 18 and 24 years during the lockdown have also used

⁶ Deliveroo

the desktop website, witnessing the greater use of the computer during the entire span of the day spent at home.

During the lockdown, about half (47%) of users declare to use the service several times a week. The reasons range from the inability to pick up food at the restaurant (44%), but also for the lack of desire to cook (31%), for the desire to have a lunch or dinner different from the usual (29%) or to do a cuddle (22%). The area of the North West, at the head of Milan, is where the frequency of online orders is highest. Millennials, couples or families with children and Baby Boomers are the category of people that order more frequently. The scenario of a strong push to online delivery, in the post-quarantine weeks, seems to be more a hypothesis than a certainty. According to Trade Lab there are many restaurants that have not yet been equipped with the service and are now ready to take up the challenge, but it is unlikely that Food Delivery will represent the prevailing share of turnover in the future.

For what concerns the consumers, 79% of users in the emergency period want to take advantage of Food Delivery (via platform) even after the closing period of restaurants, but only 50% intend to use it frequently in the post emergency, while three out of ten users (29%) said they will use it sporadically. In the post emergency, even online delivery will probably have to decide new rules (certifications of hygiene, quality guaranteed by the supply chain, etc.), in order not to risk being penalized by the new “fear infecting & food safety mood”, which will weigh on restaurant.

CHAPTER 4. EMPIRICAL EVIDENCES ABOUT THE ONLINE FOOD DELIVERY MARKET IN ITALY

4.1 Methods

The aim of this dissertation is to investigate the competitive strategies that Italian food delivery platforms have adopted against international food delivery companies. The focus is to outline the strategies that the platforms born in Italy put in place in the market of the peninsula, not having the resources and skills of international players. In addition, assumptions will be made about the evolution and fate of these companies based on objective data and interviews with industry experts.

Starting from the first chapter, an analysis has been made of the digital platforms and the ecosystem that revolves around. It has deepened their business model and their pricing model, and then focus on their diffusion in the world and in Italy. The second chapter regards the gig-economy, as a nascent phenomenon of the second millennium and as a new source of income for millions of people in the world. It has been done a deep discussion about the types of work that embrace this new economy, the disadvantages and advantages, and the numbers and dimensions that characterize it. The last part of the chapter regards the riders in Italy as gig-workers, their working conditions and the recent law 128/2019 on the regulation of digital work. With the third chapter, the dissertation enters in its core analysing digital platforms with particular reference to those of food delivery. It starts from the origins of food delivery since the Second World War, to get to the present days. The results and numbers of this phenomenon have been analysed in detail, both worldwide and in Italy. It has been done a scrupulous analysis of the market offer of the main international players and of the companies born in Italy by young entrepreneurs. It has been examined the three different business models with which the platforms interact with restaurants and costumers. Finally, it has been discussed about the impacts and results that the recent health emergency of Covid-19 led to the peninsula, forcing millions of Italians to quarantine for more than a month.

In this last chapter will be conducted a qualitative-quantitative analysis of the digital platforms of food delivery both international and Italian. Elements of similarity and

difference, financial data, business models and contractual characteristics and remuneration of riders of the main Italian companies in the sector will be analysed and discussed. In particular, the analysis will be based on four macro-themes:

- Presence on the territory and business model
- Overall financial performance 2016-2018
- Point of strength and weakness
- Riders and compensation structure (ante law 128/2019)

The analysis will be conducted using different sources. For quantitative and financial data, it has been utilized the digital storage platforms of AIDA and ORBIS. For the qualitative, it has been utilized articles and online researches carried out on the basis of real use experiences for data regarding objective evaluations on the characteristics of the food delivery service, on the customer experience, and on the general efficiency. To confirm the hypotheses formulated in the process of analysis of the data of quantitative-quantitative nature it has been also reported two interviews to CEO and Founders of food delivery companies in Italy and one interview to one specialist of food delivery sector. The first has been done face to face in the offices of Foodracers in Treviso to the CEO and founder Doctor Andrea Carturan. The second interview has been done to the CEO and co-founder NutriBees Doctor Mario Villani. The third interview has been done to Marco Marrone, a Postdoctoral researcher in the Horizon 2020 project PLUS (Platform Labour in Urban Spaces) in the Department of Sociology and Business Law at the University of Bologna. During the interviews, several topics have been talked about: the beginning of the business, in particular what was the business idea and what made it a profitable business; the sources of funding at the beginning and those that subsequently allowed the expansion; the main socio-political events within the company; the type of strategy adopted, compared to other competing platforms; the strengths and weaknesses of the company; the contractual problem of riders after Law 128/2019; the consequences and results during the recent health emergency; the ongoing projects and the future of the activity.

4.2 The comparison among Italian and International Players

4.2.1 Presence on the Territory and Business Model

PLATFORM	FOUNDATION (ITALY)	COUNTRIES IN THE WORLD	CITIES IN ITALY	BUSINESS MODEL
<i>Just Eat</i>	Denmark, 2000 (IT, 2011)	13	220+	Restaurant-to-consumer
<i>Deliveroo</i>	UK, 2013 (IT, 2015)	12	175+	Platform-to-consumer
<i>Uber Eats</i>	USA, 2014 (IT, 2016)	71	13	Platform-to-consumer
<i>Glovo</i>	Spain, 2014 (IT, 2016)	24	150+	Platform-to-consumer
<i>Domino's Pizza</i>	USA, 1960 (IT, 2015)	86	25	Fully-integrated
<i>Foodracers</i>	Italy, 2015	Italy	52	Platform-to-consumer
<i>Foodys</i>	Italy, 2015	Italy	11	Platform-to-consumer
<i>MyMenu</i>	Italy, 2012	Italy	6	Platform-to-consumer
<i>NutriBees</i>	Italy, 2017	Italy	Everywhere	Fully-integrated (hybrid)

Table 10 – Foundation, diffusion and BM of the key platforms in Italy (Gabanelli & Querzè, 2018; *laboratori.blog*, 2020)

Nearly the whole of food delivery societies in Italy were created in the second decade of the third millennium. They are societies born with the birth of digital technologies, with the development of IT technologies and with the arrival of smartphones. The only exception is Domino's pizza which began to delivery pizzas in USA since 1961 and Just Eat which began home deliveries in Dutch through telephonic orders, paving the way with the arrival of digital systems to many other platforms in all Europe. It is interesting to notice why this phenomenon have not started before because technological support lacked completely. Even if some platforms started before, they did not explode and did not invest a lot of money before the second decade.

In Italian area a lot of players work nowadays: differences at somatic level between international and made in Italy platforms can be noticed from the perspective of the diffusion and number of cities, typology of business and service, the date of foundation and entrance in Italian market, and the type of strategy at international level.

The age of the company does not tell anything about the spread in the world. Domino's pizza, despite being a chain of pizzerias with home delivery, was able to expand so much

thanks to the big founding given since 2000 and the quotation of NYSE. The same happened for just eat, a listed company in London Stock Exchange since 2014. Contrary Deliveroo and Glovo benefited from private investments: growing enormously in Europe. Different discussion for Uber Eat. The society had a big success taking advantage from the market from the main business created by Uber, that is passenger transport. This meant that the secondary business of food delivery has climbed quickly in every country of the world where the main one was already radicated, exploiting to his advantage the whole usual costumers. However, societies born on Italy which did not benefit from big amounts of money chose little realities, putting their attention in the expansion of national territory and strengthening of market shares acquired during years. The majority of these platforms were founded by young business men on the wave of what was happening in USA. Quite every of these companies have started the business in bootstrapping and after having received required fundings they concentrate only in national market.

As far as the diffusion concerned in Italy, Just Eat have about half of the market shares. In fact, the Dutch platform was the first international one to work in Italy coming in with an aggressive acquisition strategy of little start-up already created. Moreover, it is working with the restaurant-to-consumer delivery model which is giving an enormous advantage in order to spread potentially anywhere, without coping with the employment contracts of riders who usually do the service. Deliveroo is the second international player talking about results, owning the 20% of the Italian market. The London platform came in Italy in 2015 starting from big cities and then spreading like wildfire in the whole territory. Glovo came in the market in 2016 and following the same penetration strategy of Just Eat: it absorbed Foodinho and Foodora, then focusing on big cities with a more complete service. Different case with Uber Eat. The Californian platform is coming in the Italian market in the same period of London and Spanish cousins but it adopted a different strategy. Uber Eat tried to expand in other big cities in Italy, exploiting the costumers' basis already created by Uber but suffering the other players competition. In Italy the biggest fully-integrated platform is Domino's Pizza. The chain of American pizzerias had a very precise tragedy when it comes in the market. It looks for strategic points from a distance of about 120 square meters from costumers, with a rent of twelve years, only ten seats, situated near to a high passage of cars and fifty thousand inhabitants, reachable within nine minutes by the rider. Moreover, its restaurants are given in franchising from

an overall cost of about 250.000 euros per restaurant. The platform wants to acquire 2% of market shares by 2030.

The system changes completely if we talk about Italian platforms. They are “order + delivery” and they are the most known and the biggest at volume levels. Mostly all these platforms were born from 2015 and, with the exception of few, most of them were acquired or absorbed in the previous years. Even if Foodracers was born and come in the Italian market before of internationals, it did not adopt the same logic. There was an attempt not very successful to come in big cities. Then the platform focused to develop and maintain its market shares in northeast of Italy, Lombardia and Emilia-Romagna, working especially in medium and little cities with more than 50 active cities. MyMenu is one the first Italian platform to be born. Its strategy was focusing on few big cities proposing a higher quality offer and working for other businesses. Foodys is the platform which is working in the centre and in the south of Italy, born from the fusion of Moovenda and Prestofood. Its success is to be found in its big presence in few but selected big and in medium cities and in its old consolidated service.

A big difference can be found in NutriBees, the hybrid fully-integrated platform which does not do on-demand deliveries like the others mentioned before. It gives the possibility to expand and potentially sell all over Italy without having an aggressive entrance strategy in cities. Its target is every kind of person that want to improve his nutrition or have no time to cook.

4.2.2 Overall Financial Performance 2016-2018

PLATFORM	REVENUES (million €)				PROFIT (million €)			
	2016	2017	2018	2019	2016	2017	2018	2019
<i>Just Eat</i>	13.1	21.7	34.5	//	-2.2	-2.1	+2.2	//
<i>Deliveroo</i>	2.0	6.1	14.1	//	-4.6	+0.7	+1.5	//
<i>Uber Eats</i>	//	//	//	//	//	//	//	//
<i>Glovo</i>	//	1.8	9.8	//	//	-1.4	-7.0	//
<i>Domino's Pizza</i>	1.51	3.37	5.84	//	-2.16	-2.77	-2.45	//
<i>Foodracers</i>	0.2	0.4	0.7	//	0	0	-0.08	//
<i>Foodys (Moovenda / Prestofood)</i>	0.28 / 0.11	0.71 / 0.57	0.94 / 1.22	//	-0.58 / -0.01	-0.39 / -0.05	-0.61 / -0.14	//
<i>MyMenu</i>	0.20	0.41	1.62	//	-0.25	-0.30	-0.85	//
<i>NutriBees</i>	//	0.01	0.34	0.92	//	0	0	-0.07

Table 11 – Revenues and profits (million €) of the main food delivery company operating in Italy (AIDA, 2020)

The differences in revenues and profits between international and Italian food delivery platforms are impressive. (table 11). The international ones counted their results in Italy in millions of euros while the national ones in hundred thousand euros.

In any case, the elements in common are many. The strong compound annual growth rate which sometimes overcomes the 100%. Moreover, even if Deliveroo and Just Eat have reported positive and promising results in the last two years, all budgets are overdrawn. This is caused by the nature of the food delivery and of the type of the strategy adopted by companies. Operating costs are the heaviest part of the platform budgets and so they give negative results. Inside them we find costs supported by platforms to carry on their growth, like commercial agents traveling around the territory and affiliating restaurants, or advertisements, like social networks, promotions, newspapers, public transports and others means. In this field costs of the staff members are also present, but they do not represent a reliable leak because many platforms do not pay their riders directly. Moreover, the whole of the costs changes a lot from platform to platform. For little Italian platforms the significant part of the costs compared the full is for the office staff. For big

multinationals by doing economy of scale, proportionally the staff costs are more reduced while the cost for the marketing and the promotions rise significantly.

The presence of high operational costs is somehow physiological for the expanding platforms. What international platforms did during the early years of entrance in Italy was taking as many cities as possible and as soon as possible in order to limit the possibilities of other platforms to come in and make money. For doing so they invested an incredible amount of money and resources. The primary objective is hoarding as many market shares as possible that caused heavy losses. This system allows to work and gain money in the long range as evidenced by positive results of Deliveroo and Just Eat in the last two years.

Strategies are multiple and they change not only for the platform nationality but also according to business model. International platform chose an aggressive approach when they came in and penetrated the market. This consists in purchasing directly already existing Italian societies with a widespread diffusion in all medium and big cities of the national territory through big fundings in advertisement and commercial network. Italian platforms do not benefit from big fundings, so they chose a more organic growth with a focus on different types of service.

Watching at the business model, Marketplace platforms, namely those working with “only order” model, were luckier in the conquest of the area. Just Eat was one of the first to come in Italy, long before other international platforms working with “order + delivery” entered the country. It expanded in the area immediately with this strategy, not only in an organic way but also thanks to a start-up acquisition campaign. Nowadays it is the most important player with half of market shares and an exponential growth year by year. This model of business is highly more scalable because there is no need to create neither a riders’ network nor an affiliated restaurants’ network. Potentially a restaurant can independently sign up and benefit from the service, having only a tablet and a rider. In case as a supplement Just Eat can supply their own riders hired through a third society. “Order + delivery” model platforms are less scalable and costs are higher. On the other hand, compared with the other model they can ask for higher fees in restaurants for every order. The last ones to underline are the fully-integrated platforms. In Italy they have been proposed as an alternative service and not really as an opponent of traditional food delivery platforms. Compared to the latest, they can control all the chain. In this category

there are different kind of platform distinguished one from the other substantially for the three steps of the chain (order, cook, deliver). Every step of the chain can be made by the company or by third-parties. The main differences between a method and the other is about fixed costs and flexibility.

From the data available we can assume that the platform growth is inevitable and unstoppable. In Italy on demand food delivery phenomenon through app is not even 10 years old and it has a diffusion rate lower of 20%, lower than many other countries in the world. The balance between power and market shares is not defined but in general the landscape has been delineated by international platform governing and Italian platforms slowly give away being acquired or concentrating in niche. In the following years we will assist to a strengthening race led more by giant international delivery platform and less by “made in Italy” companies.

4.2.3 Platform Points of Strength and Weakness

PLATFORM	STRENGTH	WEAKNESS
<i>Just Eat</i>	Wide selection of restaurant Good service also in periphery Many feedbacks from consumers Cash on delivery	Not possible to know the waiting time Different delivery costs and minimum order according to the restaurant
<i>Deliveroo</i>	Promotions Sponsorship GPS tracking for orders Excellent customer care	Few restaurants in periphery Bad management of delays
<i>Uber Eats</i>	Familiar with Uber App Presence all over the world	Fixed delivery costs Bad condition of the rider Few cities
<i>Glovo</i>	GPS tracking for orders No minimum expenses for order Cash on delivery Not only food	No service in periphery High delivery costs
<i>Domino's Pizza</i>	Different kind of offer in the market GPS tracking for orders Cash on delivery	High operating costs Cognitive bias
<i>Foodracers</i>	No contract with riders Work only in the little cities Cash on delivery Excellent customer care	Limited possibility of expansion High delivery costs Low budget for app and software
<i>Foodys</i>	Strong presence in south Italy Cash on delivery Riders as employees	Limited possibility of expansion Many fixed costs Minimum order €12
<i>MyMenu</i>	Different strategy (B2B) Order by telephone	Limited possibility of expansion Few cities High cost for the riders
<i>NutriBees</i>	Different kind of offer in the market No fixed costs Order all over Italy Pay by meal vouchers	Limited menu Long delivery time Transportation issues

Table 12 – Strength and weakness of the key platforms operating in Italy (Cavallini, 2017; www.lavoratori.blog, 2020)

Every platform has strengths points which allow it to come in international market with its value proposition and at the same time to compete against others by differing and offering digital services (Table 12). Moreover, a platform despite certain advantages has also disadvantages that if badly managed can cause a loss of money or market shares and in the worst scenario leading to abandon the market, as happened in the past. To be easy and clear it is better to divide all platforms which operate in Italy following different

criteria in order to find some common characteristics and identifying strong and weak points.

Firstly, international platforms are different for having bigger financial resources than Italian competitors. This gives the possibility to invest a lot of money in business and to be able to grow in an extremely rapid way compared to the other one. Then, having more resources means international platforms can have a software and an interface perfectly functioning and take action immediately in case of problems. Moreover, applications are very evolved and easy to use and permit to track riders during their route through GPS. In this way they have under control the progress. From a commercial point of view the landing in cities is usually rapid and planned. Having available lots of resources, platforms find easy coming in new cities of the territory even if not always profitable. Generally, they start with an aggressive marketing campaign based on social networks, on publicity in outdoor space, on promotions and on discounts.

Negative and positive aspects are put together, so mainly international platforms compete in big and medium cities in the north and centre of Italy leaving little profit margin among them. In the last biennium it seems to have a main platforms improvement with significant gains, mainly for those settled in the territory for a long time.

In the first years of entrance in Italy, a bloody battle was fought among platforms. They were obliged to make huge investments which brought to many financial losses in those years. The goal was the conquest of cities and of market shares. Now the problem seems to have been stabilised. The main differences of international platforms delivery service regards few things, like promotions, possibility to pay cash on delivery, presence of a minimum order, cost of delivery and presence of peripheral areas in cities.

Italian platforms knowing the huge financial power of these societies have adopted different policies and strategies. Platforms for example Foodracers and Foodys have chosen a local territorial strategy, focusing respectively on the market consolidation of north-east Italian little cities and in middle cities of the centre and south of Italy. In these cities they have chosen a different approach with restaurants through a more direct contact and exclusive collaborations. In facts, while in multinationals, affiliations between restaurants and platforms are made by a commercial who travel around cities and acquire restaurants sequentially, Italian platforms build more intense and personal collaborations and exchanges. So, whatever is the problem, it can be solved in a more

precise and fast way. International platforms usually rely on call center to solve restaurants' everyday problems with food delivery. This makes more impersonal and less collaborative the resolution of the problem both for a restaurant and for the platform. Moreover, another strong point of these "Made in Italy" platforms is the possibility to accept cash on delivery service. In Italy this phenomenon represents more than 50% of the whole. The MyMenu platform represents another different example. This platform has always worked only in medium and big cities of the north of Italy suggesting an high level restaurants offer. This platform has evolved becoming a simple food delivery service. Then it became a medium-high food delivery service. Finally, it came in the B2B business, which is basically lunch deliveries in companies and offices, using the mechanism of the subscription. The limits of its business are the little presence as number of cities and the high delivery costs compared to those of competitors. Another interesting point to analyse is given by NutriBees, a food delivery platform conceptually different from the others. It is not considered as competitor but as an alternative. The offer is completely different because it is far from the classical on-demand delivery service. It works with a week subscription, in which daily pre-cooked and easy to prepare meals are delivered in a box at home. There are a lot of strong point in this business. Beside of a different offer, it benefits from the absent of fixed costs because everything is made by external chefs and the delivery is made by a national courier with the possibility to deliver in a maximum time of 72 hours all over Italy. The only company commitment is creating the packaging with a personal brand starting from already made raw material and manage the orders the deliveries. Moreover, this company has the big advantage to be able to expand potentially everywhere using only physical and online advertisement. It can also avoid creating a network of affiliated restaurants and riders. The only negative aspects are the lack of a rich menu and the delivery times which can cause damages to food.

Another criteria to differentiate one platform to another is based on the business model. It can be easily noticed that most of the Italian platforms are of the "order + delivery" type. They give to affiliated restaurants their riders network for deliveries. This brings advantages and disadvantages of different nature. Platforms working this way can ask to restaurants orders fee going from 20% to 35% depending on the type of restaurant and if it works exclusively with the platform. Moreover, they benefit from strong barriers to entry and scale advantages: once arrived at a certain level in a city, competing against the

optimized restaurants and riders network is very difficult for a new competitor. From a negative point of view there is the need to create from the beginning a riders' and restaurants network in every city. This makes the business more difficult to climb. However, platforms operating in restaurant-to-customer model have different advantages. They use the logic of restaurants and offer to them visibility and orders. The disadvantages are the limited food offer and a little control and optimization of the speed and quality of delivery. Thanks to this business modality platforms ask for lower fee going from 10% to 15%. The advantage of operating with this model is the possibility to arrive potentially everywhere, also in villages made of few inhabitants. It gives the possibility to these businesses to climb and grow exponentially year by year. This model is also called "Marketplace" and Just Eat is the most important player in Italy. Moreover, in the last two years other platforms are expanding their offer trying to implement the model.

However, the fully-integrated model do all three steps, order, cook and deliver. The advantages of this model are the possibility to control every step of the chain. There could be the presence of third party, but everything is control by the platform. Usually, high fixed costs are the problem. In Italy the most representative society is Domino's Pizza. There are also solutions of this kind defined as "hybrid". NutriBees, is the most representative, which although operating in this way, entrusts each process to third parties dealing only with the phases of order.

4.2.4 Rider and compensation structure (ante and post law 128/2019)

PLATFORM	CONTRACT TYPE	REMUNERATION	DELIVERY COST
Just Eat	Co.co.co. with different company and self-employment occasional collaborations	€6,50 net hourly/ €4 net for each availability period + bonus (weather, holidays, etc.)	Variable delivery cost depending on the restaurant
Deliveroo	Self-employment occasional collaborations	€7 net hourly + variable mileage bonus for scooters or 1€ for each delivery for bicycle	Fixed delivery cost of €2.50 + 2€ for orders under €15
Uber Eats	Self-employment occasional collaborations	€2 for pick-up + mileage refund	Fixed delivery cost of €2.50
Glovo	Self-employment occasional collaborations (co.co.co till the beginning of 2017)	Variable compensation according to mileage (until the beginning of 2017, €7.35 gross hourly "absorbable" in the variable delivery charge)	Variable delivery cost ranging from €0 to €4.9
Domino's Pizza	Self-employment occasional collaborations, co.co.co or on-call contract	5€ net hourly + bonus	Variable delivery cost starting from €1.50
Foodracers	Self-employment occasional collaborations with final costumer	Variable compensation according to mileage for every delivery (equal to the delivery cost)	Variable delivery cost starting from €2.50
Foodys	Co.co.co. with the platform	€25 net for every shift (four hours) + fixed bonus for every delivery	Variable delivery cost starting from €2.50
MyMenu	Self-employment occasional collaborations	€8.7 net hourly + fixed bonus for every delivery (€0.5 bicycle or €1.5 scooter)	Variable delivery cost depending on the restaurant
NutriBees	No riders but express courier	Delivery cost	Free

Table 13 - Rider compensation structure of the main food delivery company operating in Italy (www.lavoratori.blog, 2020)

Topics such as riders, contracts and remuneration are a problem in Italy. This is born from the need to protect this young gig-workers category which in the large majority is made of people looking for an extra income. Sometimes they are riders that consider this job as a full-time job. In these years a lot of riders protests and demonstrations broke out in order to obtain better protections and better salary from their job. Many platforms were

obliged to change remuneration modalities because of the continues strikes and manifestations. Foodora represents an emblematic example in Italy: it was not able to satisfy riders contractual requirements obtaining an unfavourable judgment from the Court of Cassation: riders are not to be treated self-employee workers, they have to be treated as employees even if they are occasional and independent collaborators. The society had to repay all the riders with the income that was not given during the time. Later Foodora was bought by Glovo, for inability to go on with its business in Italy.

After the law 128/2019 of 2nd November 2019, numerous contractual changes have been introduced in insurance and compensation plans, as well as more safeguards to the figure of the rider in Italy, starting to include this category of gig-working in the category of “traditional jobs”.

In addition, from February of 2020 all food delivery platforms are obliged to ensure all their riders at the INAIL whatever is their contract. Before this law there was a situation of uncertainty because platforms employed and payed their riders on piecework. Generally, companies working in “order +delivery” hire riders with a self-employment occasional collaboration contract. From a legal point of view, it is the less binding for the platform and more profitable contract for riders among the contracts. Usually, riders gain a higher net pay in this way. Obviously, there is not an expected minimum level of remuneration and if they exist, platform is the only one managing this type of benefit. Only exception is Foodys which chose to hire its riders with a co.co.co. Glovo also worked in this way till the beginning of 2017. Contrary platforms like Just Eat have two types of contracts: for marketplace part they let restaurants managing riders and contracts; for the platform part Just Eat is relying on Food Pony which is a sort of recruiter dealing with managing and making contracts with platform riders.

As it is clear from Table 13, Italian platforms pay riders more regarding net wage per hour. After the new law, almost all platforms have adapted their standards to the new criteria paying riders not only by the piece (which means for every delivery done) but fixing a minimum paycheck per hour with eventual bonus based on deliveries done or kilometres done. Now a collective national contract for riders does not exist yet. Negotiations between Trade Unions, class associations and platforms are lagging. The socio-political panorama is divided, among riders preferring easy money and without contractual obligations so in favour to piecework and riders believing in their job asking for more

protection and remunerations minimum schedule and minimum retributions from collective national contracts.

Analysing delivery costs, the most used formula is the variable delivery cost. This typology allows to start from a fixed amount going from 1.5€ to 2.5€ and rises according to the distance in kilometres between restaurants and delivery places. Just few platforms have fixed delivery costs. In this regard two schools of thought exist: platforms considering delivery costs as a negative discriminating for costumers when they order and platform considering delivery costs as essential to pay riders in order not to be an extra cost for platforms. From the journals headlines and the continuous complaints, platform with more problems with riders are the international ones. Generally, these ones make final costumers paying a lower delivery cost and they give to riders less money than expected. Contrary, Italian platforms are more “ethic” making final costumers paying a higher delivery cost so they can pay more riders.

In order to confirm this evidence, with the interview conducted with the Ceo of Foodracers Andrea Carturan, some elements emerged. Delivery costs do not represent a negative discriminatory when costumers make an order. Even if delivery cost can arrive to €8 in Foodracers, what really counts is a good service. It means a delivery on time and hot food in perfect conditions as takeaway. Here some problems can arise. The cities where Foodracers works are little cities in the north-east of Italy where the platform work as monopolist or with little competitors. Foodys is doing more or less the same: it chose the south of Italy where there are less competitors and the business is rich. These platforms can have higher delivery costs. Platforms offering the same quality service and number of restaurants are not so many or the presence of the platform in the area is so well-established that costumers have become very loyal. In this way paying riders properly is possible without affecting the percentage of profits on orders. In big cities like Milan, Turin, Rome the competition is so strong that platform cannot have high delivery cost to compensate the riders paycheck. It is probable that platforms are obliged to maintain low delivery costs or even eliminate them not to be eaten by competitors. These cities are the business focus of these platforms so paychecks are low but not the same in all Italy. Riders’ paycheck change from city to city based on different factors (Figure 21 – Glovers payroll in different Italian cities). In general, compared to “Italian Sisters” ones, in the big companies the riders paychecks are lower which gives them a bad name.

4.3 Key Strategies of Italian Platforms facing Multinational

The Italian on-demand food delivery market service is today very competitive. The beginning of this competition can be set with the entrance of international platforms in the country from 2015 to 2016. Until that moment the food delivery as we know today was present only in big cities thanks to little start-up born from young business men aware of what was born internationally with these new ideas. In few years from the entrance of “big”, many platforms disappeared absorbed by bigger companies and others melt together. In 2020 market fight and adjustments are still continuing. Italian situation is still fragmentated and the balance of the forces are still to be defined. At international levels are taking place important fusions and acquisitions which can have effects also in Italy.

From the entrance of international food delivery platforms, Italian start-ups had absolutely to adapt. Foreign companies have big amount of money and fundings. When they came to a new country, they usually started their business in an aggressive way or through the direct acquisition of Italian societies or through intense organic growth campaign in the cities. Italian companies still that survived have adopted alternative strategies which can be catalogued in three typologies:

- **Strengthening of the market shares in medium and big cities**
- **Business expansion in medium and little cities**
- **Creation of alternative business**

Since the competitions for medium and big cities is becoming harder and harder, a lot of Italian start-ups have adapted to the situation and have renovated their business trying to consolidate their acquired positions through years. For the fact that it is an indistinct service, there was the need to enrich it with extra services like telephonic ordinations, extension of the activity hours and extension in the suburbs. Moreover, there were platforms choosing for the improvement of offers and costumers, suggesting high level restaurants with nice packing. It increased the number of activities with other business delivering more and more in law and consultancy offices with bigger orders and with periodic subscriptions.

Other platforms decided to compete less in big cities or to abandon them in order to concentrate more in medium or little cities. In Italy the number of cities where these types of business are possible to realise is very high and possibilities are good. Unfortunately, there are problems of different nature. In these cities the number of people for restaurant is higher and even if there can be a big audience there can be a logistical problem. Riders living in these cities cannot working with their bike because of the distance. Consequently, they are obliged to use scooters and cars because it happens that the distance to travel in a shift can arrive to a hundred of kilometres. In this situation platforms are obliged to ask for high delivery costs in order to pay the distance travelled by every rider. Otherwise they would perform a service below the cost. From what is emerged from the interviews, these costs are not a problem, because what really interests to a costumer living far is only the food arriving hot and in good conditions. Another advantage of working in these cities is the little presence or even total absence of competitors. This allows to work in less stressed conditions, consolidating shares market and asking for higher fees to restaurant. Moreover, many platforms are strengthening Marketplace service in order to work with restaurant riders for deliveries.

Point of strength for both strategies is working in many cases exclusively with restaurants. This system allows to bind restaurants to work only with a platform for a determined period of time. In addition, fees are lower. The advantage for platforms is having strategic restaurants for typology and position which can maintain a high reputation for the platform and permit to overcome competitors. However, this strategy is going to die because competition is going to become bigger and bigger and many restaurants have decided to renounce to this partnership. They prefer working with more platforms but with higher fees for every order.

Another favourable point for these platforms is the very good relationship with riders. Even if in these companies riders are treated like multinationals, medium paychecks are higher, including the minimum remuneration and bonus calculated on deliveries and/or working hours. As a matter of facts these platforms are never under medias spotlight or at the centre of riders protests. Italian platforms understood that riders are the most important resource and the protagonists of this business. If they are not well treated, they can create discomfort situations. Riders constant protests of international platforms

support this evidence: interruption of the job, food delivered late and in bad conditions are only some consequences of this bad treatments.

In addition multinational platform has many foreign riders (also 90% of the whole in big cities): they really want to work so they are willing to accept low remunerations. Many times, they are migrants without residence permit and regular contract. Bad working conditions are testified by the recent survey of Uber for «caporalato». Contrary, Italian platforms try to select better their riders hoping to avoid protests and having a profitable relationship of collaboration for both parties.

Last example of strategy adopted by Italian platforms in order to face competitors is a totally different formula. On the wave of what was happening abroad, platforms using fully-integrated were born in Italy. They group all the three steps of supply chain: ordering, cooking, delivering. They are “digital restaurants” taking the orders from the costumers’ smart phones, preparing food, packing and finally deliver it. Even if they control every step of the chain, they are not directly involved in every single operation. In facts many times a third party deals directly with the preparation and the delivery of food. As a matter of facts typical conventional wastes decreased but the control during the work chain is lower. The advantage of this form of business is the high scalability. Neither a network of affiliated restaurants has to be created nor a riders one. There is no fixed costs and no staff which are both very heavy for a start-up. A good marketing campaign is enough in order to be known and expand. Working with “subscription economy” is another advantage of these platforms: a costumer has the possibility to receive a food box for all the weeklong and for as many weeks as he decides.

In order to fight competitors Italian platforms adopted different strategies. With no money to spend and no investors, they have stated to organise their business by consequence. The company they are trying to oppose, counts their incomes in dozen millions. Thus, some of them focus their attention on the improvement and maintenance, others on the alternative expansion and others on the differentiation. Still there is a constant common goal: a desire to fight and maintain the entrepreneurial spirit high.

4.4 Future Scenarios

Food delivery market in Italy is a young sector and in constant evolution. After some years from its arrival in the peninsula there have been a lot of changes in the composition of the market and in working regulation. In reality the game has just started. Italian market is competitive and Italian companies know that they are in the radar of the internationals.

From the interviews it emerges that the aim of Italian platforms is growing at organic level as much as possible and then get out at their highest value. They perfectly know how huge the financial and marketing power of big companies is. In a sense they are reaching out their destiny that are to be acquired sooner or later by someone. So, they are exactly working in this way. From the analysed strategies we can assume that they will not win in long period, they could only bother. Financial data about the increase of turnover and about the market shares reveals what distance there is between Italians and Internationals. According to Dr. Marco Marrone, expert on food deliveries and digital platforms, the strategy used by Italian companies is to become “fundamental infrastructure”. It means establishing as well as possible in the area and in cities in order to not be eliminated easily with a little cost of competitors. All this is confirmed by Dr. Andre Carturan Ceo di Foodracers. He claimed that in Treviso, platforms as big as Glovo and Deliveroo are not able to work because there is Foodracers, an established company, that is born in the city and that is the most used and known application. As a matter of fact, something similar is happening in other medium cities where platforms have been operating for year. There phenomenon must be considered also as “costumer loyalty”: costumers got comfortable with the service continue to use it. More than that Foodracers counts approximately 60 restaurants working with it and some of them exclusively. This system created a sort of “entry barrier” for other platforms which even if someone coming is bigger, it struggles to work. The declared intention of Foodracers is continuing to work well and expanding as much as possible in the hinterland around the cities where they still work. In the future there might be a greater competition against the other platforms so much to remove revenues and important shares market. In that occasion the bigger platforms with a lot of money will have difficulty to expand organically and they might decide to buy little competitors. In Italy thse events are widely demonstrated. *PizzaBo*, *Foodinho*, *Clicca e Magna*, *Deliverex* are all Italian food delivery start-ups bought by big platforms with the only aim to come in the Italian market and to expand. This future

scenario could be potentially the one of the rests of survived Italian platforms. But they are not the only one to suffer the competition. For example, Foodora has been bought by Glovo after having announce the closure of the Italian market for the low competitiveness of its brand. As consequence also low-performing international brand can be at risk.

Another possible scenario is a market redefinition by big players. Globally they are doing very important acquisitions and fusions. This can seriously change national market with the growth of super colossus delivery companies that could act as oligopolists. It could build unions and a cooperation between societies while other could abandon the country because of the inability to continue their business. An emblematic example is the withdrawal of Deliveroo from Germany in 2019.

Last activities recorded were in 2020 with the merge between Just Eat and Take Away.com com for a total value of €7.1 billion. In June of the same year the new company Just Eat Takeaway has bought Grubhub for €7.3 billion creating the biggest delivery group in the world. Another interesting point is the investment of about half a billion dollars that Amazon made on behalf of Deliveroo in 2019. The company have been blocked for a year by English antitrust till the end of April 2020. This investment could bring the American l company, leader in the online commercial market in Italy, to enter and compete also in delivery service.

In the food delivery business time is a fundamental variable. In few years at both global and national level dozens of different companies have born, died, melt and have been acquired. In the future phenomenon like these will continue to happen until arriving to an equilibrium made more and more by multinational food delivery platforms and less and less by national ones.

CONCLUSION

In the last decade we have witnessed the explosion of the online food delivery market. We have understood how this new market was born thanks to the advent of digital technologies and the spread of smartphones and internet connection that in turn fed two different types of underlying economies: the Platform Economy and the Gig-Economy. In 2019 this business moved a turnover of more than US\$100 billion in the world and in Italy the estimated value was US\$674 million with a number of users around 10 million. The image that is given today is only an anticipation of the real potential of this sector of the economy. In fact, in Italy the rate of spread of the food delivery service still does not exceed the threshold of 20%, relegating the country still among the "early adopters".

Most of the international platforms began to set foot on the peninsula in 2015, taking advantage of their huge international notoriety, of the successes and experience accumulated in other countries and most of all of the huge financial resources. The entry and expansion into the Italian market was easy because many of these internationals were able to buy the small Italian start-ups that had launched into the business a few years earlier. Others have exploited the business resources already started while others have built their presence starting from nothing. In those years there were no barriers to enter the market. In this regard, in the dissertation three types of strategy have been defined and studied that the Italian platforms have adopted to defend themselves and compete in the territory aware of the great power exercised by these giants.

Some platforms have opted for strengthening of the market shares in medium and big cities. They have expanded and improved the offer through the extension of the service to the most peripheral areas of the city and the extension of delivery times. In addition, some have differentiated their costumers by adding subscription services to consultancy firms and business lawyers, thus also becoming B2B.

Other platforms have instead chosen to give up the match in the less profitable and more competitive cities and focus on expanding the service in the hinterland of the most profitable and consolidated ones. Around this towns, in fact, there are many markets not considered by the "big" platform ranging from 50.000 to 15.000 inhabitants. These places are considered as "blue oceans" where competition is minimal if not absent. The advantage is to be able to be monopolists; the disadvantage are the big investments to be made to set up the riders logistic network and the restaurants selection.

The last solution studied was to enter the market not as a competitor, but as a substitute. It is a differentiation solution devised by many platforms in Italy on the wave of what was happening abroad and especially in America and China. These platforms are a sort of "digital restaurants" that take the customer's order through their application, prepare the desired food, package and deliver it. These businesses take advantage of the "subscription economy", that allow the customer to receive at home the box with ready-made meals for the whole week. The advantages of this form of business are the control of the entire chain, the very high scalability, the absence of fixed costs, the absence of a logistics network of riders and affiliated restaurants.

Overall, the strategic solutions devised by the Italian platforms are working well as strategy to fight back against multinational, even if not yet profitable. The attempt put in place by these small businesses is to continue to operate and expand in cities as long as possible to become a sort of "fundamental infrastructure". The primary purpose, therefore, is not to be the top of mind as they might pursue international. Their aim is to seep in a strong way in the cities and create its own pool of customers to which offer a service of excellence and both restaurants with which working in symbiosis. Moreover, among the Italian companies there is a lot of attention to the rider issue, as they are considered the real players in this business. They have always sought to establish a mutually beneficial working relationship. In fact, this has resulted in the absence of demonstrations and strikes, and a better level of service, partly due to an attempt to adapt with the recent law on the protection of work in the gig-economy.

The food delivery market in a few years from its rise has seen the birth, growth, failure, of many companies in the sector. Worldwide, we are witnessing major mergers and acquisitions that are leading to the birth of super giants. These could determine future developments in many national markets. At a lower level the same is happening in Italy, with the birth of many start-ups many of which have been acquired in a short time from the larger platforms.

In an undifferentiated service such as food delivery, in which competition is very high and entry barriers seem to be insurmountable, the fundamental variable above every other seems to be the time. It is a race to conquer the market where the first ones who arrive

will take everything. It is expected a difficult future for the few remaining Italian platforms. It will be interesting to find out how the future will turn out: a market formed by many platforms as it is today or one in which delivery will be the domain of a few oligopolistic platforms?

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APPENDIX

Città	Tariffa per una consegna di 5 km (senza attesa)	Tariffa base	Pagamento per un km	Tempo di attesa (dal sesto minuto)	Note
Milano	5,15	2	0,63	0,05	
Monza	5,05	2	0,61	0,05	Bonus in caso di più indirizzi di consegna: 1,35€
Torino	4,50	2	0,5	0,05	
Roma	4,45	2,2	0,45	0,05	
Rimini	4,25	1,5	0,55	0,05	
Genova	4,05	1,8	0,45	0,05	
Alessandria	4	4			
Ancona	4	4			
Bolzano	4,00	4			
Caltanissetta	4,00	4			
Como	4,00	4			
Cuneo	4,00	4			
Grosseto	4,00	4			
Massa	4,00	4			
Novara	4,00	4			
Olbia	4,00	4			
Palermo	4,00	1,75	0,45	0,05	
Pavia	4,00	4			
Perugia	4,00	4			
Piacenza	4,00	4			
Pisa	4,00	4			
Pordenone	4,00	4			
Reggio Emilia	4,00	4			
Rieti	4,00	4			
Trapani	4,00	4			
Trento	4,00	4			
Treviso	4,00	4			
Trieste	4,00	4			
Udine	4,00	4			
Varese	4,00	4			
Ferrara	3,85	1,35	0,5	0,05	
Parma	3,85	1,35	0,5	0,05	
Bologna	3,80	1,8	0,4	0,05	
Bari	3,75	1,75 €	0,40 €	0,05 €	
Padova	3,75	1,75	0,4	0,05	
Verona	3,75	1,75	0,4	0,05	Bonus in caso di più indirizzi di consegna: 1€
Catania	3,80	1,6	0,4	0,05	
Firenze	3,55	1,8	0,35	0,05	
Catanzaro	3,50	3,5			
Brescia	3,25	1	0,45	0,05	
Modena	3,25	1	0,45	0,05	
Cagliari	3,20	1,2	0,4	0,05	

Fonte: Glovo (su capoluoghi di provincia)

Figure 21 – Glovers payroll in different Italian cities (www.sindacato-networkers.it)

INTERVIEW WITH ANDREA CARTURAN CEO AND FOUNDER FOODRACERS

Gianpietro: When did you realise food delivery was becoming a profitable business and when did you start doing home deliveries?

Andrea: I started in 2013 with a company that was called Te-le-trasporto. It was a start-up that did what Glovo is doing now, so supermarkets, shoemakers, dry cleaners, whatever costumers needed. At the beginning, I physically went to get things like washed and ironed laundry, shopping at the supermarket, flowers from the florist. As the business started, I realized food delivery was the most credit part. A year and a half after, 95% of orders come for food deliveries, so it is quite a significant wake-up call. It was already known; in fact, it was a system which was growing especially because in Italy there was a small business in 2013. When I started there was Just Eat which was the only one worked with restaurants who were already doing home deliveries. Just Eat acts as Marketplace, working with those restaurants who have their own home delivery service. Basically, it only acted as a restaurant showcase for costumers who wanted to order from home. Obviously, in big cities like Milan and Rome this kind of system worked well and could interest to the many activities that already existed. In Treviso in the same period there was nothing about this. There was a restaurant making kebabs, two restaurants delivering pizza and one delivering sushi. Therefore, I thought a system like this could be created. I started to create a collaboration between the restaurant and the platform where restaurants could get in touch with riders. The idea started thanks to restaurants. If there had been only the florist, the laundry or the supermarket, nothing would be born. The first thing I did was to contact the 10 restaurants with which I stated and talk about the possibility of working together. Obviously, the answer was always related to the cost. One thing is having a fixed cost for people, cars and scooters, another thing is getting orders and paying a percentage on them. and at least the restaurant doesn't have a fixed place, fixed cost and it doesn't risk anything. What was difficult to explain to the restaurateur is the whole system of fixed costs that they bear in their business but with this kind of delivery service does not exist. There are the raw materials, the cost of the structure, the costs of the employees, the rent and other general costs which usually represent about 25% of the price in the menu. What it is important to understand is that a restaurant pays the rent anyway whether with our delivery service or with the

takeaway. Once restaurants realize that by removing the fixed costs and leaving only the variable costs of the raw materials, then they realize that profit margins are full. As a consequence, they have nothing to renounce. Moreover, it is an extra income because during the poor services when they have not filled tables, they can compensate missing incomes with online orders. So, once they have understood it we gave them the riders. At the beginning I started alone, doing deliveries. The first year I did it all alone because the number of orders was not enough to pay delivery guys. Now only in Treviso, we manage 600 deliveries every evening; contrary when I started, I did it twice a day. Paying one person to make two deliveries a day was useless. Obviously, working from Monday to Sunday was a sacrifice. It was helpful to be aware of the problems before the official launch of the platform.

Gianpietro: Why did you decide to compete against the big players of delivery?

Andrea: If there were, I would have been much more afraid. In reality, it wasn't a real competition at the beginning. Deliveroo was born in London in 2013, in the same time I started my business in Treviso. They received a lot of money, and unlike me, they could expand. So, if I had known before that Deliveroo, Uber Eats, Glovo and Foodora, would have arrived in Italy soon, maybe I would have had much more fear to begin. Since there was only Just Eat which did not do the service for restaurant as we are doing but it was only a marketplace, I decided to jump with my idea and open my business in Treviso, Padua and Vicenza.

Gianpietro: What were the sources of financing at the beginning and during the following years?

Andrea: We began with one of our partners. After having contacted me in 2013, I took Tele-transport to H-Farm but they offered me quite ridiculous conditions. On that occasion I met a friend who was interested to the project and was intent to invest €200.000 that were needed to start. Thanks to money we paid the partner who was in charge of the development of the application and platform and the first three employees who organized

the administrative, commercial and marketing part of the start-up. I have never talked to banks, because I don't feel like an entrepreneur. I mean, I'm not the kind of guy risking for business and having parents behind me who did this kind of work.

After two years, we wanted to start expanding much faster. Making our way in the cities is relatively easy, but the advertisement costs a lot. In 2018 a family of entrepreneurs of Pordenone, through their accountant got in contact with us and proposed to invest in this business. They gave us €600.000 for 10% of the shares of the company. We also found other people who gave us even more money but for half of the shares. This was the right way to start my own business or I would start something that wasn't mine.

Gianpietro: What were the key events for the company? I mean strategic events.

Andrea: There were no big changes of direction. We always tried to work with an idea and to carry on that. The only change was the name: from Te-Le-transporto to Foodracers. In the beginning I was the one to pay all, riders, vehicles and petrol. Obviously, this system wasn't scalable. I got the system I developed for Foodracers from a Californian company called Postmates working in the sharing economy. They are people who use the app in their free time and earn money doing small jobs like deliveries and something else. In Treviso when we started from Te-Le-Trasporto and then we turned into Foodracers, we did the orders 10 times. Having had a few people before you went to saturate immediately the capacity of the service, limiting costumers who might have ordered three times. It is a crapshoot when you don't know to how many riders give an employment contract and give them a regular paycheck since orders are very variable. In fact, I have always worked as much as possible. Certainly, when you get the chance, you can hire people who don't have a paycheck. In our case, you can quickly climb the market. Now the fundamental thing to understand is how to cope with the recent law for the protection of riders.

Gianpietro: Why don't other platforms provide to the riders your type of employment contract? How are you going to solve this contractual problem with a view to the recent 128/2019 law?

Andrea: Formally it's the most correct thing to do. What Deliveroo and all the others are

doing, an occasional and continuous collaboration with riders is a bit wrong. You are not doing an occasional collaboration with me even if there is the character of continuity because it is always the same person who pays you. So, there is nothing "occasional" in this type of business. Not surprisingly you frequently hear about a lot of legal cases about the obligation of timetables, and they penalize you when you are not there or you take off the last, lowering your ranking. This means you are not turning more orders on your side or not granting you the turn during the following week. After 5,000 euros there is an automatic block that prevents you from working if you don't open VAT. In reality, what they do would also be logical, but taken together with the contractual framework, the idea changes completely. What we did in Foodracers is completely different. We put ourselves in a completely external position. As a consequence, the application gives the possibility to a rider to work or not to be the employee. Obviously for correctness we ask the rider to warn us if he takes off. However, there is a system that automatically offers to work if someone could not for any reason. Our relationship with riders works in a totally different way from the others. In this case the customer establishes an occasional collaboration with any rider. In my opinion this is a real occasional collaboration, because every time a rider work, he will receive money from different customers.

Before starting with this mode, I thought about it a lot and I did many meetings both with Job Consultants of the INPS running companies and with lawyers. This was the most neutral and minimum risky part. It is simply a biunivocal acceptance of the terms of the home delivery service of the food ordered. Legally it is considered as a contract established between two people. So, you have the opportunity to verify the time and the day of the order and the acceptance.

I honestly don't know why the other platforms don't adopt our system. Those who are moving towards what will be the new law are the other Italian companies, but always plunging around. The contract they make is always a co.co.co. but the problem is another. You cannot do this kind of contract if you are not authorized by an institution that certifies it for each Rider. The certification cost is about €300 and it is a problem. No one is doing it because it has an exorbitant cost. Spending such a sum for every person to hire is ridiculous and a waste of time because maybe he or she will work for only three months in this company. But at least riders have a minimum paycheck, which is in reality a reimbursement of expenses.

It is not allowed to pay riders only per store with the new law. We're all trying to discuss in order to implement all this because if you remove the variable part you do not have the possibility to give surplus based on how many deliveries a person makes. Obviously working for 6 euros per hour is not a big deal. If in an hour you made some deliveries and you bring home €10 clean this deal changes. All this makes more sense when you talk about reimbursement of expenses and real income. The Bigs are those that in fact big legal problems at the moment because in Italy this type of contract is not well paid. Obviously, we are talking about multinationals who wanted to open quickly in many different countries without thinking about the different laws governing each country. New laws positioning protects everybody, regardless of the framework that platforms decide for their riders.

Since the issue and the type of contract are not clear, we are talking together about food delivery platforms waiting to find a collective solution.

The system must remain flexible: depending on the single employee, he or she will get a compensation, and if he or she didn't work, he won't receive anything. Moreover, the platform cannot pay for sickness and maternity for every single employee because the flexibility we give is total. This means that there are people working for one day and then they can say that for the next three months they will do something else. It is not possible, also because the number of riders that manage a platform is very high. We are not talking about the costs to sustain for a different kind of contract. According to the law you should pay 90 euros for the basic INAIL activation, extra days off, illnesses and working conditions during bad weather. You must try to create a system where the platform gives in proportion to how much the rider works, taking into consideration all mentioned factors. If a person does not give me his availability, I cannot also pay contributions and a series of heavy things for a company, especially when you have a lot of guys in the same situation. In fact, the majority of the guys do it for a very short period of time. Here 10 guys asked me to do deliveries as a job because in this period the number of orders has quadrupled, and the profits have increased exponentially. If they earn 3000 euros every month with this activity, I will create my personal VAT with a flat-rate scheme 65,000 euros. You can earn money with very low contributions. It will be a very profitable market. It's also true that the money we're doing right now are not the same we did three months ago. It is probable we will go back to doing the quantity of money we were doing before, maybe slightly higher. Organizing all your working day around this is the real

problem. There is no competition with big cities where you can work from an hour to another at random because you always have the possibility to find an order. Consequently, you can do something else for the rest of the day. Work schedules in small towns are too short to think of making a constant profit by working little and for a few hours. As a consequence, it is right to recommend it as a temporary work. It should not be considered as a temporary job only if during the day you do the courier or any other job where you stop working early, and you do deliveries for all evening long. Guys doing this kind of activity both morning and evening can gain even 150 euros clean in a day. This law will change things, these kinds of income will be reduced because as a platform we will not be able to pay them so much. They'll never be tempted to do a job like that for \$7 per hour. It is a problem we are trying to solve but as a result of the recent law this business could be damaged.

Gianpietro: What was the effect of the entry of international players in the city where you were the only platform to deliver?

Andrea: Deliveroo and Glovo began to work in metropolis and then they continued in smaller cities. I premise that we work exclusively with restaurants. There are two differences to underline in this case. If the little town is close to a big city, it is difficult to work for us in little realities, because the restaurant knows the influence and the success of these Big. Therefore, very often even if you have an exclusive contract, they ask you to work with them. Clearly, they say yes and commissions for orders raised. Instead, the speech is different in small and large isolated centres. We started immediately with these realities. Consequently, it was difficult for Big to join. In a way they took a con with their own hands. As they came in Italy, they began to bomb everyone with advertising. Customers visited their website and saw they were not in the city; contrary they saw we were there. In a way we "were stealing" customers thanks to the advertising they had made. Enjoying customers' stay is the positive side of our service. We have very few complaints compared to all other realities. We have built customers' loyalty. We always tried to have reliable riders who were interested in bringing hot food in good condition to customers. Customers continue to grow and to order. This means that what we do is good. Of course, every day is a challenge. It is true we often have to compete with big giants

and there is always the risk to be broken down the following year. The problem is costumers do not know the difference between us and Delivero or Glovo. Many times, they think we are a big and developed reality. Last summer, speaking with people from Piacenza, we realized the perception owned by the average costumers of our reality is a super organized huge company, full of employees. Nothing could be further from reality. We are not the multinational on duty with 50 seats around the world and half a billion dollars to invest. Ensuring the proper functioning of our Application and the system in general is the most important thing.

Gianpietro: Have delivery costs ever been a problem compared to other platforms? Are they a problem for costumers?

Andrea: The cost of these people is actually high. I have always talked with riders as much as possible in order to find a common rate because otherwise it is exploitation. What's the problem? When they unsatisfied they do their job badly, you don't know how to collaborate with them anymore. We have redone the app in collaboration with the riders several times just to understand what goes wrong in order to try to optimize the best. *It* has changed a lot so much so that it sees where you are, and it can tell you if there is an order next to you. Time is optimised: it aims to gain money with less movement possible. It also happens to travel 100km in a night but now they are much more optimized than before and on average they make more orders. With my partner we started with very functional ideas to put but it is difficult with only one person developing it. Now we are four and we are going faster in order to improve at the best our software.

What costumers want is boys to arrive on time and the food not to be cold, and the choice of restaurants to be good. In Treviso and in many other cities we have the monopoly. Delivers cost more to a costumer, but actually the food costs more since stash houses are the best compared to others. Between €2.50 asking by Deliveroo and our average of €4, probably we would have more orders if we reduced the costs of delivery. Doing so would not make sense as long as we maintain a certain type of service. If this service becomes poor, costumers start complaining and changing platforms. Luckily it happens only 2% that an order arrives late or in bad conditions. There will always be a restaurant delivering late or a guy who does not warn or a susceptible and precise costumer. However, we

enforce the little higher cost of delivery in the face of an excellent service. When the new law will be applied, and we will have to pay the riders of our own pocket we could lower delivery costs. In this situation we will deal with everything. In my opinion, it is better to charge costumers more, ensuring their orders will arrive in excellent conditions and on time. With the new law and when we will hire our riders, we can put a GPS in their phones in order to follow riders' movements and optimize their job.

Doing it right now is not possible because riders are not employees of our company, even if someone is doing it. This is one of the reasons all the Big are having legal problems. If plan go in our planned direction, the final costumer will receive an excellent service for the cost paid in advanced. At the moment it is given them total freedom to choose how to organize themselves, whether to make a delivery first, whether to take two orders together. We have no control on that, otherwise we come back to be the ones who tell them what to do and we would create problems. In the future in 99 per cent of cases we will go in this direction if collective rules won't change. Piecework will disappear and all these riders will have to be paid. It will be a great commitment for everyone both for platforms and for riders doing it as a full-time job and for riders using it as a gig-work. Unfortunately, this occasional profit is not accepted long-term. It is true that you do not have the protections given by a normal job, but it is also true that you have the opportunity to say, "today I am here, tomorrow I do not know". Or "today I earn something because I have nothing to do, tomorrow I go to the beach because it's a beautiful day". We went to Rome many times to talk with Di Maio, but mayors did not want to see reasons. Actually, working for a fixed pay every hour loses meaning and adds many more tax burdens.

Gianpietro: How will the competition evolve in the future?

Andrea: Here we are talking about multinationals and big investors. Deliveroo could appear as a colossus in Italy, contrary in Germany it has disappeared. So, every reality has a different kind of engraftment on the ground which change according to the country. Therefore, we don't know who's going to disappear or who's going to remain. There will probably be some big mergers, Grubhub and Just Eat for example. Another clear example is Uber East. In Italy earns and works little but in the world is the biggest player ever existed. Obviously Foodracers is devoted to last over time and to be acquired by someone

to compete with. We are starting now with the Marketplace and we will have all their restaurants owned by Deliveroo which has the exclusive. We will probably take away 20% from the 100 he gained before. We could never do half each because it still has an infamous story. Moreover, the advertising they have done in the world is huge. There will be multinationals leaving their primacy, and others destined to remain. Italy is a complex country where changing the way of thinking is difficult if we talk about business compared to other countries. Last year Deliveroo made a million and a half of profits. Now you will see what they will do if they have to give a paycheck to every rider in Italy. They will no longer be the fixed 7€ + bonuses they will take for an hour of job. The speech will be different and much more expensive. In this context there will be huge changes in this competition. Disappearing completely from the market is difficult. Nowadays companies do not destroy each other. The market is very wide and free. To give you an example we are now going to work in centres of 17,000 inhabitants. Big are not interested to this kind of realities. Contrary Italy is full. We're starting to build there. Even in medium-size cities after we had settled first, we still continued to grow because the market is very large. The value of the cost of deliveries is variable if you can give a great service. People sometimes choose us only because we are Italian or even ecological because we use a bicycle.

Gianpietro: What do you think are the strong and weak points of Foodracers compared to other international players?

Andrea: The reality is that now the game has already finished for big/medium cities. Nowadays settling in a city, investing a lot of money and getting results is very difficult. In Treviso Deliveroo is not able to start even if its service has been open for a year and a half. In facts, I've never had a restaurateur asking me they wanted to work with them. Our service works well, it has many recommendations. Moreover, when you work with a multinational company you never know to who refer to. A businessman sometimes arrives who is probably a deputy of his area who after having opened his city, disappears without being his employee. So, if the restaurateur needs he has to talk with a call centre. Our service is very local service, following Italian style. If the restaurateur needs sometimes is always assisted Therefore we tried to set our power in this way as much as possible in order to satisfy Italian mentality, giving the possibility to pay cash, giving a

large coverage area because two kilometres for working is not a lot and being more reactive as possible to be quick in responding to costumers' needs.

Accepting cash is a big difference from the others. Many costumers do not want to use the online card because they are afraid someone could steal their money even if everything is super protected. Moreover, if riders arrive late the costumer can decide not to pay the boy. In this situation we're the one in charge of refunding guys for missing cash. It's important to underline that costumers have the great advantage of being able to pay when the food arrives but also to refuse in certain cases. We still have 70% of orders that are paid in contacts. Platforms accepting cash are few and most of them are Marketplace like Just Eat. The restaurant deals with making deliveries and then it will cash as it likes. Unfortunately, this kind of payments cannot be done every time in all marketplaces. For example, Deliveroo still charges everything with the card.

There is a weak point: if big ones want to make a change they do it in a very short time. It is also true that they are in a cast as state bodies because before making a change in Italy they have to go through the headquarters in London. Being small means being fast, but also limited.

Gianpietro: have you plan to expand your business in other areas?

Andrea: What we would like to do is a whole series of 360-degree delivery services°. Creating a platform where users ask what they want to carry, so riders can bear, load and deliver orders more easily. A simple request of delivery and retreat can be made. It is a way to use riders all day long. The problem will be understanding how we will monetize this system. I do not want to become a Glovo, but just giving the opportunity to anyone to send short-range goods. A simple transport between private individuals.

Gianpietro: How did you deal with the sanitary emergency and which results did you achieve?

Andrea: To give you an example, here in Treviso during the lockdown period, Deliveroo and many others closed for two months, while we continued to work constantly. This is still giving us a tactical advantage. We have quadrupled our orders and increased our notoriety. We hope to continue to enjoy this situation in the next future. To make you understand better, in cities like Conegliano we passed from 30/40 orders per night to 300 orders. People unable to get out started looking for delivery services. For the company it was a lucky possibility: orders piled up with 400% of new costumers with whom in the future you can do anything because we are already in contact without spending a euro in advertising. Riders were a little problem. We passed from having 400 to 1600 during the peak of quarantine. Things started to get a little complicated there. We had to educate them in health and hygiene securities through specific delivery protocols. This has been done both to safeguard their health and their costumers.

INTERVIEW WITH MARIO VILLANI CEO AND CO-FOUNDER NUTRIBEES

Gianpietro: What was the reason that led you to the creation of NutriBees?

Mario: They were many factors together, in the sense that it was born from different needs and after conducting various analyses. First of all, it was born from a personal need to change diet and the difficulty to do it. The mother of my partner had a tumour: she had to change her diet and she was not able to do it.. He had difficulty in both cooking and eating sustainably. The second reason goes gradually with the work experience I did abroad in which I also worked for Food delivery companies, similar to Glovo in Singapore. From there I realized that the Delivery on demand is the traditional way to bring food from the restaurant to the consumer based on the order placed. It is a bit difficult in some contexts and there are considerable financial problems.

These were the two biggest motivations. We also found that in other contexts such as the United States were arising especially this type of new food delivery. Therefore, the food delivery given with a package no longer with the classic bellboy. Paradoxically, they were more successful in monetary terms than traditional services. To give you an example, Maple, one of the most profitable American food delivery platforms, has declared

bankruptcy, after a large investment of €3 million a few years before. We are more and more reaching out this new system of digital catering because it is no longer possible for everyone to have the rider going from one-point X to another point Y. All these factors led us to think about starting this kind of business since there were not many who they made this mode of shipment. As a matter of facts, they were the first to do this specific service. We started in 2017. It's hard to give us a "job name" because we introduced something that was never used before. We are the third part of entire integration on our own platform, where we manage everything without actually having anything in the supply chain. We're still considered a platform. We have 4/5 suppliers that according to the command to deliver or the type of dish, we ask different quantities to which we put our logos. The customer can order from potentially 4 different suppliers, but he does not know. He will get a single package with the various dishes that he ordered. We have a warehouse where we prepare all the packages and prepare the orders. The food comes ready and sealed. We never touch the food. Restaurants only deal with the food preparation. The recipes and the dishes are completely owned by us and designed in collaboration with nutritionists and chefs. It would be very difficult for us to cook. To start a kitchen that has all the tools we need would cost about €150,000/200,000, so it would be quite challenging.

Gianpietro: What were your sources of financing from the beginning till now?

Mario: We began with some personal investments. We have bootstrapped for two years. From the second year on we have found other sources of external financing, far away from an industrial group.

Gianpietro: What were the fundamental events in the company history?

Mario: We started with the idea of creating a product for people who go to nutritionists to use the network of nutritionists as a sales network. Then over time we moved very far away from this idea until we became healthy but not too attached to nutritional values.

This was the real breakthrough. Another big breakthrough was including the order on the subscription and this choice was radical. I'm talking about a three-week subscription. Clearly, the financing we have received has also certainly been important because it gives us both oxygen and the possibility of growing into a slightly more structured reality, with more employees and more financial power.

Gianpietro: What do you think are your strengths and weaknesses compared to other food delivery companies?

Mario: In term of strengths since we are different from traditional delivery, we have few fixed costs. With no kitchen and no delivery guys, we can make the way much more than the others. So, going to a city for us is much easier than for everyone else. The others must set up again the entire production and distribution and commercial network. What we should do is setting up a food storage and take care of the marketing campaign. Potentially, we can ship anywhere. Another advantage with this mechanism is producing only what has been requested and therefore we have little food waste compared to others. As a consequence, we have less costs. The menu is unfortunately limited in the offer compared to all the restaurants of a city.

The 72 hours deadline of the food is one of our major problem, so if there are big delays, we are a bit in difficult. In the period of covid-19, Black Friday or Christmas, we were in trouble because deliveries are long and then you risk throwing away food. That is the risk. Another problem is the delivery time too. Being a subscription service means we only deliver in few days of the week, so the system doesn't work if you order at the moment and we send it to you. Waiting a little longer is the disadvantage. Delivery times should not be a big limit. The classic food delivery is a service that was born to be consumed at the moment and according to the need. Our service is very different from the established delivery criteria. It is not just triggering in the costumer the desire to order a good dish immediately. Our mechanism aims to make the costumer reason on his short/medium term nutrition.

Our strategy aims to acquire that clientele who would like to eat well and cook in the right way who always find themselves eating nasty and unhealthy food and have never time to

cook. The service is not dedicated to a small group like athletes or overweight people. We simply turn to those who want to eat well, in a healthy and controlled way.

Gianpietro: How did you face the sanitary emergency?

Mario: We are a different service from traditional food delivery. In other words, we are halfway between classic delivery and groceries delivered. The Covid brought us 30% more in the first few weeks but then we stayed there. It was a sort of cost-free advertising campaign. Significant was the socio-demographic effect. Many people have gone from working in the office to working in smart-working. So, they find the time to cook. Our service here is losing its usefulness. You have to see how long it will last and how many effects it will bring.

Gianpietro: How do you see the future of the company in the niche you have created?

Mario: We are never afraid but always worried. Everything can change at any moment and you have to be awake and active to renewed. We must stay optimistic. The covid stir us a bit: it sped up some things we wanted to do. It created a more operational problem for us, because the couriers were pocketed. In addition, we had concerns if someone in the kitchen had taken the virus, we had to close everything. But we handled it well.

Gianpietro: Are you planning to change course and new initiatives?

Mario: Yes, the site will be updated with the possibility to pay with food vouchers, to be able to choose different menus with different prices, and a snack area to complete the order in cash.

Gianpietro: On the level of costumers, how are you divided? Is there interest also outside the big city?

Mario: There is a lot of interest also from outside metropolitan cities like Milan. Our orders are divided into 50% downtown and 50% in the rest of the territory.

INTERVIEW WITH MARCO MARRONE RESEARCHER IN PLUS PROJECT

Gianpietro: Between Italian and International platforms who pays best and what are the contracts now? Is there a negotiation on the national collective contract?

Marco: The situation is still uncertain. There is a possibility of derogation in case a collective agreement should come, which is very likely given the current situation. Recently the last news released in this regard was the agreement between the union of autonomous riders ANAR with UCL. This complicates the scenario regarding the future. You are seeing great strides forward in recognizing the status of rider in many countries around the world. In Italy, the platforms continue to apply almost all occasional collaborations in derogation from the provisions of the new law. Only a few make the co.co.co, which in fact was typical of the old contracts. Before the salary had more a fixed and variable part. But as the situation has turned upside down by passing more to a salary based on piecework, then formed by a small part if not totally absent of fixed part. Once they entered the territorial context, these platforms lowered the protections. When the platforms arrive, they need three factors: network of restaurants, notoriety in the territory, fleet you rider. In recent years there has been a kind of change in the composition of riders. If before they were training mainly by young workers, mostly students, today they are mostly immigrants. This could not have been otherwise given what these companies are paying for. These people are willing to work in an unregulated manner and to accept very low wages. The number of immigrants working for international platforms in large cities reaches 90% of foreign workers in the. The Italians are saved and maintain good shares of Italian workers. To date they have managed to hold

on even though the fierce competition. They wanted to be more attentive to work issues in order to get in the spotlight and suffer from strikes and bad reputation.

Gianpietro: Can the cost of delivery influence the rider's pay?

Marco: Actually, the cost of delivery can represent a discriminating for the rider's pay. In many cities the delivery is very low if not free. To stay inside with the costs the platforms are in a sense forced to underpay the riders otherwise the budgets would not go in a positive way. Many platforms even work in overcrowding, to amortize any surplus demand. This would not be sustainable with high and fixed wages. These platforms have largely remained pure piecework, with thousands of algorithms based on multiple factors behind the system that decides what is the total remuneration at the end of delivery. Let us say that these companies are operating at the limit of what they are allowed to do, because there is still no clear employment regulation and a national collective agreement.

Gianpietro: How are the platforms seen by restaurateurs? An instrument or a world to adapt to?

Marco: What emerged from my research is that many restaurateurs see the platforms as "parasites". These people emphasized that platforms create addictive ties to riders and restaurants. They said that they could not escape this link of dependence. In fact, if they were hypothetically off the platform, most costumers would think the restaurant was closed. In fact, the platforms only partially sell food. What they sell is advertising and visibility. They have reached such a point that they manage to guarantee a large part of the results for many small restaurateurs. So, this is from a certain point paradoxical. There is a hidden alliance between platforms and the consumer against work and restaurateurs. There is a part of value generated that is sucked by the platforms. Much more than what they ask in percentage to the restaurateur. There is a game of forces behind that is worth more than just percentages on orders.

The cost of delivery for example is seen as a sort of "tax" if we are to see it in economic terms. The question is exciting because, thinking, the platforms are the market itself. Value is generated by their ability to circulate not only merchandise, but data and information. The competition that exists between platforms discriminates against the status of workers and their rights. All aim to be "fundamental infrastructure", a kind of monopolist. So, everyone fears that varying a comma to their own system can upset the whole equation.

Obviously, they do this work of accumulation without making profit. At least so far, they have done so. Things are slowly changing. It is a kind of gold rush, where the first one takes everything. The intent is to create "dependence" towards restaurateurs. According to the platforms, these have benefited the entire sector. For restaurateurs, especially those of fast food and junk food, the platforms are "usurpers", who get both percentage and delivery price. What they do is to earn a little margin from everything and at the end of the carousel the results of see.

Gianpietro: Speaking of strategy, do you think it's possible to expand and enter new cities?

Marco: I see it a bit sad for the small Italian platforms. I'm not very optimistic about them. As mentioned above there is this game to try to become basic infrastructure. In this game they are massacred. They are the preys to be exhausted and to acquire. I met and interviewed the founder of PizzaBo. The platform was a simple Marketplace. He told me he sold the company for \$19 million. He told me that he had done it because he understood that there was no competition with these giants. It sold at the first opportunity at a disproportionate price. Indeed, it was very smart to sell it at the highest possible value. The strategy of the small ones is very simple in my opinion. They are trying to grow as much as possible and then sell the company at the highest value, as PizzaBo did. Of course, the future cannot be predicted. Maybe in a few years everything changes. The question here is: how much will the on-demand delivery service expand?

Today it seems that every field of innovation is based on the fact that something must arrive at home. The strategy of market differentiation seems to work. Home business thinking about it well has existed for many years. Then everything stopped on the malls. Now it seems to be back at first. It's like a wheel going back.

Speaking of strategy, there are several areas where we could improve. The first, as mentioned before, is precisely to expand the delivery at home are not to food. Secondly, the expansion of service 24/7 would be necessary. In Italy this does not happen, but in many countries of the world this is normal. A person in 2020 in any city in the world has the opportunity to order at any time. The problem is also restaurants and supermarkets that are not open after a certain time slot, but not only. Even Italians in general are accustomed, in fact the service is little requested. Another point of improvement is the territorial expansion. the platforms should aim to expand even in small towns. However, we must understand how much food delivery will spread and how profitable it will be in these territories. The relationship is mutual. It is not only the territory that shapes the platform and the strategy, but in the long run it is the platform that shapes the market and the demand of a given territory. Clear example is what Amazon is doing in Italy. Think about how its logistics has adapted to the Italian contest and how Italians base their online purchases considering this platform as the only solution or the most convenient one in terms of cost and time, in most cases.

Gianpietro: What will be the future of food delivery platforms?

Marco: Many platforms will be bought by the larger ones. Many will merge. But fate is not written. The fact is that the socio-political context is constantly changing. We are not dealing with historically rooted companies, such as Fiat for example. These are new-born giants, but they also have feet of clay. Just see Foodora, which with a ruling has upset their business model. There is a world-class game that you are playing. Platforms that choose to leave certain markets because they cannot be competitive. Others that consolidate certain countries to the detriment of others. It will also be to be seen what the outcome of

this phenomenon will be at the macro level. How much wealth and work will be created, how and if they will be regulated.

Gianpietro: What will change with the new law 128/2019?

Marco: The question is complex. This is a law that relies on the job act, which cancels project collaborations except those governed by national collective agreements, and reconsiders hetero-organized collaboration, as autonomous work with the rights of subordination. Although it is a residual law, this law reinforces court rulings in favour of riders. The intention is to encourage the negotiation of a national collective agreement. The problem, however, is that without contract the platforms continued to do what they have always done. The rights are not respected. The dialogue between platforms and associations of riders is not very active. So, in order for the rights to be respected, there is either a national collective agreement between professional associations of riders and joint platforms, or there is recourse to the link and lawsuits are opened for violation of the rights of the worker.

You can safely say that the platforms have no interest in making a contract, which by the way could only disadvantage them. If they change the cards in play, some platforms may even decide to leave Italy. Things like that sell very often in foreign countries. This could in fact be decisive on the competitive front and the balance of power in Italy. The situation could even turn upside down for Italian women.