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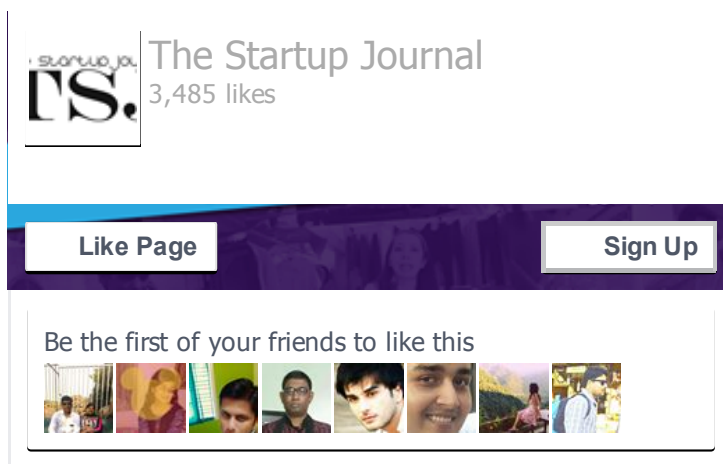
Food Tech Startups – Is It The Beginning Of The End?

Rajive Dhavan - November 27, 2015 - Resources

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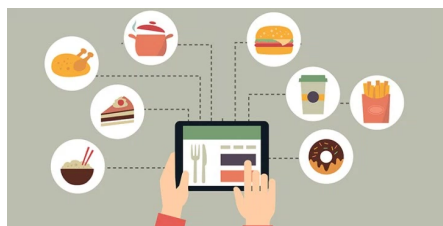
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buzz was all about [online grocery stores](#). There was a new player jumping the wagon, almost every week. Why? The usual herd mentality that we have; if one online grocery startup gains some traction, others will follow suit. In this case, it was [Big Basket](#), in India at least. Very soon, we witnessed at least one online grocery startup shutting operations, every month. This trend to exploit... err explore the food industry is still on in full swing.

We are yet to recover from the online grocery store debacle, and now we've got the [food tech startups](#) taking over. Food tech startups are the flavour of the season. But the result seems to be similar to the online grocery stores. Both these industries have managed to ruin investor money like there's no tomorrow. But come to think of it, food tech startups

are also adding a lot of convenience to our lives. From a customer's perspective, I like the fact that I can order food from anywhere on the click of a button. All I need to have is a couple of apps. But what I've noticed is that it's not the demand where the issue is. It's not even the supply. The issue is somewhere in between. Apart from a personal experienced of the ugly side of this convenience called a food tech app, I've also heard a lot of episodes from friends and colleagues. I am not a food technology company specialist. I am not the big investor that these companies would want to lure. But I am the customer, who's the base of any business.



Well, it's not unusual for a

business, startups in particular, to face teething issues. There are some really great teams that are working behind these food tech startups. That's because it's certainly one of the most difficult businesses to execute. Post a quick analysis, I understand that there are two key problem areas that most customers have been facing:

Delay in delivery:

In a country like India, where the ministers decide to take a stroll, and block the traffic in half the city, logistics is way more difficult than one can imagine. Then there are pot holes to fight with. And it doesn't stop there, there's bad weather, terrible civic sense, and more. Hence, in most cases, a delay in delivery is inevitable.

Bad Food Quality:

Most restaurants work hard to maintain a certain

standard of food quality. But when that food is transported to a different location, and it stays in the box for 30 to 45 minutes, the quality goes down by a good 35%. Now, imagine those places, that anyway serve junk in the name of food, at the restaurant.

Food is divine. And I love to cook & experiment with food. But when we talk about food tech startups, the first thing that comes to one's mind is that food is not a product. You can't have the same process and equipment to deliver food and electronics both. In fact, food has so many segments, that one might need different equipment in delivering each of these types. For instance, you can't carry an ice cream and fried rice in the same big box on the bike. Ice cream is all about cold storage and Fried Rice is all about hot storage. Then food is of different textures

too. If it's crispy & hot, and packed in an air-tight sort of a container, the steam inside would make it soggy.

Unfortunately, the brand that sells the food, takes the responsibility only until the package leaves their premises. And the food tech startups might complain that their job is to just deliver the package. But in the end, it's the customer who's at loss.

Well, the problems might sound really big. But a couple of simple steps can make a huge difference.

1. *A Chef needs to be involved in understanding how the quality of different kinds of food can be retained. Packaging will also play a key role here.*

2. *The quality of the food is directly proportional to the amount of time it stays*

in the box. So, the radius of restaurants that are covered has to come down to 2 kilometers.

If we can closely look at these two aspects, and build a strategy around them, food tech startups will make a bigger impact than any other industry.

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