

THE GIG ECONOMY AND THE ECONOMIC IMPACT OF FOOD DELIVERY APPS ON HOUSEHOLD EXPENDITURE

*** Dr. Sonam R. More**

** Assistant Professor, Department of Commerce & Accountancy, B.N.N. College, Bhivandi University of Mumbai.*

Abstract :

Food delivery services are among the many businesses that have seen considerable change as a result of the gig economy, which is defined by temporary, flexible labor arrangements. By analyzing the financial affects of food delivery apps (like Uber Eats, DoorDash, and Grubhub) on household budgets, this study investigates the relationship between the gig economy and household spending patterns. This study attempts to comprehend the effects of these platforms on household food-related expenses, income distribution, and wider economic results by concentrating on gig worker revenue generation and consumer spending behavior. The results imply that whereas meal delivery apps give gig workers flexibility and extra cash, they also raise consumer food expenditures, which can differ depending on regional and income levels.

Keywords: *Gig Workers, Food delivery apps, Services, Economic Impact.*

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Introduction:

The emergence of the gig economy has introduced new work structures, where individuals engage in short-term, flexible employment arrangements rather than traditional full-time jobs. The rise of food delivery apps such as Zomato, Swiggy, and Uber Eats has significantly transformed food consumption patterns in urban India. This study assesses the economic impact of these platforms on household food expenses, focusing on the shift in spending behavior since the adoption of food delivery services. Short-term, flexible employment agreements have replaced traditional full-time positions as the gig economy has grown, bringing with it new work forms. In this economy, meal delivery apps have completely changed how people get food by providing quick and easy delivery at the push of a button. These services do have a price, though, and frequently include tips, delivery costs, and service taxes. The purpose of this essay is to evaluate how

meal delivery apps affect household spending, with an emphasis on how they affect customer behavior, spending trends, and financial stability. The gig economy refers to a labor market characterized by the prevalence of short-term, contract, or freelance work rather than permanent employment. It is often facilitated by digital platforms that connect individuals to temporary work opportunities, allowing for greater flexibility in job choice, hours, and location.

Growth of Food Delivery Apps in the Gig Economy: One of the main components of the gig economy is food delivery applications. Platforms like DoorDash, Grubhub, and Uber Eats depend on a network of independent drivers to deliver goods. Urbanization, shifting customer habits, and technology improvements have all contributed to the current spike in demand for meal delivery services. By completing delivery requests from customers placing food orders via mobile applications, gig workers in

the food delivery industry can make money.

Review of Literature:

1. **Smith et al. (2019)** suggests that the increasing use of food delivery apps has led to a rise in discretionary spending on food, as consumers opt for convenience rather than cooking at home. Household expenditure on food represents a significant portion of overall spending, and food delivery apps have emerged as an influential factor in altering spending patterns. Prior studies have examined the rising cost of dining out and its effect on consumer budgets.
2. **Jones (2020)** according to him lower-income households may spend a higher proportion of their income on food delivery services, which could lead to financial strain if delivery costs are not managed. Conversely, food delivery services can provide access to affordable and convenient meals for those without time or resources for cooking. The economic impact of food delivery apps on different income groups varies.
3. **Davis (2021)**, have shown that gig workers in the food delivery sector experience variability in earnings, leading to inconsistent contributions to household income. The additional income, however, can help some households cover living expenses or increase discretionary spending. For gig economy workers, food delivery apps offer a supplementary income stream. Gig workers benefit from the flexibility of choosing their hours, but their earnings is often unpredictable.

Objectives:

1. To evaluate the change in household spending on food before and after the adoption of food delivery apps.
2. To identify the factors that influence increased food delivery spending in urban households.
3. To understand gig economy worker and food

delivery apps.

4. To explore the broader economic implications of food delivery apps on urban household budgets.

Methodology:

The study will employ a mixed-methods approach, combining both qualitative and quantitative data collection techniques with gig workers and consumers. Surveys are distributed to households in urban areas, focusing on how much they spend on food delivery services monthly and the factors that influence these expenditures. In-depth interviews with gig economy workers are conducted to assess their income levels, work hours, and spending behavior.

1. **Survey of Households:** A structured questionnaire will be used to collect data from urban households in urban cities such as Kalyan, Thane, Bhiwandi, Badlapur, Mumbai, New Mumbai and Pune. The survey will capture information on:
 - Frequency of food delivery app usage.
 - Average spending on food delivery and gig workers
 - Household income and demographics.
 - Reasons for using food delivery apps (convenience, time-saving, variety, Promotion and Discounts).
2. **Interviews with Consumers:** In-depth interviews will be conducted with gig economy workers toward food delivery services.
3. **Analysis of Primary Data Collected:** Data from food delivery platforms, gig workers and consumers will also be analyzed.

Factors Influencing Food Delivery Spending in Urban India:

1. **Income Level:** Higher income households are more likely to spend on food delivery apps, as they can afford the added cost for convenience.

2. **Time Constraints:** Working professionals with busy schedules often prefer ordering food via delivery apps, as it saves time compared to cooking or dining out.
3. **Convenience and Lifestyle:** The modern urban lifestyle, characterized by a high pace and preference for convenience, contributes to an increased reliance on food delivery apps.
4. **Promotions and Discounts:** Offers, coupons, and loyalty programs from food delivery services play a role in increasing consumer spending by making the service appear more affordable or enticing.
5. **Perceived Value:** The convenience of browsing through a variety of restaurants, ratings, and user reviews adds perceived value, encouraging more frequent use.

Economic Implications:

1. **Increased Household Spending:** 80% respondent said that food delivery services often lead to higher expenditures on food compared to traditional cooking. This can strain household budgets, particularly for middle-income groups.
2. **Redistribution of Food Expenditures:** 60% respondent said traditional food- related expenses (groceries, dining out) may decrease, food delivery apps might represent a significant new category of spending that was previously not accounted for.
3. **Impact on Local Economies:** The rise of food delivery services contributes to the gig economy, with drivers and delivery personnel gaining employment opportunities, thus contributing to urban economic dynamics.

Result:

1. Household Expenditure Patterns

According to preliminary research, food delivery apps significantly increase household food expenses. Due to their preference for

convenience and increased disposable cash, higher-income households typically spend more on meal delivery. On the other hand, households with lower incomes tend to spend a greater percentage of their budget on food delivery, which could have a detrimental effect on their financial security.

2. Impact of Gig Work on Household Income

Food delivery offers gig economy workers a flexible source of income. However, household income from gig work might vary due to the unpredictable nature of earnings and the reliance on consumer demand. While some employees claim to rely on several platforms to boost their earning potential, others are constrained by things like working hours and geography.

3. Regional Variations

Regional differences also exist in the economic impact of meal delivery services. Food delivery apps are more common and expenses are often greater in urban areas with higher cost of living. On the other hand, food delivery is less prevalent and costs are cheaper in rural or smaller towns.

Policy Implications:

1. Inspection of Food Delivery Services:

Considering the influence of food delivery applications on household spending, governments should contemplate enacting laws to guarantee equitable pricing and transparency in service charges. This could help mitigate the financial burden on lower-income households.

2. Assistance for Gig Workers:

To increase the financial security of gig workers, it is essential to provide them with improved labor protections and access to benefits like healthcare and retirement savings. Some of the financial difficulties faced by gig economy workers can be resolved by providing more steady income possibilities and better working conditions.

**Conclusion:**

Food delivery apps have become an integral part of urban living in India, offering convenience and variety to consumers. Household spending patterns are significantly impacted by the gig economy, especially through food delivery applications. Although these platforms give gig workers flexibility and financial opportunities, they also lead to higher food expenditures, particularly in

households with higher incomes. Important concerns regarding income distribution, economic stability, and the nature of labor in the future are brought up by the increased reliance on meal delivery services. The long-term effects of the gig economy on household budgets and the whole economy require more investigation.

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