

# Spanish delivery firm Glovo out to conquer the world

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Glovo, unlike its main rivals, delivers more than just food

With an ambitious 27-year-old boss and a growing army of computer engineers, Spanish start-up Glovo is chasing international growth by expanding beyond food deliveries, despite criticism of the working

conditions of its drivers.

Four years ago Oscar Pierre quit his first job at Airbus, Europe's largest aerospace group, in Toulouse in southwestern France after just three months.

Now the cofounder and CEO of Glovo, an app-based on demand courier service, manages 1,500 employees in 26 countries, half of them in his hometown Barcelona where the company has its headquarters.

"I was looking for another rhythm," the slim former aeronautical engineer, who comes from a family of entrepreneurs, told AFP, explaining he found the aeronautics industry "a bit slow".

At the entrance to Glovo's headquarters there are several yellow backpacks used by the firm's 50,000 drivers to deliver [restaurant meals](#) by bicycle or motorcycle to people's homes in 288 cities around the world as well as diapers, medicine, flowers and other goods.

Because unlike its rivals Deliveroo and UberEats, Glovo does not just deliver food. "Order what you want," the app tells its customers.

Glovo is on track to rack up 250 million euros (\$277 million) in sales this year, Pierre said, a 200 percent jump over 2018 when sales already recorded a 350 percent jump over the previous year.

Since it was founded in 2015 the company has raised 460 million euros from investors, and it recently achieved the status of a "unicorn"—a start-up valued over \$1 billion.

"It makes you dizzy, it's a lot of pressure, but at the same time we make the most of it because we know that it is unique to live this," said Pierre at Glovo's headquarters which features beanbags and table football for

employees.



Glovo's CEO Oscar Pierre hopes that food delivery is just the start of offering a wider range of services

### **'Much bigger'**

Glovo is already making money in Spain, Italy and Portugal and Pierre expects the company as a whole will be profitable "within 18 months".

The company's strategy involves focusing on areas where it faces less competition than in western Europe such as Latin America, Ukraine, Morocco and the Ivory Coast.

It wants to speed up delivery times using algorithms cooked up by hundreds of engineers and to do this Glovo plans to hire 300 new staff for its IT team in 2020.

"We have to choose a machine learning model that is able to estimate how long an order is gonna take to prepare and then only tell the courier to arrive at the location as quickly as possible, at the same time as when the order is ready to be picked up," said Mustafa Sezgin, the head of the company's IT division.

Meal deliveries account for three-quarters of Glovo's revenues but "we like to think that food is the start of something much bigger" just like Amazon started by selling books, said Pierre.

Glovo already has seven so-called "dark supermarkets", distribution centres stuffed with products which are not open to the public, where its drivers can pick up items and it plans to open 100 by 2021.

The goal is to ensure deliveries are carried out within 15 minutes.

The Glovo app could soon be used to make restaurant reservations, buy movie tickets or hire home repair services.





Glovo riders hold a banner reading 'Fake self-employed, no more control' during a strike in August 2019

## Fake freelancers?

But these ambitious projects have been overshadowed in Spain by complaints over the working conditions of Glovo's drivers, who have staged several strikes.

They complain of pressure to make deliveries quickly and insufficient hours to earn a decent wage.

Twenty-one drivers have taken Glovo to court, accusing the company of treating them as "fake freelancers" instead of providing them with

formal contracts that would require the firm pay social security contributions on their behalf.

The courts have ruled in favour of riders 11 times, and on the side of Glovo ten times.

Spain's social security system has demanded the Glovo pay it hundreds of thousands of euros in arrears for hundreds of drivers.

Pierre argues the question is not whether riders are "employees or freelancers".

"It's a new paradigm" that needs "new regulations", he said.

Pierre said 60 percent of Glovo's drivers work part time and enjoy great "flexibility".

To increase the drivers' earnings, Glovo is working to improve the app so that they can do three deliveries per hour, compared to two currently, he added.

"With technology it's possible," Pierre said.

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