REVROOM INDUSTRY BRIEF · SINGAPORE F&B · SEPTEMBER 2026

The hidden cost of delivery platforms

Is GrabFood or foodpanda still worth it for your restaurant — and is commission even the right thing to be worried about?

9 MIN READ SINGAPORE F&B OPERATORS COMMISSION · CANNIBALIZATION · GUEST DATA

Executive summary. Delivery platforms promise Singapore restaurants access to new guests without the cost of building their own delivery infrastructure. But the flip side of this promise isn't just the commission fee: it includes merchant-funded promotions, packaging costs and refund requests. Not to mention menu markups that can turn customers away and the risk of cannibalization.

This brief breaks down each of these business costs, hidden or otherwise, to show how to keep delivery platforms net-positive for your restaurant. It then turns to the real battleground: how to turn delivery guests into a direct relationship over time — and build loyalty — even when the platform sits in between.

01

What Singapore restaurants actually pay

GrabFood's own public statements — first made in 2020 in response to merchant complaints, and consistent with independent reporting through 2026 — put its standard merchant commission at roughly **25–30% of order value**. foodpanda does not publish a fixed rate: its own Singapore partner FAQ states that "the commission rate depends on factors like location and cuisine type." Singapore media reporting from 2021 (citing government-linked outlet TODAY) put the three major platforms' commissions, foodpanda included, in a comparable **25–35%** band — the closest thing to an independent estimate available, though it isn't foodpanda's own disclosure.

Correction to a common claim: several industry guides describe a discounted "pandaPro" merchant commission tier of around 12–15%. We could not verify this from foodpanda directly. pandaPro (branded Pandapro) is, as far as we can confirm, a *consumer* subscription that discounts diners' delivery fees — it was the subject of a Competition and Consumer Commission of Singapore advisory after its "free delivery" advertising was found misleading. We've left the 12–15% merchant-tier figure out of this brief rather than repeat an unconfirmed number.

PLATFORM	COMMISSION ON ORDER VALUE	STATUS OF THE FIGURE
GrabFood	~25–30%	Grab's own public statement (2020), consistent with reporting through 2026
foodpanda	~25–35%	Independent media estimate; not published by foodpanda, which states rates vary by location/cuisine
Deliveroo	**—**	**Exited Singapore 4 March 2026**

Commission terms are set per merchant contract and are not fully public. Treat these as reported ranges, not guaranteed rates — confirm your own terms with your account manager.

What is well documented: Deliveroo's Singapore market share had already fallen from an estimated 24% in 2020 to around 7% by 2025 (Momentum Works), before DoorDash — which acquired Deliveroo in October 2025 — shut the platform down in Singapore, along with Japan, Qatar and Uzbekistan, on 4 March 2026. Singapore-specific 2023 estimates from the same research firm put GrabFood at roughly 63% and foodpanda at roughly 28% of the local online food delivery market. That leaves most Singapore restaurants choosing between two major platforms instead of three, at exactly the moment competitive pressure to hold rates down would matter most.

02

The costs — and one costly workaround — behind the commission line

Commission is the cost you can see on a statement. Some of what follows are genuine additional costs; one is better understood as a workaround with its own risk, not a cost in itself.

1 Menu markup: a workaround, not a cost in itself

Pricing your delivery menu above dine-in to offset commission isn't an extra cost on top of commission — it's restaurants defending margin against it. The real risk is competitive, not financial: a marked-up listing can look pricier than a neighbour's inside the app, at the exact moment a guest is comparing options, potentially trading margin protection for lost orders. Whether that trade is worth it depends on how price-sensitive your specific guests are on that specific platform — worth testing on your own listing rather than assuming either way.

2 Merchant-funded promotions

Platform discount campaigns are frequently funded, in whole or in part, by the merchant rather than the platform. A "20% off" banner a guest sees can be quietly coming out of your margin, not the platform's — worth checking your own promo agreements rather than assuming otherwise.

3 Packaging & incremental labour

Delivery-specific packaging, and the extra kitchen and packing labour that delivery volume demands, rarely make it into anyone's "cost of delivery" spreadsheet — but they're real, per-order costs on top of commission.

4 Refunds & disputes

Refunds, chargebacks, and platform-mediated complaint resolution come off the top of an order's economics, often with limited restaurant input into how the dispute is settled.

5 Brand dilution

Your own listing sits beside sponsored ads from competing restaurants serving similar cuisine. The platform is simultaneously your landlord and your competitor's billboard — on the same screen, at the same moment a guest is deciding where to order from.

03

The one number that actually matters — and what it leaves out

Commission percentage alone doesn't tell you whether a delivery channel is profitable — and neither does simply subtracting commission and food cost from the order value, because that only counts what delivery costs you, not what it can save. A delivery order typically doesn't need a server to greet, seat and check on a table, and doesn't occupy a table another cover could have used during a busy service — both real offsets against commission. They're genuinely hard to put a per-order dollar figure on, though: staffing and rent are mostly fixed costs in the short run, so they don't shrink euro-for-euro with any single order. The metric worth building for your own restaurant is **Net Delivery Contribution** — accounting for delivery-specific savings as well as delivery-specific costs, not just the two easiest numbers to grab.

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Net Delivery Contribution =
  Menu revenue
  - Platform commission
  - Merchant-funded promotions
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- Food cost
- Packaging
- Refunds
- Incremental labour
+ Labour & space not spent on this order

The simplified version below only includes the two figures with reasonable public support — GrabFood's disclosed commission and a standard food-cost benchmark — deliberately leaving out labour/space savings, packaging, promo funding and refunds, since none of those has a reliable public figure to cite. Treat it as a starting structure for your own restaurant's math, not a verdict on delivery's profitability:

LINE ITEM	AMOUNT
Order value	S$20.00
Platform commission (~28%, mid-point of GrabFood's disclosed range)	-S$5.60
Food cost (~30%, typical restaurant benchmark)	-S$6.00
Remaining before packaging, promo funding, refunds, labour & space	**S$8.40 (42%)**

The catch, both ways: that S$8.40 still has to absorb packaging, any merchant-funded promotion and refunds — but it may also be partly offset by the server time and table space this particular order didn't use. Both directions matter, and both vary hugely by restaurant, which is exactly why tracking your own Net Delivery Contribution beats leaning on a published commission percentage either way.

04

The real risk: cannibalization, not commission

Even a delivery order with a healthy Net Delivery Contribution can still be bad for the business overall — if the guest placing it would otherwise have walked in and spent more. A dine-in cover typically carries higher average spend once drinks, sides and desserts ordered in person are counted, and carries no commission at all. If delivery is mostly reaching your own existing regulars on nights they'd have come in anyway, the platform hasn't grown your business — it's taken a cut of a sale you already had.

The sharper question isn't "is this order profitable after commission," it's "would this guest have dined in and spent more if delivery didn't exist?" Few restaurants have clean enough data to answer that precisely, but a couple of signals point one way or the other: delivery orders concentrated among guests who also dine in with you frequently suggest cannibalization; delivery orders from areas, times or order profiles that don't overlap with your dine-in base at all suggest genuinely incremental demand.

This distinction likely matters more to your actual profitability than the commission rate itself — and gets far less attention in most conversations about delivery economics, which tend to stop at the commission line.

05

When platforms still earn their keep

Still worth it when...

- You're opening a new outlet and need fast discovery and visibility
- Delivery absorbs genuine off-peak or overflow kitchen capacity
- You're testing a new cuisine or format before committing marketing spend
- You're reaching guests who'd never have found you organically

Quietly bleeding you when...

- Delivery orders are concentrated among guests who already dine in with you regularly, rather than reaching anyone new
- Your own Net Delivery Contribution is negative once costs and savings are both counted
- You have no way to bring delivery guests into your own retention loop
- You're on two platforms without leverage to negotiate better terms on either

06

Five questions before you renew

1. What share of our delivery orders are repeat guests — and do we have their contact details anywhere outside the platform?
2. What is our actual Net Delivery Contribution per order, accounting for savings as well as costs, not just the headline commission percentage?
3. Are these delivery orders reaching guests who wouldn't otherwise dine with us, or mostly serving existing regulars at a lower margin than they'd spend in person?
4. If Grab or foodpanda changed terms tomorrow, would we lose those guests entirely, or could we reach them ourselves?
5. Are we paying — through ads or discounts — to reacquire guests who already dined with us in the last 90 days?

07

What restaurants can actually do about it

Let's be direct: there's no way to retrieve the guest relationship for an order placed through GrabFood or foodpanda after the fact. The platform, not the restaurant, collects the guest's contact details by design: that's part of what the commission pays for.

But restaurants can still build relationships with customers who order through delivery platforms. A simple packaging insert with a discount code can give diners a reason to place their next order directly. Better still, a QR code on the delivery bag or receipt can take them straight to a direct-order channel, WhatsApp list or loyalty programme. The goal is simple: turn a platform order into an opportunity for a direct relationship next time.

That's where RevRoom comes in. Developed specifically for F&B, it unifies customer data from the direct touchpoints you already have — bookings, POS and direct orders — into a single, automatically tagged and segmented profile. From there, putting a QR code on your delivery packaging to turn the next order into a direct one is child's play.



Turn a QR Scan Into a Regular Guest

Drop a QR code on your receipts, or takeout bags. Guests scan it, leave their name, email and phone, and they're instantly on your list — subscribed to your news and promotions, ready for your next campaign.

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Sources & notes:

- GrabFood's 25–30% commission: Grab's own 2020 public statement, reported by Vulcan Post, SETHLUI and Marketing-Interactive; consistent with 2026 industry reporting.
- foodpanda commission: foodpanda Singapore Partner FAQ (magazine.foodpanda.sg) — no fixed rate published; 25–35% band per 2021 Malay Mail/TODAY reporting.
- Deliveroo exit (4 March 2026) and DoorDash's four-market wind-down: DoorDash press release; Marketing-Interactive; Momentum Works "The Low Down."
- Singapore market share estimates (GrabFood ~63%, foodpanda ~28%, Deliveroo 24%→7%): Momentum Works, "Food Delivery Platforms in Southeast Asia" reports and related commentary.
- Pandapro consumer-subscription clarification: Competition and Consumer Commission of Singapore advisory, reported by Malay Mail (2024).

The Net Delivery Contribution worked example is a simplified illustration built from the two figures above with reasonable public support, not any single restaurant's actual figures — it deliberately excludes labour/space savings and other costs that have no reliable public benchmark. Confirm current commission rates and contract terms directly with your platform account manager before acting on anything in this brief.

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