
Algorithmic Exclusion and the Logic of Platformization: The Case of iFood in a Brazilian Metropolitan Area

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Abstract

As in many other countries, the food delivery sector in Brazil was the second to undergo platformization, following the emergence of ride-hailing platforms. However, unlike the latter, the delivery sector is dominated by a domestically founded company, iFood, with the Colombian company Rappi occupying a second position. This study is based on the hypothesis that iFood has developed a distinctive form of know-how, which has persisted despite receiving investments from global venture capital. Its platform architecture, algorithms, and operational features have been tailored to the specific characteristics of Brazil's urbanization - marked by deep social inequality and precariousness. According to company data, in 2023, iFood operated in 5,111 municipalities across Brazil, covering 91.7% of all Brazilian municipalities – a testament to its highly capillary reach. This situation approximates a form of territorial monopoly, granting the corporation the power to set the operational standards of the entire food delivery sector, including labor remuneration, intermediation fees, and the rules imposed on partner establishments. The network effects generated by iFood result in limited alternatives in the market for restaurants, delivery workers, and consumers alike. Within this context, the aim of this research is to understand the connections between territory and corporation centered on the experiences of restaurants integrated into the platform. The empirical focus is on restaurants linked to iFood in the Metropolitan Area of Belo Horizonte (RABH) in 2023. The methodology relied on web scraping techniques, involving the development, via programming, of an application to extract data from iFood's website using the application programming interface (API) provided by the company. The results reveal the existence of 16,953 restaurants registered on the platform, of which 11,904 (70.2%) are located in Belo Horizonte, the capital of the RABH. An analysis of meal prices across all restaurants shows a predominance of lower-priced options (14,215 restaurants). These establishments are geographically dispersed, while those with higher prices (894) are spatially concentrated. The findings indicate two simultaneous movements by iFood: the popularization of food delivery services throughout the territory, reaching poorer segments of the population, and the reinforcement of high-priced restaurant concentration in wealthier areas, especially in the capital of the RABH. The study also highlights the occurrence of "algorithmic exclusion" (via geofencing) by iFood in undesirable territories. This phenomenon was observed in Aglomerado da Serra, a favela located between high-income neighborhoods in the capital, from which it is not possible to place orders through the iFood platform.

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