

# The art of delivering lunch

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leader in online and mobile food-ordering. The company generated \$137 million in revenue in 2013, up 67% from 2012.

“Our main competitor is still the paper menu,” said Allie Mack, a spokeswoman for GrubHub, who noted that the company is in a post-IPO quiet period. “The takeout industry is a \$70 billion industry, and less than 5% of that is spent using takeout technology such as ours. The market is huge, as is the opportunity for growth.”

City Lunch Club is one of the new contenders. Rather than providing endless choices, as Seamless does, City Lunch sends its members an email in the morning with just three options from that day’s featured restaurant. The customer must pick one by 10:30 a.m. to ensure a lunchtime delivery. Subscriptions are available from one to five days a week, with prices starting at \$12.99 for one meal per week and going down to \$10.99 per day for the five-day option. Restaurants on board include upscale choices like Nicoletta, Devi, Bocca, Hanjoo, Bread & Tulips and the newest to join—Motorino.

## Saving time

“I spent months going to restaurants and noticed that many—if they weren’t a power-lunch spot, such as a Maialino, or a ‘grab and go’ place—were half empty from noon to 1:30 p.m.,” said Andrew Hersch, City Lunch Club’s chief operating officer. He added that his company took just six months to go from idea to launch. He also noted that few people can spend 90 minutes away from the office. “Most people I spoke with repeatedly went to the

same deli where you make your own sandwich or salad, and they usually ordered the same thing,” he said. “Through our site we’re able to offer choice, variety and quality, while introducing the consumer to restaurants they normally wouldn’t know of or try.”

Restaurants are also trying something new by joining City Lunch Club. Orders come in shortly after 10:30 a.m., allowing them to capitalize on what is considered downtime. “Whereas Seamless orders are often placed during a

## So far, 80% of City Lunch users have referred someone else

restaurant’s busiest time,” Mr. Hersch said, his system allows for large group orders and incentivizes high-end restaurants that usually aren’t willing to deliver. By showcasing a limited number of eateries, City Lunch Club builds greater visibility and awareness for each one.

Since launching in mid-February, the company has signed up more than 1,000 members and 35-plus restaurants. In April, City Lunch extended its service area—Union Square and Gramercy Park—to the Flatiron district and parts of midtown east. By summer, City Lunch expects to make deliveries citywide. “We don’t have pri-

vate investors at the moment. We’re a bootstrapped company using all our own money,” Mr. Hersch said.

So far, 80% of people who have signed up have referred someone else in their office; the average client orders two to three days a week; and 60% of those people have upgraded to ordering more frequently since they started, Mr. Hersch said.

“The food-delivery space is exploding right now,” he said. “Seamless opened the doors, but there are a lot of ways they don’t serve the restaurants. They’re too big to change their model, so new companies are being birthed out of the success that they created.”

Mealku is another newcomer—one that allows Manhattan and Brooklyn customers to choose from a selection of meals created and prepared by different chefs from the company’s central kitchens, located in midtown west.

## Growth in volume

“Today you can’t detach from the office or from work. The consumer is health-smart and wants delicious and nutritious meals. Until recently, that option wasn’t available,” said Ted D’Cruz-Young, founder and chief executive of Mealku. “Fast food and going to the deli can be nasty. We’re filling and facilitating that healthy-food need.”

The company, which started in July 2012, switched from offering home-cooked meals that members could order directly from each other to focusing primarily on lunchtime office deliveries in September 2013. “Since then, we’ve seen a volume growth of 700% to 800%,” Mr. D’Cruz-Young said.

Currently, Mealku uses 300-plus independent chefs who work on rotation. The business offers a highly curated menu, has a large distribution force and serves more than 200 different companies with a customer base of more than 10,000. Regardless of what you order, meals cost \$10, plus \$2 for service and tax.

“I rarely get to leave my desk for lunch, plus I like eating healthy, which makes eating well even harder,” said Angelin Borsics, a copywriter for West Elm whose office is located in Dumbo, Brooklyn. Since November, she has been ordering her lunches one or two times a week from Mealku.

“I get the email the night before and review what I want to eat,” she said. “Then I order it in the morning, and it arrives at the reception desk by lunchtime. I love that you get a lot of food for your money. I’m supporting independent chefs, and my money isn’t going to a big corporation for something unhealthy.”

Mr. Hersch agreed. “Food is such a huge part of people’s lives,” he said. “There hasn’t been the kind of food-technology innovation there is now. It’s surprising that more places don’t exist at the moment.” It seems that moment is coming. ■

## SOURCE LUNCH:

GIL CYGLER



by Ken Christensen

# Car renter shifts into car sharing

**G**il Cygler is not your typical startup guy. He doesn’t wear hoodies and doesn’t have venture-capital investors or an office in the Flatiron district. But the longtime owner of Brooklyn-based AllCar Rent-a-Car, his family’s three-decade-old business, is vying for a piece of New York City’s sharing economy.

In 2012, the Brooklyn-born businessman launched Carpingo, a pay-by-the-hour car-sharing service billed as a local alternative to Zipcar. The offshoot has grown to 70 cars in 45 pickup locations in his native borough, compared with Zipcar’s 2,500 cars in 450 locations citywide. Now Mr. Cygler, who also serves on the board of the Brooklyn Chamber of Commerce, is expanding to Queens.

## You’ve been in the car rental business for 30 years. Why start Carpingo?

We really saw changes in the business, definite weaknesses, and car share is a part of that. Zipcar has several thousand cars in New York City now. Those didn’t exist a few years ago. The car rental industry is moving in that direction, and if we’re going to remain a player we have to seriously consider it.

## What challenges didn’t you expect?

We didn’t realize that Enterprise and Hertz were going to enter the market at the same time. On the one hand, it raises awareness that there are alternatives to Zipcar, but you have to work that much harder going up against three of them. Also, just finding locations. Borough Park doesn’t have parking garages, doesn’t remind you of millennials, but there’s actually quite a bit of demand there. You have to get creative. So we’re in two lots that are demolished houses that will someday be developed.

## Where are you expanding in Queens?

We’re pushing into Long Island City, down by the courthouses, and Rego Park. We’re looking at Astoria as well. Car share is really pinpointed; it’s not ZIP-code-driven. So

we’re not looking to blanket the borough. We look for a high density of people and access to public transportation—train primarily, then bus—because no one is going to walk a mile to get a car. We call it “carvenient.” We trademarked it.

## How can you compete with Zipcar?

Out of necessity, we have to be cheaper than Zipcar. In the two years we’ve been doing it, we’ve assessed a minimal amount of fees. And we try to stress our community roots.

## Do people buy your “local” pitch?

A customer who’s renting 10 times a month, a huge player, is a dime a dozen with Zipcar. There’s flexibility and services we can provide that they can’t, based on their sheer size.

## Are you profitable yet?

We’re at a break-even point now. We need more members and more usage. Just acquiring members is difficult. We didn’t realize how many members you would constantly need to replace. Saturdays and Sundays are busy, but midweek is always a challenge because most people are working. That’s why businesses are key.

## How do you get more businesses to sign up?

It’s about finding a cluster of businesses that have a need for it, literally canvassing and knocking on doors. We’re in the Navy Yard and the [former] Pfizer building, which have a lot of micro-startup businesses that aren’t well capitalized and wouldn’t have a car. We’re in talks with Industry City. Sales forces like real estate brokers—that’s a market that we’re looking to develop.

## What about other mega-developments?

We’ve been in talks with new developments. You hear a lot about affordable-housing requirements, but for Greenpoint Landing the city called for a car-share facility. Greenpoint Landing had never heard of us. So we told them to put Zipcar in there because many of the residents will have a Zipcar membership already—but don’t only put Zipcar in there. ■

## WHERE THEY DINED

**VSTRECHA GLATT KOSHER**  
98-98 Queens Blvd.  
Rego Park, Queens  
(718) 263-4444  
www.vstrecha.us

**AMBIENCE:** Palatial feel with high ceilings, extra-tall booths, faux-crystal chandeliers and a menu of “traditional Tashkent fare”

## WHAT THEY ATE:

- Beef shish kebab
- Chicken shish kebab
- Health salad
- House salad
- Meat dumplings

**PRICE:** \$39.76, including tip

## HEALTHY TREATS TO YOUR DOOR

**FOR THE NOSHER** who wants healthy treats without heading out of the office or hitting the vending machine, NatureBox, an online snack service, will deliver a monthly box for \$19.95. More than 100 items have been selected by a team of nutritionists. From vegan to gluten- or nut-free options, **there’s a snack for everyone**—think lemon pucker pistachios, dark cocoa almonds, garden tomato crunchies, blueberry almond bites and dried pears.

And some of members’ snack dollars are going to a worthy cause: For every box NatureBox delivers, it donates one meal to help feed the hungry. Let’s see Twinkies and Doritos compete with that.

—ALIX STRAUSS



**WHO KNEW?** Mr. Cygler, who keeps kosher, prefers Wolf & Lamb Steakhouse on Coney Island Avenue for special occasions.