

Grocery delivery startup Instacart raises \$210 million from investors

December 31 2014, by Shan Li, Los Angeles Times

Grocery delivery startup Instacart has raised a bumper crop of \$210 million from investors.

The San Francisco company plans to raise an additional \$10 million in its latest round of fundraising, which would bring the total sum to \$220 million, according to a securities filing. That would value the company at about \$2 billion, tech news site Re/code said.

Instacart is just one of many [delivery](#) startups that have cropped up in recent years to cater to time-strapped shoppers who will pay for convenience. This year, GrubHub, the owner of food delivery service Seamless, raised \$192 million in its [initial public offering](#). Amazon.com just launched a one-hour service in Manhattan that will fetch more than 25,000 "essentials" to customers within 60 minutes.

Venture capital funding is pouring into the space. More than \$1.6 billion was invested last year into food-related tech companies, up 33 percent from \$1.2 billion in 2012, according to a report by consulting firm Rosenheim Advisors.

Instacart shoppers browse online and pick out groceries at supermarkets that have partnered with Instacart. Once an order is placed, Instacart dispatches a "personal shopper" who will polish off the list and then deliver the bags to a buyer's doorstep.

The startup is also testing an in-store pickup option at some Whole

Foods stores in Boston and Austin, Texas, where shoppers embedded on location will package orders for customer pickup.

The first order is free; after that it costs \$5.99 for one-hour delivery or \$3.99 for two-hour delivery when buyers spend at least \$35. Customers can also buy a \$99 annual membership to receive free delivery on orders over \$35.

©2014 Los Angeles Times

Distributed by Tribune Content Agency, LLC

Citation: Grocery delivery startup Instacart raises \$210 million from investors (2014, December 31) retrieved 23 June 2024 from <https://phys.org/news/2014-12-grocery-delivery-startup-instacart-million.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.