

On the menu for Yelp: Ordering takeout with Eat24 (Update 2)

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This Oct. 26, 2011 file photo shows the logo of the online reviews website Yelp on a wall at the company's offices in New York. Yelp on Tuesday, Feb. 10, 2015 said it bought online food delivery service Eat24 for \$134 million. (AP Photo/Kathy Willens, File)

Competition for online takeout orders is heating up with Yelp's purchase of Eat24.

Yelp, a San Francisco-based business reviews website, said Tuesday that

it paid \$134 million for Eat24. Launched in 2008, Eat24 lets users order from nearby restaurants through its website or app. Yelp said it plans to grow Eat24's service from 20,000 restaurants to 1 million that have been reviewed on Yelp's site.

GrubHub Inc., the leader in the competitive online food ordering market, is used by 30,000 restaurants in the U.S. and London. It also owns the Seamless service. Other rivals include Delivery.com, FoodtoEat.com and OrderUp.com.

Eat24 often used edgy marketing to stand out from competitors. It ran ads on porn sites, updated its social media accounts frequently and had rapper Snoop Dogg appear in a commercial. Like other online food ordering services, Eat24 makes money by keeping a percentage of sales from restaurants.

The deal will allow Yelp users to more easily connect with local businesses, said Yelp CEO and co-founder Jeremy Stoppelman, in a statement.

A Yelp spokeswoman declined to comment on the acquisition Tuesday.

Yelp paid \$75 million in cash and 1.4 million in shares for Eat24 in a deal that closed on Monday.

Yelp and Eat24 have had a partnership since 2013, allowing users to order food from Yelp at some restaurants.

On Yelp, users can write reviews and upload photos, as well as see information like what time a business is open. Yelp also has reviews of plumbers, dentists, salons and other businesses.

Also on Tuesday, Yelp raised its outlook.

For the first quarter, it now expects revenue of \$118.5 million to \$120.5 million, up from its previous forecast of \$114 million to \$116 million. Analysts expected revenue of \$115.9 million, according to FactSet.

For the year, it predicted sales of \$574 million to \$579 million, up from \$538 million to \$543 million. Analysts expected revenue of \$543.4 million.

Shares of Yelp Inc. rose \$2.49, or 5.9 percent, to \$44.66 Tuesday.

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