

Delivery startup Instacart bags new funding

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Instacart on Wednesday announced it bagged \$400 million in fresh funding to ramp up and improve its US-focused grocery delivery service.

The funding round led by Silicon Valley powerhouse Sequoia Capital involved mostly existing investors and valued Instacart at \$3.4 billion, according to media reports.

"Our customers love Instacart because we make it easy to get delivery from their favorite local stores," the San Francisco-based startup said in an online post.

"We're going to use these resources to grow Instacart and to invest in making our product even better."

Instacart has been keeping a low profile since its last [funding](#) round about three years ago, and faces competition from younger internet-based services offering to deliver purchases from local shops as well as from established titans such as Amazon.

Instacart, one of the major players in the so-called "on demand" economy, makes money from marking up purchases, [delivery](#) fees, and advertising on its platform but is reported to have yet to post a profit. The startup was founded five years ago.

It has over 135 partners, including grocery chains H.E.B, Whole Foods Market, Costco, and Supervalu.

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