

# Uber Eats has grown into Texas' most-used food delivery app

June 16 2018, by Sebastian Herrera, Austin American-Statesman

---

Maybe it's the same simplicity as found in its flagship ride-hailing app, or maybe it's the brand recognition. Whatever it is, Uber Eats' share within the food delivery industry is overtaking competitors.

Two years after launching a standalone phone app, Uber Eats has become Texas' most popular on-demand food delivery service and continues to grow, according to Second Measure, a California-based firm that analyzes credit and debit card transactions from millions of U.S. consumers.

In Austin, Uber Eats had 46.7 percent of the food delivery [market share](#) as of April, climbing more than 15 percentage points since August, Second Measure said.

Throughout the state, Uber Eats' market share in the same time also rose about 15 percentage points to 42.3 percent. Uber Eats' closest competitor in Texas, DoorDash, has seen its market share hold at about 34 percent, while Grubhub, another leading food delivery company, has had its share drop by 3 percentage points from August to April.

Food delivery is a quickly growing business in the United States, expected to become a \$76 billion market by 2022, according to a report by investment firm Cowen and Company.

Much of Uber Eats' popularity throughout Texas can be attributed to Uber's operation in Austin, which has become a hub for the company's

south region. Uber's Austin office employs roughly 90 people—about a dozen of them on the Eats team—and is responsible for much of the company's business in Texas and some surrounding states.

"We want to make Uber Eats something that is an every day product for people. It needs to be something convenient and reliable," said Phillip Santoro, an Uber Eats general manager for the Austin and Dallas markets. "We're focused on building strong relationships with restaurants and our delivery partners. We've been able to do that well in Texas."

At the Austin hub, where Uber doubled its total workforce between September and March, much of the expansion was concentrated on the Eats team.

In addition to Austin, Uber Eats also holds the largest market share in Dallas, Houston, San Antonio and El Paso, according to Second Measure.

In Texas, Uber has added more than 3,400 restaurants to its lineup in the past year, the company says, putting the total at more than 8,000 restaurants throughout the state. The Eats team has added more than 430 Austin-area restaurants since last June.

Utpal Dholakia, a consumer behavior and e-commerce expert at Rice University, said Uber Eats has an advantage because many of its drivers that are also signed on to Uber's ride-hailing service double as delivery drivers.

Other competitors, Dholakia said, have had to build their driver base more incrementally.

Uber's brand is "already well-known to consumers," Dholakia said.

"Uber Eats has been able to sign on a greater number of restaurants in many markets ... giving consumers more choices to order from, and as a result, greater value."

While Uber Eats has become the state's most-used food delivery app, it still has ways to go to catch Grubhub nationally. As of April, Grubhub held a 48.6 percent share of the national food [delivery](#) market and Uber Eats had 22.8 percent, according to Second Measure.

Grubhub spokeswoman Katie Norris said the company averages 400,000 orders per day nationally and continues to partner with brands such as Yelp, Groupon and TripAdvisor.

"We are just scratching the surface of the addressable [market](#)," Norris said in an emailed response. "And with record results, we haven't seen competition hurt our ability to grow."

Norris said Grubhub plans to expand into 100 new markets this year.

©2018 Austin American-Statesman, Texas  
Distributed by Tribune Content Agency, LLC.

Citation: Uber Eats has grown into Texas' most-used food delivery app (2018, June 16) retrieved 7 May 2024 from <https://phys.org/news/2018-06-uber-grown-texas-most-used-food.html>

<p>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.</p>
--