

Grubhub to buy LevelUp mobile ordering and payment company for \$390 million

26 July 2018, by Ally Marotti, Chicago Tribune

Grubhub is set to pay \$390 million for mobile ordering and payment company LevelUp in an effort to reach more diners, the company announced Wednesday.

The acquisition of the Boston-based company has not closed. LevelUp works with more than 200 [restaurant](#) chains, providing a platform for customers to place orders for pickup, among other tasks.

Grubhub will be able to tap into that operating system at restaurants, which will facilitate growth, CEO Matt Maloney said Wednesday. For example, LevelUp is used for online ordering at Potbelly Sandwich Works. The acquisition will give Grubhub the ability to deliver for the Chicago-based sandwich chain.

LevelUp, which employs more than 200 people, also provides analytics to restaurants so they can learn more about their customers' ordering habits.

"Together, we will provide restaurants with everything they need to grow profitably as more and more diners opt for the convenience, transparency and control of ordering online," LevelUp founder and CEO Seth Priebatsch said in a news release.

Grubhub announced the acquisition with its second quarter earnings report. The company's revenues were \$239.7 million in the second quarter, a 51 percent increase from the same period last year. Its daily orders were up 35 percent from the second quarter of 2017.

The company's increasing number of daily orders has played a key role in its growth.

Chicago-based Grubhub has been working this year to expand into towns across America that have been long overlooked by the on-demand economy. In February, Maloney set a goal of

expanding to 100 new markets by the end of the year. A partnership with Yum Brands, the Louisville, Ky.-based parent of Taco Bell, KFC and Pizza Hut, announced earlier this year is expected to help achieve that goal.

Earlier this month it announced its expansion into dozens of new markets across 17 states, including Rockford, Ill., and South Bend, Ind.

That acceleration in new and existing markets is driving growth, Maloney said.

"As you expand in new markets, but also as you go deeper in existing markets, you add more, better restaurants," Maloney said. "As diners give it a try, they're actually excited and they come back more often and add more food."

As of February, Grubhub employed 2,125 people, roughly half of whom are in Chicago. That was up from 1,518 employees a year earlier, a nearly 40 percent increase. The company has continued hiring this year, Maloney said.

©2018 Chicago Tribune
Distributed by Tribune Content Agency, LLC.

APA citation: Grubhub to buy LevelUp mobile ordering and payment company for \$390 million (2018, July 26) retrieved 7 December 2021 from <https://phys.org/news/2018-07-grubhub-levelup-mobile-payment-company.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.