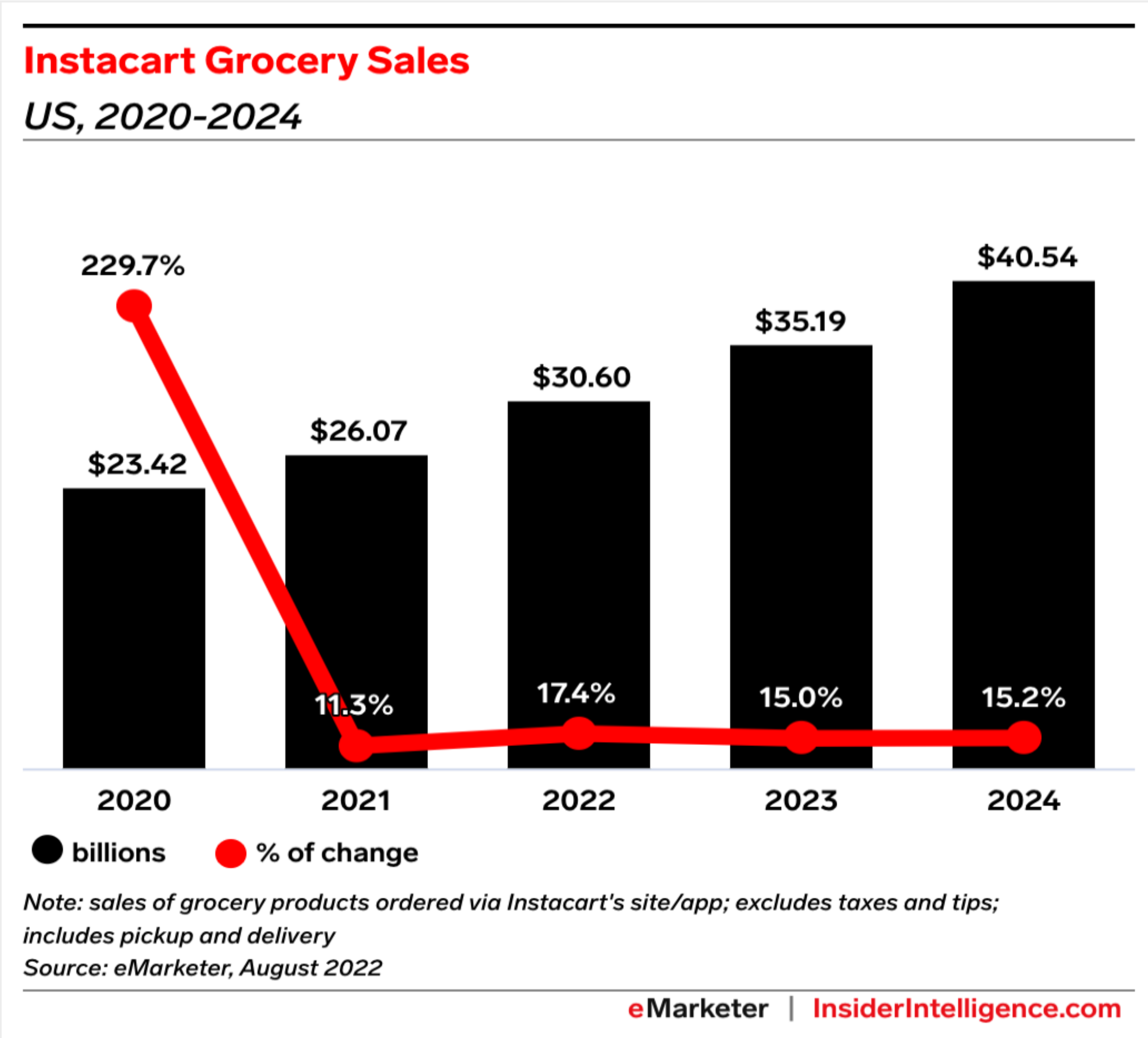
SEP 19
Zak Stambor

As Instacart looks to expand its services, it takes steps to retain talent

Article

The news: **Instacart** is reportedly taking steps to make its company an attractive place to work at the same that it is expanding its technological reach into in-store shopping.

- **The company doesn't plan to raise much capital in its initial public offering**, per The Wall Street Journal. Instead, it plans to have most of the listing come from the sale of employees' shares, which could help it retain and attract talent by allowing employees to benefit from their shares.
- It also announced a suite of technologies aimed at **bridging the gap between online and offline shopping**.
- **The moves aim to solidify Instacart's strong position within the digital grocery space.** We estimate that the company's grocery sales will grow 17.4% this year to $30.60 billion. That will account for 2.2% of total grocery sales. We expect that share to rise to 2.7% by 2024.



Bucking the trends: While many companies are delaying plans to IPO given the weakness of the public markets, Instacart is plowing ahead.

- **Instacart had a strong Q2** even as the pandemic recedes in consumers' consciousness and inflation causes them to grow increasingly cost-sensitive. The company's revenues grew 39% and the number of orders placed on its app rose 25%, per the Journal. It also turned a profit.
- **The company's innovations were keys to that growth.** The company recently introduced new price plans that include both lower-cost scheduled delivery and more expensive fast-

delivery options, as well as lower average fulfillment costs by grouping individual orders.

- **The IPO aims to make Instacart an attractive place to work.** It will allow employees to cash out the shares that they have accumulated, and listed shares may also make it more attractive to potential employees looking at private startups whose shares cannot be publicly traded.

The technology: Instacart sees technology as the key way it can distinguish itself from competitors such as **DoorDash**.

- Among the six new tools it rolled out are an updated smart shopping cart that can hold 65% more volume than its predecessor, a "Scan & Pay" mobile checkout program, and a list-building tool that shoppers can use to shop online or in a store.
- Earlier this month it announced it bought **Eversight**, a pricing and promotions platform for consumer packaged goods (CPG) brands and retailers. Eversight's technology enables retailers to continuously test customized pricing and promotions with individual customers.
- Last year it bought smart cart maker **Caper AI** and catering software firm **FoodStorm**.

The big takeaway: This has been a rough year for publicly listed delivery companies such as **DoorDash** and **Delivery Hero**, which have both seen their values plunge more than 50% since the start of the year. That's why Instacart aims to broaden its reach beyond delivery.

- Diversifying its tools, and making itself an attractive place to work, should help Instacart avoid some of the hiccups that its competitors have faced.

This article originally appeared in Insider Intelligence's Retail & Ecommerce Briefing—a daily recap of top stories reshaping the retail industry. Subscribe to have more hard-hitting takeaways delivered to your inbox daily.

- *Are you a client? Click here to subscribe.*
- *Want to learn more about how you can benefit from our expert analysis? Click here.*