Instacart acquisition brings about opportunity for retailers

Instacart acquired FoodStorm, a SaaS order management system that powers end-to-end order-ahead and catering experiences for grocery retailers. With this acquisition, Instacart is expanding its enterprise technology portfolio to further support its retail partners' ecommerce needs, investing in more innovative technology solutions that help retailers grow, compete, and better meet the evolving needs of their customers.

The process for ordering prepared foods from grocers typically requires customers to call the store or place an order in-person, which it described as a labor-intensive and inefficient process that often results in both missed sales opportunities for retailers and a cumbersome customer experience. FoodStorm helps solve this problem by creating a more seamless experience for both retailers and customers. FoodStorm has developed a comprehensive SaaS offering that covers multi-channel ordering — ecommerce, phone or in-store kiosk — order management, and payment and fulfillment. Its technology also integrates easily with a large variety of third-party systems including point of sale systems and offers customer relationship management capabilities that help grocers collect feedback, market their offerings and leverage promotional features.

FoodStorm was founded 14 years ago and has developed strong partnerships with a number of Instacart's existing retail partners including Albertsons Cos. banners Balducci's and Kings Food Markets, as well as Bi-Rite Market, Mollie Stone's Markets, Uncle Giuseppe's and Roche Brothers Supermarkets. Looking ahead, Instacart will make FoodStorm's technology available to more retailers through Instacart's leading enterprise technology offering. In addition to acquiring FoodStorm's technology and tools, Instacart sait it is also excited to welcome the FoodStorm team, which is based in the U.S. and Melbourne, Australia, to Instacart.

"As a retailer enablement platform, Instacart is focused on growing our partners' businesses by investing in innovative new technologies and services that deliver significant value to them and their customers," said Mark Schaaf, chief technology officer at Instacart. "Our goal is to help our retail partners increase their sales and ensure more of their customers' everyday meals come from the grocery store. That's why we're excited to welcome the talented FoodStorm team to Instacart and integrate their end-to-end order-ahead and catering platform into Instacart's leading enterprise offering. For retailers, this new enterprise solution helps them bring even more of their inventory online, enhance their ecommerce capabilities, grow their business and meet the evolving needs of their customers. And, for customers, this unlocks a healthier, more affordable alternative to restaurant delivery — creating an easier way for people to order prepared foods online directly from their favorite grocers."

Order-ahead technology solutions provide grocery retailers with a significant growth opportunity. On the Instacart platform, customers who purchase prepared foods and catering items like hot and cold side dishes, cakes and sushi from the grocery store have significantly larger baskets and shop more frequently than those customers who do not. For retailers, order-ahead items and prepared foods are also typically more profitable than traditional groceries like produce and package goods.

"I'm incredibly proud of what the FoodStorm team has achieved for our partners. We've developed market-leading software that makes it easier for grocers to execute on prepared food and catering orders more efficiently, and track everything from one central location. This is a huge growth

opportunity for grocers, and we've seen increased demand for our products as more customers are searching for seamless online and in-store ordering capabilities," said FoodStorm CEO Rob Hill. "Grocery is an incredibly complex retail category, making the need for enterprise-grade solutions like FoodStorm and Instacart critical to the long-term success of the industry we all rely on to put food on our tables. We're excited about this next chapter as we join the Instacart team and create new ways for retailers to serve the ever-changing needs of their businesses and customers."

"Both Instacart and FoodStorm have been important partners in bringing our business online and have opened up brand new sales and customer service channels for us," said Adam Laliberte, director of food services at Roche Brothers Supermarkets. "Before FoodStorm, our software systems weren't compatible with our catering needs and we had a limited online presence which meant we were missing out on a huge opportunity. Because of Foodstorm's flexible and easily configurable technology, we've seen an increase in our catering business and have the ability to manage this increase more efficiently so that our teams can focus more on our customers. I'm thrilled that they are now joining forces with Instacart and we're excited to see what enterprise offerings they'll bring to market together."

Print