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Boxed expands into fast, fresh grocery delivery with acquisition

November 30, 2021

Boxed, an e-commerce grocery platform that sells bulk consumables and licenses its e-commerce software to enterprise retailers, announced the signing of a definitive agreement to acquire MaxDelivery, one of New York's first on-demand grocery delivery services. The transaction is expected to close in December 2021, subject to certain undisclosed financial terms and customary



closing conditions.

Through the acquisition, Boxed will broaden its capabilities in micro dark-store fulfillment and rapid on-

demand grocery delivery. Boxed customers in select markets will also enjoy a significantly expanded fresh assortment offering. MaxDelivery will also become a client of Boxed's Software & Services, adopting its proprietary commerce technology to help enable scalability of its operations, and expansion into additional markets over time.

MaxDelivery provides New Yorkers with a fast, easy, and convenient way to have a broad assortment of groceries delivered directly to their door on-demand, through its one-hour delivery service in Manhattan. Since its inception in 2004, MaxDelivery has consistently delivered premium quality service to its customers, processing approximately 2 million orders to date. MaxDelivery differentiates itself from other ultrafast delivery businesses due to its high average order values of approximately \$100, helping yield a history of strong unit economics. Further, all of its employees are full time W-2s, as opposed to 1099 contractors, which allows MaxDelivery to offer consistent quality service, driving customer loyalty with approximately 98 percent of orders coming from repeat customers each year.

"This acquisition of MaxDelivery will mark our entry point into the rapidly growing fast-grocery delivery space, in addition to broadening our capabilities in micro dark-store fulfillment and fresh supply chain," said Chieh Huang, co-founder and CEO of Boxed. "Boxed customers have expressed how they value fresh groceries and we are excited to be able to deliver a more comprehensive product offering while benefiting from a complimentary business model with similarly high average order values as Boxed. In the months after closing, we plan to implement MaxDelivery's model into several additional regions as we generate value for the entire Boxed ecosystem. We believe that MaxDelivery will also benefit from the use of Boxed software technology as it becomes a client of our Software business."

"Empowering New Yorkers to get their fresh groceries online has been our vision since our inception and with Boxed's support, we will be able to replicate our highly scalable, profitable model into several new markets," said Chris Siragusa, founder, president and CTO of MaxDelivery who will join Boxed's senior leadership team as senior vice president of operations. "We are thrilled to become a part of a Company that is poised for success, led by an exceptional management team, and has a proven commitment to ESG. We are looking forward to becoming a part of the Boxed family."

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