

# Uae-based online grocery startup instashop raises funds from souq.com

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Hyperlocal grocery ordering app has raised an undisclosed amount of funding from Souq. com, the region's e-commerce major. As the sole investor participating in this round of funding, Souq takes " a significant minority stake" in InstaShop. Launched in June 2015 in UAE's competitive on-demand e-grocery market, InstaShop counts over 50 supermarket chain partners and claims to fulfill " tens of thousands of orders" for a base of 60,000+ active users. InstaShop plans to deploy the funds " to speed up" expansion in the MENA region, to accelerate their growth, and also invest in " technological innovation" to enhance the app user experience. Jabbar Internet Group and VentureFriends are InstaShop's existing investors from previous rounds.

In a statement on the funding, Souq says that the investment is driven by a view to " further expand its offering in the fast-growing FMCG and grocery categories, leveraging on its current user base." says, " InstaShop has a strong concept and platform in its own right, but by utilizing our leading logistics app, it is looking to further grow its presence in Dubai and the other Emirates." Speaking about the process, says that the deal was sealed after being in touch with Souq. com " for many months" and was a result of Souq's interest in the groceries vertical. " The best part about Souq. com investing in InstaShop is the fact that we'll have the largest online retail platform in the Arab world by our side, an experienced strategic player to provide guidance and offer valuable resources, such as their enormous user base," says Tsioris.

With a " rather straightforward" approach to arriving at the valuation, Tsioris is pleased to note that the process was free of intense negotiations in this <https://assignbuster.com/uae-based-online-grocery-startup-instashop-raises-funds-from-souqcom/>

regard, and says that Souq's marketplace model also helped InstaShop to welcome an investor without "conflict of interest" with their existing retail partners. "With it was clear that our business approach and chemistry blended well, they wanted to enter into groceries and they liked the way we do it." Operating as a typical on-demand service application, InstaShop is available on both Android and iOS, and says that it can deliver groceries to customers in "30 to 60 minutes" (depending on location). The users can choose the products on the app, which provides for both credit card payment and cash on delivery option.

With increase in the acceptance of in the Middle East, and with a growing population of a consumer class seeking convenience in the quickest means, online grocery has seen improved adoption in the UAE, and the region as a whole. Even as large supermarket chains have added omni-channel capabilities by expanding their online services, many tech startups enabling grocery e-retail are giving them close competition.