Stock Up Your CART! A Letter from Instacart CEO Fidji Simo

September 19, 2023

It's official: Instacart is a public company and began trading earlier this morning under the NASDAQ ticker symbol CART.

At Instacart, we believe that the best companies help elevate entire ecosystems — creating more opportunities for everyone. It's why we've built our business on helping retailers and brands transform their businesses and serve their customers better. It's central to who we are as a company, and will continue to be as we chart this next chapter as a public company. Instacart CEO Fidji Simo shared the letter below last month as part of the company's prospectus, with a focus on one of Instacart's core values: grow the pie. You can read it in full here:

A LETTER FROM FIDJI

The first time I truly understood the power of Instacart's mission, I was standing in the aisle of a grocery store.

The CEO of a major grocery retailer had invited me to visit one of his stores to get a better sense of what made them unique. I was expecting to learn more about the retailer's logistics and day-to-day operations — and I did. But I wasn't expecting to get a masterclass in the care and craft that make the grocery industry so special.

As we walked the floor that day, I saw the CEO greet associates by name and welcome customers at the front door with a smile. I saw him make sure everyone found what they were looking for. And he proudly explained the complexity, hard work, and attention to detail that goes into each cut of meat and perfectly red apple.

When I was walking through the aisles of that store, what struck me most was the fact that grocers aren't just doing a job or running a company. In many cases, they're supporting families, neighborhoods, and entire communities — just like they have for generations. That experience wasn't unique. It's one I've continued to have over the years as I've spent time with many of our partners, touring their grocery stores and getting closer to the heart of their businesses.

These experiences remind me of my own childhood growing up as the daughter, granddaughter, and great-granddaughter of fishermen who also took enormous pride in feeding their community. While my own career has carried me from my fishing village all the way to Silicon Valley, I never lost my appreciation for the dedicated people who nourish the world.

Working in technology, I know first-hand the edge it can offer — and at Instacart, we want to give that edge to grocers. Our vision is to build the technology that powers every single grocery transaction — working with the retailers that consumers know and love to invent the future of grocery together. And right now, that's more important than ever.

As I write this, a massive digital transformation is underway in the grocery industry. Grocery is the largest retail category and represents a $1.1 trillion industry in the United States alone. But only 12% of grocery sales are made online today.1 As even more people shop online, online penetration could double or more over time.2

This shift is being driven, in large part, by consumer expectations growing more diverse and complex. We might be able to wait a couple of hours for our weekly shop but need popcorn in 30 minutes for an impromptu family movie night. Sometimes we want to buy groceries on our phones and sometimes in the store. We want grocers to understand our tastes and preferences and offer us a seamless, personalized experience everywhere.

We believe the future of grocery won't be about choosing between shopping online and in-store. Most of us are going to do both. So we want to create a truly omni-channel experience that brings the best of the online shopping experience to physical stores, and vice versa.

With the business of grocery changing so quickly, many retailers need a trusted partner to help them navigate this digital transformation so that they can drive success both online and in-store and serve their customers better — in all of the ways they choose to shop. It's especially important because their competitors — from established tech platforms to new startup disruptors — are trying to lure customers away from traditional grocers. If the neighborhood grocer who has been serving their community for decades can't find an edge, they may not be able to keep up.

That's where we come in.

Instacart is a grocery technology company. Thanks to the investments we have made over the last decade, we now deliver the best consumer online grocery experience anywhere. Consumers can search for products they love and discover new ones based on their tastes and preferences, build deeper relationships with their favorite retailers, and get what they need delivered to them when they need it. But we also put our technology and consumer expertise in the hands of our retail partners. Retailers understand that we invest more in technology custom-built for online grocery than any single grocer could — and that by partnering with Instacart, they can have the same technology edge as tech giants and startups, while also being able to focus on everything else it takes to run a successful business.

Today, Instacart partners with more than 1,400 national, regional, and local retail banners across more than 80,0003 stores that represent more than 85% of the U.S. grocery industry.4 Millions of households depend on us and our partners for their grocery needs.5 We power tens of billions of dollars in annual sales for retailers,6 which makes Instacart the leading grocery technology company in North America.7 Our GTV, representing the online sales we power for all of our retail partners, grew at a compound annual growth rate of 80% between 2018 and 2022, compared to 50% for the overall online grocery market and 1% for offline grocery.8 We have demonstrated our ability to help our retail partners drive strong growth and stay competitive in a complex and increasingly digital industry.

By combining the power of our technology and fulfillment capabilities with the expertise of retailers, we can help the national, regional, and local retailers that people already know and trust offer their customers an even better experience.

Instacart is building all the services retailers need to invent the future of grocery and transform the consumer experience, including:

- the most powerful eCommerce tools custom-built for online grocery — from product discovery, to personalization, to merchandising, to different payment models. All of this is available across Instacart Marketplace, where consumers can shop from their favorite retailers through our app or website, and Instacart Enterprise Platform, which allows retailers to use our technology to power their own websites, apps, and retail operations.
- the full range of fulfillment options that allow consumers to get an order in minutes, hours, or the next day — enabled by our best-in-class picking technology and community of dedicated shoppers who treat every order like their own.

- in-store technologies, such as connected hardware like AI-powered smart carts, mobile checkout, and electronic shelf tags, that enhance the brick-and-mortar experience, where approximately 90% of shopping takes place, and help retailers invent the store of the future.
- advertising that helps customers find new products and opportunities to save, enables CPG brands to reach customers at the point of purchase and within minutes of delivery and consumption, and opens up new revenue streams for retailers.
- data, insights, and analytical tools that help retailers optimize operations, reduce costs, and make the best strategic decisions.

This transformation will play out over decades, which is why we're making investments with a long-term focus. Every decision we make as a company stems from a fundamental belief that, in order to succeed, we need to work together across the entire grocery industry — supporting retailers and brand partners, giving consumers an affordable, accessible, and personalized experience they can't find anywhere else, and creating flexible earnings opportunities for shoppers.

We are in the business of growing our partners' businesses, which is reflected in one of our company's core values: "Grow the pie." In a world where success too often comes at the expense of someone else, we believe that there is more than enough to go around — and that, by working together with our retail partners, we can create more opportunities for the entire industry.

At Instacart, we know technology will play a crucial part in transforming the largest retail category in the world. We also know that the future of grocery should belong to the people who make it special today — and we can help them continue to innovate.

We hope you'll join our table.

Fidji.