



Gopuff: Online Shopping's Express Aisle

Summary:

The instant commerce company Gopuff delivers groceries and other must-haves to shoppers' homes within minutes of an online order. Co-founder and co-chief executive Yakir Gola tells Scottish Mortgage manager Tom Slater how he developed the business from a dorm-room experiment into a service relied on by millions, and the changes he's made to prepare for the next phase of growth.

Background:

Scottish Mortgage first invested in Gopuff in 2021.

The US-based company speedily delivers groceries, hot coffee and alcohol, among other items, without charging premium prices. Unlike rivals that send gig workers to pick up goods from third-party stores, Gopuff runs its own warehouses. Gola explains how that decision, taken in the firm's early days, helps it deliver exactly what customers ordered and keeps its prices competitive with the major supermarkets.

In this interview, Gola discusses Gopuff's partnerships with Amazon and Starbucks, why it has started offering free deliveries to US households receiving food stamps, and what's next on his to-do list.

"Consumers are price-sensitive, so if [Gopuff] can match the prices they experience outside of the convenience category or get closer and closer to those price points, then that just brings more and more users to them," says Tom Slater.

Timecodes:

00:03 Coming up...

00:48 Introduction

02:28 Yakir Gola interview begins

02:44 "5,000 products delivered in as fast as 15 minutes"

03:31 Making the family business millions of dollars



- 04:56 A better way to get stuff delivered
- 07:20 Capital from California
- 10:33 Keeping control of its own warehouses
- 13:20 The FAM membership scheme
- 14:44 Free deliveries to families on food stamps
- 18:22 Fresh produce and everyday essentials
- 21:06 Partnering with Starbucks
- 23:37 An alliance with Amazon UK
- 24:52 Focusing on the long term
- 27:24 Recalibrating after Covid
- 30:55 A lesson from Steve Jobs
- 33:06 In growth mode, again
- 35:15 Sharing ownership
- 37:39 Drawing on expert advice
- 41:13 Taking the hassle out of shopping
- 44:09 Tom Slater on the investment case
- 51:26 Podcast lookahead

Glossary of terms (in order of mention):

Instant commerce:

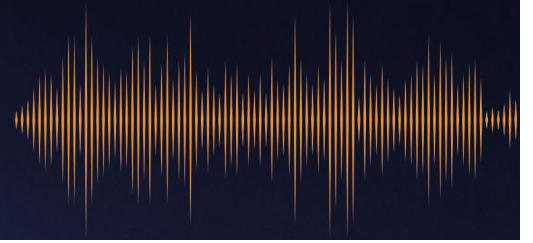
The category of online retail focused on delivering goods within minutes of an order, rather than within hours or the next day.

Bootstrapped:

When an entrepreneur starts and grows a business using his or her own money and cash generated by operations rather than outside investors.

Free cash flow:

Cash left after paying for operating costs and investment needed to run the business.



Venture capital:

Money invested by specialist investors in early-stage or high-growth private companies.

Vertically integrated:

When a company owns and controls more of the supply chain itself, such as inventory and warehouses.

Series A:

An early major round of external fundraising.

Inventory integration:

The systems that let a company know what products are actually in stock and available to sell or deliver.

FAM membership:

Copuff's paid subscription programme, which waives delivery fees and offers discounted prices in return for a monthly charge.

Supplemental Nutrition Assistance Program (SNAP):

A US government food support scheme for people on low incomes.

Private label:

Products sold under a brand owned by the retailer.

Capital markets:

The financial markets where companies raise money from investors.

Unit economics:

The profit or loss made on each order, customer or unit.

Same-store sales growth:

Sales growth from existing locations, excluding new ones.