Uber starts allowing Eats orders inside its main app



Just one week after CEO Dara Khosrowshahi hinted that Uber was experimenting with cross-promoting its food delivery service in the company's main ride-hailing app, *TechCrunch* has dug up exactly what that looks like. The company is currently rolling out a way for customers to place Eats food delivery orders inside the main Uber app.

If a customer does not already have the standalone Uber Eats app, and lives in one of the hundreds of cities where Eats operates alongside ride-hailing — but, crucially, one where there are no scooters or bikes available, meaning New York, Los Angeles, or San Francisco are not included here — the Eats logo will now show up in the top right corner of the main Uber app. Tapping the logo will bring up a fully functioning web browser version of Uber Eats, where customers can place an order just like they would in the main Eats app.

Uber says this integration is now live in those markets on 100 percent of iOS devices, while the Android rollout began this week and is up to about 17 percent. The company declined to

share any feedback it’s collected on the Eats integration. Originally launched in 2014 as “UberFresh,” Uber Eats was part of the main Uber app until the company spun it out at the end of 2015.

Uber Eats was part of the main app until late 2015
Khosrowshahi said last week on a conference call with investors that Uber was in the “very, very early” stages of “exploring the many, many ways in which [Uber’s] rides business can help continue to build [its] Eats business, and vice versa,” and said that the company had seen “very, very encouraging” early returns.

Uber is eager to promote Eats for a few reasons. Eats generated $536 million in revenue for Uber in the first quarter of 2019, and the company believes it will only continue to grow. “It is a huge category, and there are some folks that believe that the food category can be larger than the rides category,” Khosrowshahi said last week. Food delivery is indeed growing so fast that an entire industry of “ghost restaurants” has sprung up to serve the demand.

Uber also loves Eats because it gives the company a way into countries that would otherwise block or hamper its ride-hailing service. By establishing the Eats service in these markets, the company believes its chances increase of eventually introducing ride-hailing.

To that end, Uber views Eats as a way to soak up some of the massive losses attributable to its ride-hailing business. And since Eats is attracting lots of new customers who didn’t already use Uber for ride-hailing, it’s possible Uber will eventually try the reverse of this cross-promotion integration. Khosrowshahi said last week that 50 percent of Eats customers don’t use Uber for ride-hailing, meaning the food delivery service is bringing in a lot of new users. “These are customers that then we can upsell into the rides business,” he said.

https://www.theverge.com/2019/6/5/18654128/uber-eats-main-app-food-delivery-scooters-bikes