

Fast grocery delivery app Jiffy raises \$28m to fuel growth around UK as sector competition intensifies

Jiffy has announced it has raised \$28 million (£20.4 million) to fuel expansion outside London as the UK's speedy grocery delivery market sees competition intensify.

The fast-growing sector has exploded in 2021, with the likes of Jiffy, Getir, Zapp and Weezy all vying alongside Deliveroo and Uber Eats to be Londoners' app of choice for last-minute vegetable and snack deliveries. (Grocery delivery now makes up over 10% of Deliveroo's UK revenues).

Adverts for all have popped up everywhere from Instagram to the Tube in recent months, many offering at least £10 off a first order. Most operate from so-called "dark stores" (warehouses) and promise to deliver your oat milk within 15 minutes.

Analysts at Berenberg have estimated the sector will be worth £4.4 billion in the UK by 2025.

All the rapid grocery delivery firms have received millions in venture capital injections, and compete on their apps' interfaces and technological offering.

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Rider treatment is another competition point. Several of the new apps, including Jiffy, employ riders and provide a bike or e-bikes rather than using a gig economy model.

Jiffy, founded by Russian e-commerce experts Vladimir Kholiaznikov and Artur Shamalov, the startup aims to match retail prices and has raised a total of \$35 million since launching in April from a range of investors including HEARTLAND, Boston-based VC fund Flint Capital and gaming firm Playrix.

It has established eight London stores and is planning to offer click&collect.

The founders plan to use the new cash to invest in their tech platform and further expand retail operations around London “and further afield in the UK”.

Kholiaznikov said: “Our service is about meeting the demands of the ‘need it now’ customer – a group that we predict will continue to grow as customer expectations increase. In fact, the customer of tomorrow isn’t a digital native – but a mobile native – those who are used to accessing anything they need at any time, from anywhere.”

Lise Kaae, CEO of HEARTLAND said; “The Jiffy team has managed to impress us with their ambitious plans and effective execution, and we are excited about the journey ahead operating in a highly dynamic and exciting growth market.”

Some of the other major new grocery delivery apps competing for Londoners’ orders:

Gorillas

Gorillas is Germany's fastest "unicorn" (a startup valued at \$1 billion or more). The app claims it is "faster than you", with a delivery time of 10 minutes or less. It launched in Berlin in May 2020 and came to London in March. It also operates in the US, Spain, Italy, the Netherlands and Belgium.

The company has faced protests from its riders in Berlin, who have staged a series of protests over pay and equipment.

Gorillas has insisted it cares about riders and has been "in continuous exchange with them to get their feedback and their perspective in order to make things better for them".

Getir

Istanbul-based Getir, founded in 2015, promises "cold beer in minutes" delivered on its purple and yellow scooters. It is Europe's leading player in the grocery delivery space, has raised over \$1 billion and has been valued at around \$7.5 billion.

Backers include tech investor Sir Michael Moritz and the Abu Dhabi sovereign wealth fund. It currently has around 2,000 UK drivers and is expanding rapidly.

Zapp

Zapp only launched in West London earlier this year, but now covers most of central London and has raised \$100m from investors including former Amazon UK boss Christopher North. The company now has over 30 stores and warehouses, with a headcount of more than 200 employees in its London headquarters.

It pays riders an hourly wage and promises delivery on e-bike within 20 minutes, 24/7, and offers tobacco and over-the-counter medicine as well as groceries.

Weezy

Weezy launched in response to the pandemic-fuelled demand for home food and other deliveries. It promises to deliver within 15 minutes and has raised over \$20 million in cash from venture capital firms including New York-based fund Left Lane Capital, and UK-based funds DN Capital and Heartcore Capital.

Its deliveries are made on bikes or electric mopeds, and founders Kristof Van Beveren and Alec Dent, plan to have at least 45 “fulfilment centres” across the UK by the end of 2021.

Last week Bloomberg reported that the company had hired brokers Evercore to find a buyer.

Dija

Dija, which was founded just eight months ago by former Deliveroo execs, also promises to deliver within 10 minutes. Backed by London-based Blossom Capital, and Sweden-based Creandum – backer of Klarna and Spotify – it was sold to US food delivery firm Gopuff last month.

The app even pledges three months of free delivery if the goods don't arrive in a 10 minute time-slot.