

# Uber and DoorDash reportedly held merger talks pushed by investor SoftBank last year, which ultimately failed

BI [businessinsider.com/uber-doordash-try-and-fail-to-merge-at-investor-softbanks-request-2020-1](https://www.businessinsider.com/uber-doordash-try-and-fail-to-merge-at-investor-softbanks-request-2020-1)

Tim Levin Jan 30, 2020, 10:11 PM



Uber and DoorDash considered a merger last year that would have brought together two major names in the food-delivery industry, according to a [Financial Times report](#) citing people familiar with the talks.

While Uber and DoorDash ultimately didn't come to an agreement, the Financial Times reports that the two companies are still open to consolidation, either with one another or with other rivals. Japanese conglomerate SoftBank, which holds stakes in both companies through its \$100 billion Vision Fund, reportedly pushed for the talks, which took place around six months ago.

The Financial Times reports that the top brass at DoorDash were initially hesitant to discuss a merger, convinced instead that their service was better positioned for growth than Uber Eats, Uber's rival offering. According to the Financial Times report, DoorDash claimed 37% of US online food-delivery sales in December, while Uber was responsible for 21%.

Those cited by the Financial Times said SoftBank encouraged the merger due to concerns about Uber's viability in the food-delivery space. Uber Eats is currently a money loser for the company; through the third quarter of 2019, Uber [posted a \\$316 million loss](#) from its Eats division.

The company has not shied away from repositioning its delivery businesses in the past. [Last October](#), the ride-hailing giant ceased food-delivery operations in South Korea — the [fourth largest market](#) for online food delivery — after trying to secure a foothold there for two years. Earlier this month, Uber [sold off its Indian Eats division](#) to Zomato, a local start-up, in exchange for a 9.99% stake in the company.

In 2018, Uber [closed down](#) its on-demand delivery offshoot, Uber Rush. And in March of last year, Uber bought Careem — an app based in the Middle East, whose services include both food delivery and ride hailing — for [\\$3.1 billion](#).

Though the online food-delivery industry has been growing rapidly — monthly sales nearly doubled from early 2018 to late 2019, according to analytics company [Second Measure](#) — the numerous services in the space have struggled to turn a profit. As such, Uber is not the only player that has sought to cut losses and boost revenues through mergers and acquisitions.

Last year, [Caviar sold to DoorDash](#) for \$410 million in stock and cash. Currently, Dutch delivery company Takeaway.com and British service Just Eat PLC are working on a [\\$7.7 billion merger](#). Reports have also circulated that [Grubhub](#) has been looking to sell for months, eliciting interest from Walmart, Kroger, and other grocers, but a spokesperson for Grubhub reached out to tell Business Insider that the company has "no process in place to sell the company" and "currently no plans to do so."

The talks between DoorDash and Uber also came around the same time as WeWork, another SoftBank holding, was preparing an IPO, which eventually collapsed. SoftBank reported a [\\$6.5 billion loss](#) in the third quarter of last year, due in part to big bets on WeWork and Uber.

The SoftBank Vision Fund's [portfolio](#) includes investments in other companies related to food delivery, such as Colombian startup Rappi and [Alibaba's Koubei](#).

*This story has been updated to add a statement from Grubhub refuting reports of its potential sale.*

Axel Springer, Insider Inc.'s parent company, is an investor in Uber.

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