

Grubhub orders up payment perfection. PayPal Open delivers with payment optimization.

What began in 2004 as an alternative to paper menus has become a leading global online delivery marketplace.

Grubhub created one of the first online platforms for food delivery. Since its earliest days, Grubhub has helped independent restaurants leverage the digital economy to modernize operations, expand reach, and better connect with diners at home and work. And restaurant owners love them for it.

While Grubhub has expanded its offering to serve convenience stores and bodegas, their core mission has never wavered: champion restaurants, strengthen their roots and connections to their communities, and help increase their positive impact. Their network now includes more than 415,000 merchants in over 4,000 US cities.

But Grubhub's meteoric rise needed the right provider. Enter PayPal Open.



25%

authorization rate boost on recurring transactions with PayPal¹

250 BPS

card authorization rate uplift with PayPal Optimization Suite¹



The opportunity

Grubhub's order volume demanded a streamlined checkout

As Grubhub grew to process nearly \$6 billion in sales volume,² they discovered that even their most loyal customers could lose their appetite during an extended checkout process.

The challenge was clear: in the hyper-competitive food delivery landscape, payment failures are conversion killers. When a customer encountered authorization hurdles during checkout, they were more likely to abandon their order entirely. For Grubhub, a business built on convenience and speed, this represented a critical pain point that demanded attention.

"Any time a customer hits authorization friction during checkout on Grubhub, they are much more likely to attrit," said Emma Cai, Director of Product, Lifecycle and Commerce at Grubhub.

The stakes were particularly high for Grubhub's subscription model, where payment reliability directly impacts customer retention and lifetime value. There should be no speed bumps between hungry customers and their favorite meals that jeopardize the seamless experience modern consumers expect.

And in no short order, that's where PayPal Open stepped in to cook.

The solution

Served up nice and hot, PayPal Payment Optimization Suite

Grubhub implemented PayPal Open's comprehensive Enterprise Payment Optimization Suite to streamline every stage of the payment experience.

Security was at the heart of the solution. With PayPal Vault, Grubhub helps safeguard customer information through advanced encryption and tokenization, turning sensitive payment details into reusable tokens that reduce PCI scope and fraud risk. PayPal's Network Tokenization technology adds another layer of protection by replacing traditional payment credentials with merchant-specific tokens to enhance security and increase issuer confidence.

Customer experience was also key. By utilizing PayPal Vault and Network Tokens, Grubhub could maintain payment continuity even when customers updated their payment methods.

PayPal Account Updater further improved Grubhub's customer experience, removing the need for customers to manually update their payment details. And PayPal Smart Retries helped elevate transaction recovery strategies by using machine learning to find the best recovery mechanism for each transaction, which reduced unnecessary fees.

"All features within the Optimization Suite that improve authorization rates reduce unnecessary friction and cognitive burden for our customers," said Cai.

Finally, Grubhub deployed dispute management through Dispute Automation, streamlining chargeback recovery processes, and reducing manual intervention requirements.

The impact

Results that satisfied

The impact was immediate and substantial. With PayPal Payment Optimization Suite fully deployed, Grubhub achieved authorization rates that far exceed industry benchmarks.

The numbers tell the story: PayPal Payment Optimization Suite delivered an impressive incremental lift of 250 basis points in authorizations, leading to an increase of \$89.4M in revenue.³ Also, PayPal as a payment method increased Grubhub's US subscription authorization rates by an incremental 25% compared to other leading digital wallets.¹ "This is a major win for our customers, as it removes a barrier in the most critical part of our conversion funnel," shared Cai.

The customer experience improvements were equally significant. Cai concluded, "By improving authorization rates in checkout, we are ensuring a seamless experience and improving the likelihood of our customers returning to our platform."

All this success has Grubhub considering additional PayPal Open solutions.

"PayPal Account Linking is something we are interested in exploring further as a means to reduce payment onboarding friction for our customers," noted Cai.

Whip up real results with PayPal Open

Grubhub's collaboration with PayPal demonstrates that when it comes to payments, the right technology can transform not just transaction success rates, but the entire customer experience. For a company that built its reputation on delivering satisfaction, PayPal Payment Optimization Suite serves up exactly what Grubhub ordered.

Take your business further, faster with [PayPal Open](#).

¹Source: PayPal Internal Data, Aug 2023 – Jul 2024.

²Source: FY 2024 sales volume, Grubhub Internal Data, Nov 2025.

³Source: PayPal Internal Data, Jan – Dec 2024.

These results may not be typical and may vary substantially by business. This content is provided for informational purposes only. Independent business, tax, financial, and legal advice should be obtained before making any business decision.



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