

THE MARK OF QUALITY WOOL

NOT ALL INTELLIGENCE IS ARTIFICIAL



WOOLMARK

Disrupt 2026: OpenAI, Anthropic, Replit, and more take over 6 industry stages. [25% off tickets now](#)



## Small business payments and marketing startup Fivestars raises \$52.5M

Anthony Ha

12:07 PM PDT · October 15, 2020

It's a difficult time for small businesses — to put it mildly. And [Fivestars](#) CEO Victor Ho said that many of the big digital platforms aren't really helping.



Ho argued that those platforms (whether they offer delivery services, user reviews or marketing tools) all have the same underlying model: “They seek to take over a small business’ customer base and then charge them a tax to start reaching those customers.”



Superficially, a company like Fivestars, which has created software to support small business payments and marketing, might not sound that different.

But Ho said that the startup actually takes the “opposite” approach, because Fivestars isn’t trying to build up a big “walled garden” of its own customers that businesses pay to access. Instead, businesses pay for the software, which they use to build a database of their own customers; they don’t have to pay to reach those customers.

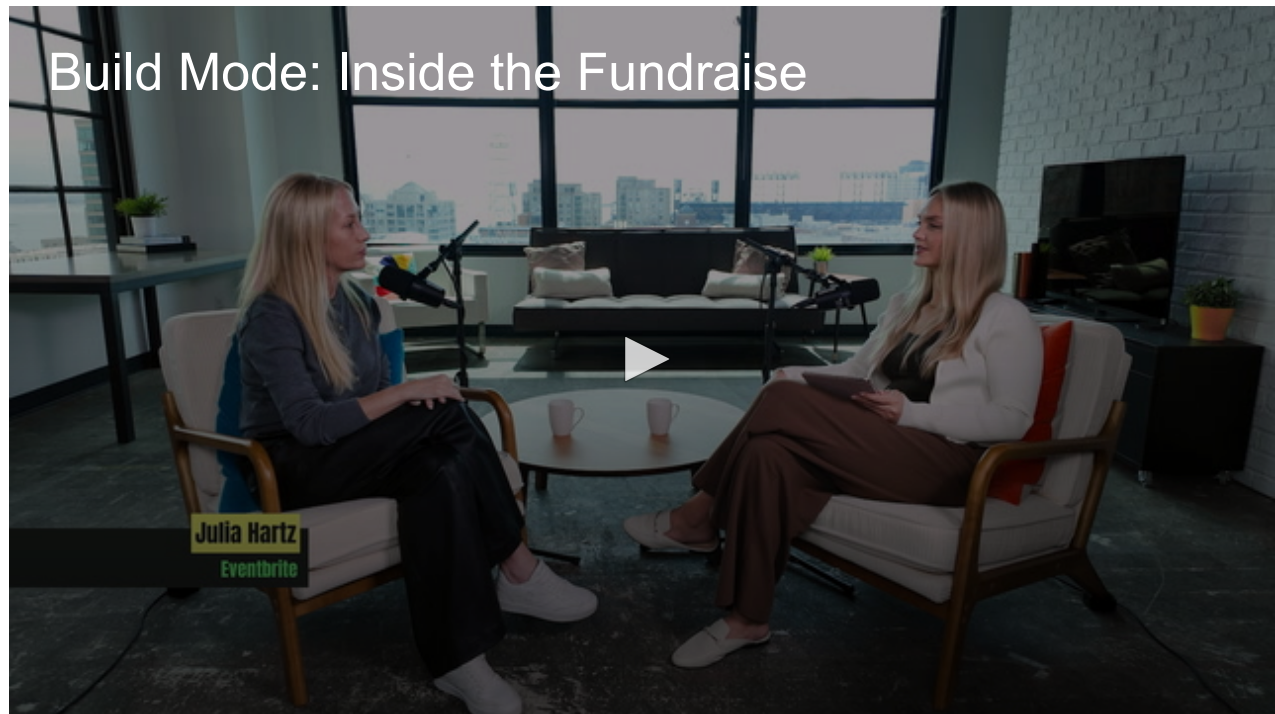
“The incentives are more aligned,” he said.

IMAGE CREDITS: FIVESTARS

The Fivestars platform includes its own payment product, integration with other point-of-sale systems, marketing automation that delivers personalized messages to customers and a broader network of 60 million shoppers, allowing for cross-promotion across different Fivestars businesses.

The startup is announcing today that it has raised \$52.5 million in new

its total funding to \$145.5 million. The round was led by Salt Partners, with participation from Lightspeed Venture Partners, DCM Ventures, Menlo Ventures and HarbourVest Partners.



Ho said Fivestars actually closed the round before the COVID-19 pandemic, but the team decided to hold off on the announcement because it seemed like a bad idea to “flaunt” the company’s bank account when so many of its customers were suffering.

The company has seen “record usage” during the pandemic, with 1 million new shoppers joining the network every month. At the same time, Ho acknowledged that the pandemic has caused Fivestars to shift its strategy. Originally, the goal for the funding was “just to keep growing our portfolio of merchants across our existing products,” but he said, “What changed pretty dramatically through this period for us was emphasizing the payments piece and the network” and focusing on “what small businesses need more than ever.”

Ho also noted that during the pandemic, the company has provided customers with more than \$1 million worth of credits and also made more of its products free to use.

Advertisement

“It’s very clear that small businesses are incredibly resilient,” he added. “Particularly when it comes to the category of experiences — you’re not going to take your wife on a date to Pizza Hut; when you go to Paris, you’re not going to go to generic chains.”

In the funding announcement, Natasha Teague of Fort Lauderdale health food store [Tropibowls](#) described the Fivestars platform as “a huge help.”

“The value of being able to communicate with our customers and share updates in real-time has been immeasurable,” Teague said in a statement. “The power of Fivestars’ expansive network and payment tech has made our reopening process seamless and a lifesaver as we navigate new needs as a result of the pandemic.”

## FiveStars Gets \$50M To Help Small Retailers Run Loyalty Programs Like Their Bigger Rivals

FiveStars, a five year-old startup that has built a platform and app to run loyalty programs and shopping analytics for small brick-and-mortar retailers, has received a reward of its own: the company has raised a round of \$50 million, funding that it plans to use to continue its focus on “mom and pop shops” and building ... [Continue reading](#)



TechCrunch

## [Victor Ho](#)

When you purchase through links in our articles, we may earn a small commission. This doesn't affect our editorial independence.



**Anthony Ha**



Anthony Ha is TechCrunch's weekend editor. Previously, he worked as a tech reporter at Adweek, a senior editor at VentureBeat, a local government reporter at the Hollister Free Lance, and vice...

[View Bio](#) >

Advertisement

### **DISRUPT**

**October 13 – 15 | San Francisco**

Last day to book an exhibit table is September 18. Don't miss out on high-impact leads, investor access, and a brand spotlight in Disrupt's Expo Hall.

**BOOK NOW**

## Most Popular



- OpenAI caught its models leaving notes to successors to hide bad behavior
- Clean tech startup Fluxnium found a way to tap 50,000 years' worth of nuclear fuel
- Salesforce and Nvidia's new reasoning model is everything the AI labs should fear
- Jensen Huang took a call from Trump, and showed off something else, too
- The 9 buzziest startups from Y Combinator's latest Demo Day, according to VCs
- Tesla says it will finally unveil the second-generation Roadster on October 1
- Revolut confirms customer data breach through fake government requests

Loading the next article





[TechCrunch](#)

[Staff](#)

[Contact Us](#)

[Advertise](#)

[Site Map](#)

[Terms of Service](#)

[Privacy Policy](#)

[RSS Terms of Use](#)

[OpenAI](#)

[Hugging Face](#)

[Flock](#)

[Startup Battlefield](#)

[Disrupt 2026](#)

[Tech Layoffs](#)

[ChatGPT](#)

---

© 2026 TechCrunch Media LLC.

[Do Not Sell or Share My Personal Information](#)