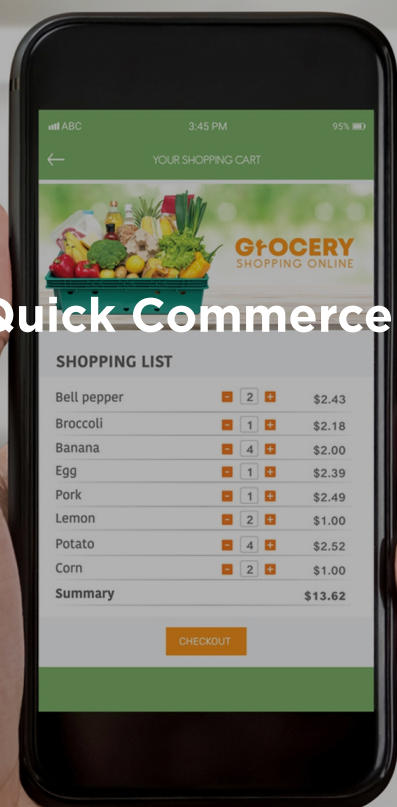


# Quick Commerce in 2022: An Era of Hyperlocal Delivery

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BY OSHEEN



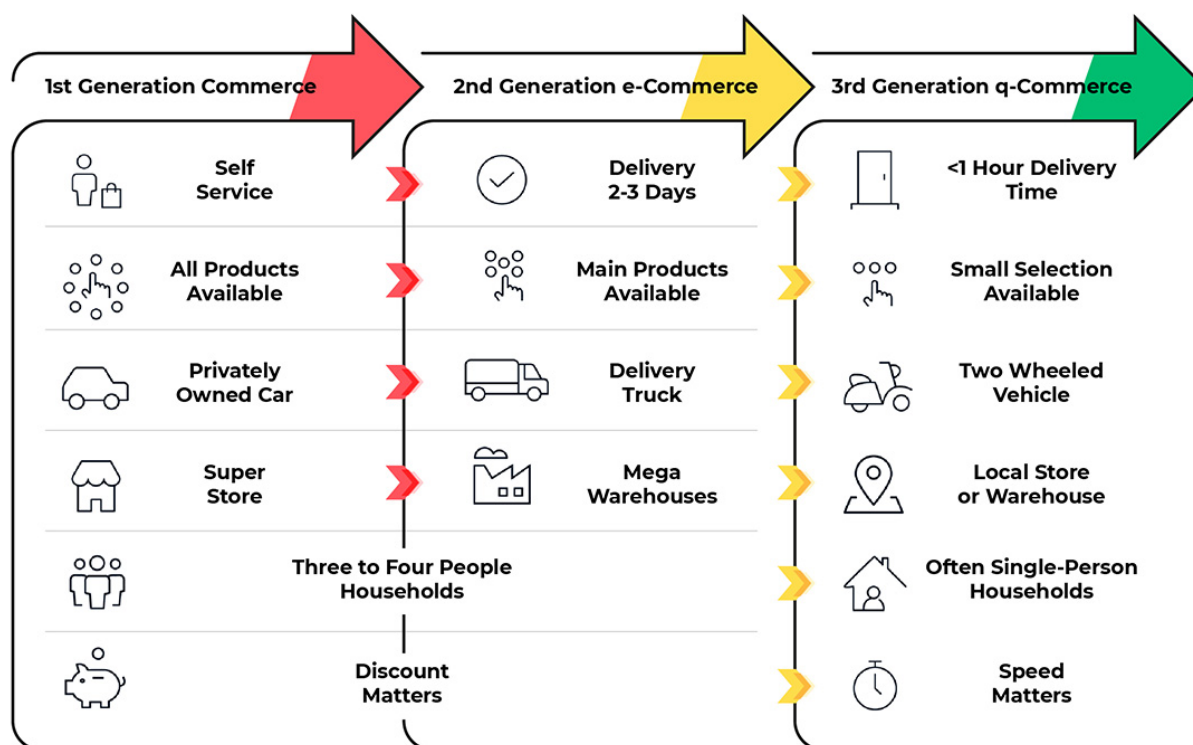
Busy lifestyles, urbanization, aging populations, and smaller households led to the preference for convenience and efficiency in eCommerce deliveries. However, the Covid-19 pandemic caused a massive shift in customer demand and buying decisions. The modern consumer journey moved from takeaway food to online shopping to quick or same-day deliveries. With evolving digital touchpoints, customers now favor fast deliveries and convenience.

According to a [2020 survey](#) by KPMG in the UK, 43% of consumers chose next-day delivery, a 4% increase from last year. Interestingly, 17% of consumers abandoned a brand if they faced a longer delivery. Standard delivery time has shortened from 3 to 4 days and two-day shipping to next-day or same-day delivery. This increasing trend of quick delivery has led to the boom of quick commerce or Q-Commerce. Quick commerce or on-demand delivery refers to retailers that deliver goods in under an hour or as quickly as 10 minutes. The rise of Q-commerce is caused by changing consumer behavior and rising expectations since the pandemic.

In this blog, you'll learn about quick commerce or Q-Commerce and its benefits. You'll also read about factors to consider for quick commerce and tips to implement this business model.

## 1. What is Quick Commerce?





### On-Demand Delivery

Quick commerce or on-demand delivery is a set of sales and logistics processes that empowers eCommerce businesses, restaurants, grocery chains, and manufacturers to deliver products in less than 24-hours. A [study](#) shows that 41% of consumers are willing to pay for same-day delivery while 24% of customers will pay more to deliver their items within a one- or two-hour window.

Changing lifestyles and customer behavior directly impacted the rise of Q-Commerce. The takeaway food industry had used quick commerce for many years. But with Q-Commerce businesses consistently cutting delivery time, quick commerce for instant grocery delivery has become a new trend. For instance, India-based online grocery delivery firm [Grofers rebranded to Blinkit](#) amid rising competition, promising 10-minute instant delivery.

## 2. How quick is Quick Commerce?

The post-pandemic lifestyle & the rise in the number of small and single-person households has led to an increase in demand for products in small quantities that need to be delivered sooner than later. Sometimes in as little as 10 minutes! This trend is oriented towards specific products such as packed or fresh foods, Groceries, Food delivery, Gifts, Flowers, Medicines to name a few.

## Key Quick Commerce Categories



*Quick Commerce Categories*

Local shops that can reach more customers with less friction have swapped traditional brick-and-mortar warehouses to cater to an urban population. These online Q-Commerce stores can deliver goods from favorite stores and offer a vast choice of products that are available 24/7. However, it requires real-time inventory management, data-driven pricing management, innovative logistics technology, a fantastic rider community, and a proper assortment.

### 3. Factors to consider for Quick Commerce

## Competitive Assortment & Pricing - the need of the hour in the exploding Q-Commerce space in Europe



Competitive Assortment & Pricing

### a. Assortment

With growing competition, getting product assortment right isn't easy for quick commerce businesses, yet it's critical to their success. To optimize assortment for quick commerce stores, they need to understand how demand differs between demographics and various stores. Since quick delivery involves packed and fresh products, it is even more essential to carry a unique assortment for each store.

Data analytics will help Q-Commerce businesses understand which products are repeatedly purchased in every store. It also **helps identify high-demand gaps in your competitors' platforms**. Assortment analytics can help distinguish shifts in customer behavior across short- and long-term demands. The key to increasing sales is shaping inventory to match the overlap between market opportunity and consumer interest. With assortment analytics, they can determine the optimal mix of products for their daily inventory.

### b. Pricing

Pricing information is readily available on quick commerce businesses, allowing customers to compare prices before making purchase decisions. Before deciding on a product, shoppers actively track the best deals on platforms across various Q-Commerce delivery platforms. According to a survey, 31% of consumers rated price comparisons as the essential aspect of
















their shopping experience. **Understanding price perception** can help quick commerce companies to optimize their pricing strategy while remaining competitive.

A competitive pricing strategy does not imply that Q-Commerce businesses have to cut prices. Instead, **it's about adjusting prices relative to your competitors** but not significantly impacting the bottom line. Competitive pricing provides real-time pricing updates, allowing quick commerce platforms to drive sales by nailing their pricing strategy.

### c. Delivery Time

## The Grocery Delivery Race in India

STARTUP	DELIVERY TIME	STARTUP	DELIVERY TIME	STARTUP	DELIVERY TIME
 G* GROFERS	10 mins	 SWIGGY instamart	15-20 mins	 Nature's Basket	90 mins
 zepto	10 mins	 OLA	10-15 mins	 JioMart	3-4 days
 bigbasket	90 mins, piloting 10-20 mins	 amazonfresh	120 mins	 pasar mall	3-4 days
 DUNZO	19 mins	 Flipkart Quick	90 mins	 D.Mart ready	2-5 days
				 easyday Club	24 hours

Source: The CapTable Research

THE CapTable  
A product

Grocery Delivery Race In India

Delivery time has become the game-changer in quick commerce, with platforms fighting over shorter delivery times. Unpredictable factors such as specific delivery windows, last-minute customer requests, and traffic congestion can wreak havoc in your planning. Optimizing your delivery time can improve operational efficiency through faster delivery, quick route planning, and driver monitoring.

Big eCommerce platforms like Amazon offer same-day or next-day delivery to prime members with no extra fee on minimum order criteria. The only demand of customers who do not worry about discounts or lower wholesale prices is quick delivery. The demand for quick delivery services has led to many global retailers offering same-day delivery to meet those expectations.

#### d. Demand Forecasting

Since quick commerce is a viable solution for certain products, businesses must determine what customers want and when they want it. Q-Commerce businesses can use historical data to predict future sales patterns with demand forecasting. It ensures that Q-Commerce businesses can limit wastages and their inventory can cater to a targeted market. Demand forecasting also helps to replenish stock based on real-time data. Furthermore, companies can **identify bottlenecks and points of wastage in the supply chain** with a demand-driven system in place.

### 4. Benefits of Quick Commerce



*Q-Commerce Benefits*

#### a. Competitive USP

Q-Commerce businesses get new value propositions because customers that need immediate delivery are willing to try new brands and order from new stores. It also allows online Q-Commerce businesses to compete with global marketplaces and brick-and-mortar stores.

We at DataWeave have helped quick-service restaurants (QSRs) that are going the Q-Commerce route & selling via food aggregator apps to increase their revenue significantly. Our AI-Powered Food Analytic solutions have helped QSRs **diagnose improvement areas, monitor key metrics, and drive 10-15% growth**. Our data has helped them understand availability during peak times, monitor product visibility by region, track competitors, and choose suitable banners for promotion. Read more about that [here](#).

### **b. Increase margins**

A study from Deloitte suggests that **50%** of online shoppers spend extra money to get convenient delivery of the products they need during the pandemic. These customers also paid extra for on-demand fulfillment and bought online pick-up in-store options.

Since the assortment of products in quick commerce is relatively small, Q-Commerce businesses can drive sales for their most profitable product lines. There is a potential for greater margins because wealthier demographics often require convenience. For instance, time-stranded professionals value convenience over discounts.

### **c. Customer experience is paramount**

With quick commerce, retailers can meet customer expectations and exceed them, fostering brand loyalty. Quick commerce addresses customer pain points such as running out of food before a small party or getting a birthday present for your friends. It can simply help people who cannot make it to the shop or stock up essentials.

## **5. How to implement Quick Commerce**

## Get your Business Q-Commerce Ready



*Implementation of Quick Commerce*

### **a. The need for local hubs**

To pack and deliver products in under an hour, businesses must be located close to the customers. Therefore, quick commerce relies on local warehouses that can serve customers in immediate proximity. Since the duration of two-wheelers is less likely to be impacted by heavy traffic or parking spaces, delivery services employ riders to deliver products.

### **b. Ensure you have the right analytics in place**

Another essential part of running a quick commerce business is to have a web or phone application that can facilitate online ordering and offer accurate stock information to customers. Q-Commerce businesses also need a real-time inventory management tool that will provide insights into stock levels and allow for quick reordering and redistribution of products. This will also prevent deadstock and stockouts.

DataWeave's **Food Delivery Analytics product suite** helps companies to increase order volumes, understand inventory, and optimize prices. It also



provides access to discounts, offers, delivery charges, inventory, and final cart value across all your competitors.

### c. It's all about stock availability & assortment

Q-Commerce in the Grocery Delivery space is excellent for specific product niches like packed or fresh foods and vegetables, drinks, gifts, cosmetics, and other CPG products that customers use every day.

The stock assortment is as important in the Food Delivery space with restaurant chains like McDonald's or Burger King that generate as much as **75%** of their sales from online orders. These businesses have to make sure they're carrying the most in-demand product assortment there is.

## Conclusion



*Same Day Delivery*

The rise of quick commerce represents the next big change in eCommerce, accompanied by a shift in consumer behavior towards online grocery shopping and food ordering. When positioned with proper assortment and pricing, instant delivery services can allow Q-Commerce businesses to capture the influx of consumers looking for speedy delivery. By tapping into big data from quick commerce markets, Q-Commerce businesses can gain insights into consumer demands.

If you're a Q-Commerce business in the **Food Delivery** or Grocery Delivery space, **reach out to our experts at DataWeave** to learn how our solutions can help you understand the best Pricing Strategy, Delivery Time SLAs, Assortment Mix you need in order to successfully sell on Q-Commerce platforms.

**- Osheen Jain**

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