

Quick commerce 101: A quick guide for brands to navigate

#### **Description**

Adding qCommerce to eCommerce across different sectors has transformed the notion of order fulfilment. As we speak about how eCommerce has evolved over the years and how much time it took for the industry to establish its foothold in the era of brick-and-mortar stores, likewise, we can further talk about how Quick Commerce, or Q-Commerce, is shaping the daily lives of consumers through its fast-paced and efficient process.

The blog gives a glimpse into how Quick Commerce is penetrating the daily lives of consumers and how you, as a brand, can capitalise on the growing Quick Commerce trends for your business.

#### What is Quick Commerce?



Widely known as eCommerce's next generation, Q-Commerce is a revolutionary process offering lightning-fast essential deliveries in a time span of 15 minutes to 1 hour at the maximum. Quick Commerce is highly integrated with specific categories such as groceries, stationery, pharmacy, personal hygiene care, office supplies, etc.

Search for "Christmas Gifts"

Q

# ınstamart

Delivering in 
10 Mins



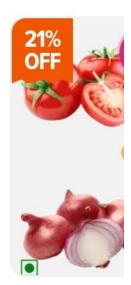
## Top picks for you

based on what's popular around you

See All

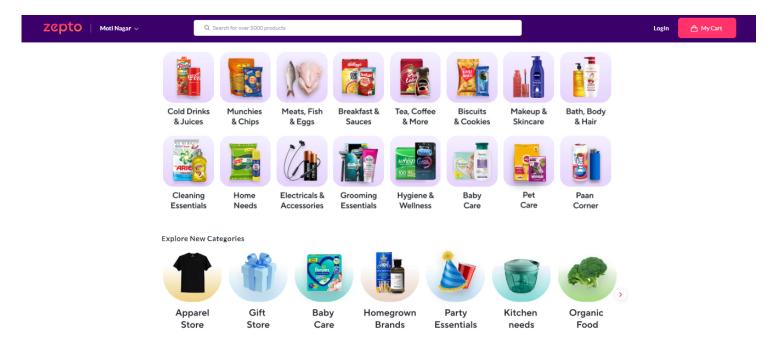






#### Lightning-Fast delivery ft. Instamart

This unique business model works better with streamlined operations and micro-warehouses located in close proximity to the customers. With increasing demand, more and more brands have started investing in multiple categories, such as gift items, electronics, beauty stores, and even clothing, on quick commerce platforms.



Source: Zepto

Being a time-sensitive model, it allows brands to increase profitability by streamlining products and catering to an audience willing to pay more for the speedy fulfilment of the order. What makes it more relatable is that it addresses common challenges for consumers while elevating the customer experience through its lightning-fast delivery, enabling brands to attract a more significant chunk of their audience amid this competitive landscape.

According to the report by Bain & Company, in India, over the past year (2022), Q-commerce orders have risen and now make up about 40% to 50% of India's e-grocery spending. Leading Indian companies have increased their unit economics by combining value-added fees, better order volume, average order value growth, and scale. Approximately 80% of orders are recorded from the top 10 cities (Tier 1). However, expansion beyond Tier 1 cities is feasible.

#### **Embracing Q-Commerce: A Brand's POV**

Q-Commerce holds enough potential to smoothly sail through this fierce race of "wanting to get things done within minutes." This aligns with the objectives of qCommerce platforms!

From prominent US' platforms such as Instacart and golocal (walmart) to Indian-based apps like Swiggy Instamart, Big Basket Now, Zepto, and Blinkit. The industry is a solid hit worldwide, with a growth rate of 11.74% and a projected market volume of US\$251.50bn by 2028 (Statista).





### You have unlocked 7 new coupons Explore Now





Aashirvaad Select Whole Wheat Sharb... 10 kg



₹529 ₹650



Orange Kinnow 1-1.05 kg



₹42

<del>₹53</del>



Celery 200 g



₹68

₹85

### You Might Have Missed





Mother Dairy
Toned Fresh Milk



**Amul Mast** 

#### **Recommended Products, Source: Zepto**

Structured campaigns tossed with personalised recommendations under the "suggested for you" and "you might also like" sections are trailblazing, as these quick suggestions often trigger human psychology, and many customers end up adding recommended products to the cart layered with a slice of convenience and content.









Lay's American Style Cream & Onion Potat...

40 g

₹19 ₹20





Lay's West Indies Hot n Sweet Chilli Flavou...

48 g

₹20





Harvest Gold 100% Atta Whole Wheat B...

450 g

₹55



## Before you checkout







#### Add-on Product suggestion, Source: Blinkit

To scale effectively, it becomes imperative for brands to act swiftly on both the front and back. From offering flexibility and swift delivery to running campaigns and up-to-date inventory management, these are the key factors necessary for a retailer to succeed in this business.

However, managing qCommerce isn't as easy as it seems, but with strategic planning and technology, relevance can be maintained throughout. While talking about India's qCommerce market, it is expected to reach a market size of **5.5 billion USD with a 15x growth rate by 2025** (Redseer). The operations are capital intensive, as the dark or micro-stores need to be set up locally to fulfil the set delivery time.

#### **Characteristics of QCommerce**

1. **Time Sensitive:** Qcommerce's primary focus is on faster delivery and convenient checkouts, as

convenience in the first of the



Round-The-Clock Delivery

2. Customer experience and personalisation remain crucial elements in the success of this business, right after time sensitivity. A seamless experience with an interactive user interface and personalised recommendations and suggestions through data-driven insights adds more

value.



- 3. **Improved Scalability:** With highly embedded technology, businesses are easily scaled across these platforms as orders and transactions are handled simultaneously without compromising the quality of the product. The brands and platforms are taking these last-mile deliveries to new heights by using environment-friendly packaging and even electric transportation for order fulfilment at shorter distances.
- 4. **Precise Categories and Frequent Purchases:** These online platforms are more intriguing because they deal primarily in FMCG products. The catalogue is mostly home and kitchenfriendly, resulting in more frequent purchases, better conversion rates, and repeat purchases as these items are widely used in households, without a doubt.



## Q Search for atta, dal, coke and m...



## Shop by category









**Vegetables** & Fruits

Dairy & **Breakfast** 

Munchies

**Cold Drinks** & Juices









Instant & Frozen Fo...

Tea, Coffee & Health D...

Bakery & **Biscuits** 

**Sweet Tooth** 







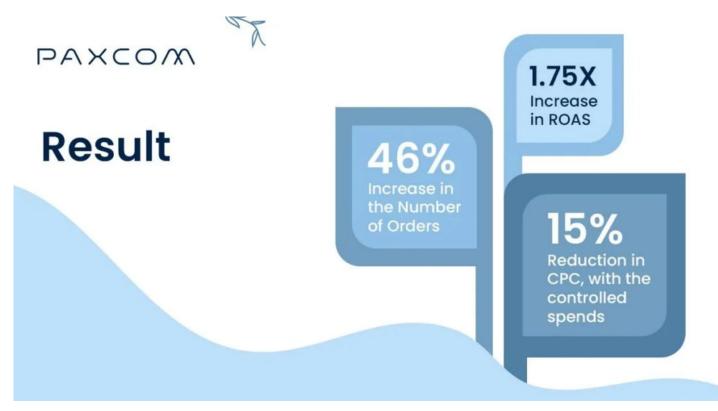


Source: Blinkit

### Getting Started with qCommerce: Paxcom's Take

qCommerce is a great way to establish a foothold in the FMCG market, as it opens up many opportunities for the brand compared to **traditional brick-and-mortar stores**. This domain is a boon for emerging and new brands, **as the digital shelf space is infinite**, **offering an equal window for amateur and renowned brands to compete equally**.

Paxcom aims to bridge the gap between the brand and the consumer with the right set of services, brand campaigns, and refined targeting through its end-to-end campaign management services and flagship product, Kinator. Paxcom's e-advertising software and experts aid the brand in achieving brand goals and boosting sales across platforms. Meanwhile, Kinator takes care of stock availability across platforms, sellers, and locations, tracks stock trends, and gives you constant stock alert reminders. The acquired data helps the brand lay out an effective campaign design outline.



Take a look at how one of our clients recorded an uplift of <u>1.75x Roas</u> under the guidance of Paxcom's partnership.

We understand the challenges that lie in quick commerce and ensure smooth operations with seamless integration and updated inventory management to maintain a delicate balance between efficiency and sustainability. We offer 360-degree qCommerce campaign management services across renowned platforms such as Zepto, Swiggy, and Blinkit.

Look at one of Paxcom's campaigns for Britannia on Blinkit, which resulted in a 25% increase in CTR and 1.8x increased sales

Increased CTR, much better than category benchmark +25%
Increased CVR with the help of offer. +10%
Increase in Sales

Witness your brand's growth with Paxcom's offering and edge-cutting strategies to gain the upper hand in this competitive landscape. Contact us at <a href="mailto:info@paxcom.net">info@paxcom.net</a> or request a demo today!