

Quick Commerce: The Real Last Mile

Speed is everything. The benefits—
and challenges—of quick commerce.

Don't blink or you'll miss it. Quick commerce, also known as q-commerce, is the latest industry buzzword. But what exactly is quick commerce? And what are the benefits—and challenges—when looking to implement quick commerce?

Quick Commerce Defined

Quick commerce's definition is in its name—it is all about being quick. Speedy. Fast. Many have suggested that this is the next iteration of last mile delivery, with much of the need—and innovation—being sparked from the pandemic. In fact, [global eCommerce is seeing a big boom, on pace to hit \\$4.2 trillion this year](#). Ordering online is all about convenience, and for many consumers, having those online orders delivered quickly is the ultimate convenience.

With a name like quick commerce, it's no surprise that speed is everything. Delivery in 24 hours is no longer acceptable. With q-commerce, delivery should be in one hour—or less.

Many companies are jumping to implement quick commerce, but should you?

Quick Commerce: An Evolution

Delivery speeds have been rapidly increasing over the years. As technology advanced and more local warehouses popped up, consumers benefited from shorter delivery times. The rise of Amazon—specifically with Prime delivery—further cemented that quicker delivery was not going away.

As consumers experienced shorter delivery windows from the likes of Amazon and even Uber Eats and Deliveroo, they began to expect it from other retailers. And don't forget that this is something that restaurants—particularly pizza places—have offered for decades. If you



could get your pizza delivered in less than 30 minutes, why can't we offer the same speed and convenience with other products?

The pandemic lockdowns that became the norm in 2020 only further accelerated the growth of quick commerce. Forgot butter for those cookies you planned on baking? Get it delivered in under one hour. Need a new shade of lipstick for your Zoom meeting? A few taps (or clicks) later, and it will be on your doorstep in no time.

3 Consumer Benefits of Quick Commerce

Q-commerce seems like it's full of benefits for the consumer—and it is. Let's explore the main benefits when it comes to the customer:

01. Speed

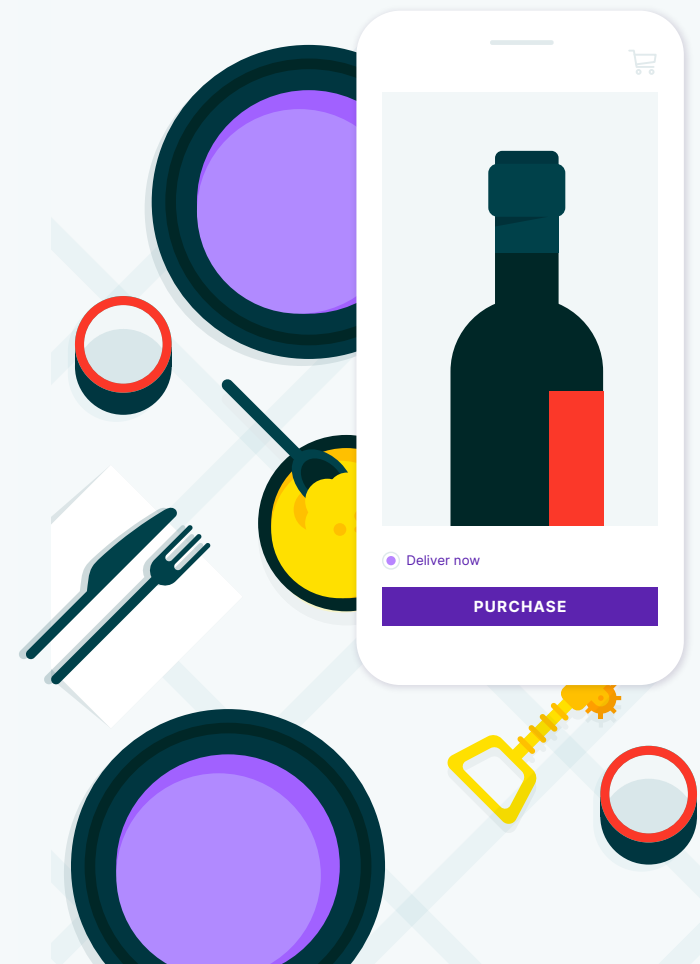
Speed may be an obvious benefit, but only if done correctly. Be clear in your delivery time and radius and send status updates to the customer often. If you say a product will be delivered in 30 minutes—don't break that promise. When this is successful, the customer is thrilled, and new habits and brand loyalty are formed.

02. Convenience

Like speed, the convenience that quick commerce offers consumers is unparalleled. Think of someone hosting a dinner party who forgets to purchase wine. A few minutes later, it can be on their doorstep. Or the new parent who hasn't had the time to grab a few essentials at

the store. The speed of quick commerce can be a lifesaver in these circumstances.

In a B2B context, this convenience can add up to substantial revenues. No contractor wants to lose half a day's work just because they forgot some essential supplies. No automotive mechanic



wants to leave a car up on the lift for three hours while they wait for a part delivery.

These on-demand deliveries are not only convenient, but substantially improve productivity.

O3. Positive Customer Experience

Consumers will be loyal if they have a positive experience—and will also likely spread the word. When quick commerce is successful, it makes for a fantastic customer experience. Nearly [80% of American consumers](#) say that speed, convenience, knowledgeable help and friendly service are the most important elements of a positive customer experience.

5 Benefits of Quick Commerce for Retailers & Brands

While benefits to the consumer are straightforward, retailers and brands will miss out on opportunities if quick commerce is not implemented into your omnichannel strategy.

O1. Better Value Proposition & Brand Awareness

Retail is competitive. We all know that. Retailers aren't just competing with their neighbors across the street, but the digital players already in your customers' phones. So how can you stand out from your competition? By providing a better value proposition and experience for your customers. Offering your customers an expedited delivery service—which can help them avert problems and reduce stress because they forgot that one thing—can provide a huge boost to your brand loyalty. And the brand awareness that comes out of offering such a service is invaluable.

According to PWC, [65% of U.S. customers](#) find a positive experience with a brand to be more influential than great advertising.

O2. Customer Loyalty and New Customer Acquisition

Retain your current customers—and attract new ones. A value-added service such as quick commerce can help you attain a higher lifetime value of a customer. Plus, q-commerce deliveries frequently are made via couriers utilizing bicycles or smaller electric vehicles, which gives your business a sustainability boost above the competition.

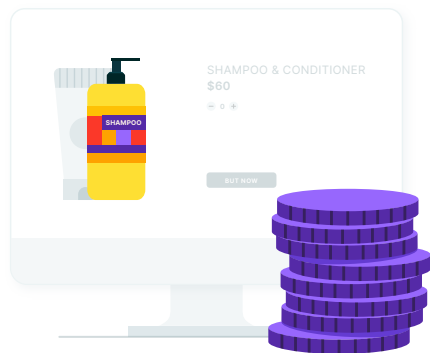
O3. Increased Profit Margins

When implemented strategically, brands and retailers can see an increase in profits from quick commerce. But you need to have the infrastructure



and technology in place first in order to accomplish a successful quick delivery. Factors include your order management system, the distance and capacity of your fulfillment centers (such as your DCs or stores) and even your delivery vehicles. When these factors are connected, digitized and optimized, you will reap the benefits: customers are willing to pay more for the experience qualities that matter most to them: [43% of consumers would pay more for greater convenience.](#)

And consumer spending is only increasing. According to Adobe, online retail spending in the [US accelerated in March 2021 with 49% YoY growth. And the U.K. is outpacing the U.S. in online shopping by almost 2-to-1, with 75% growth in Q1 2021.](#)



O4. Better Customer Data

As the need for valuable customer data increases and brands need to learn more about who is buying their products, quick commerce could be a great way to glean additional information. While data is hard to come by, if you provide a great service, you're likely to get more data from your customer. A PWC survey found that while 43% of U.S. consumers said they would not give companies permission to collect their personal information to allow for more personalized, customized experiences, [63% said they'd be more open to sharing their data for a product or service they truly valued.](#) To overcome this, companies adopt technologies, such as Bringg, that allow them to gain visibility and control over the last mile component, even when powered by third party providers. This value is particularly strong when engaging third party marketplaces' delivery services alongside owned and operated eCommerce powered by a platform like Fluent.

O5. Improve Retail Strategy

Quick commerce requires hyper-local inventory and a unified, omnichannel strategy. Insights into your online customer order data can help improve your retail rollout by identifying geographies with high order volumes, but without a retail presence. Similarly, the infrastructure and strategy required for quick commerce typically will enable other omnichannel growth, such as click and collect or BOPIS and curbside delivery.



Overcoming the Challenges of Implementing Q-Commerce

Quick commerce sounds like the ideal consumer journey—and a huge benefit to retailers and brands—but to make sure it lives up to its expectation, q-commerce needs to be properly implemented.

First things first—do your homework

As you begin to think about quick commerce and how to best implement it, you'll want to benchmark your retail and digital sales against your competitors. Why? Because you need to understand the competitive landscape and how urgent it is (or isn't) that you implement quick commerce. Secondly, you need to identify what goods you will offer for q-commerce. While grocery items (small orders only), toiletries, cosmetics, and smaller-sized products are perfect, not all items are a good fit. That sofa? Not a fit—and neither is anything which requires special scheduling for assembly or installation. But some makeup? That's easier—and quicker—to deliver.

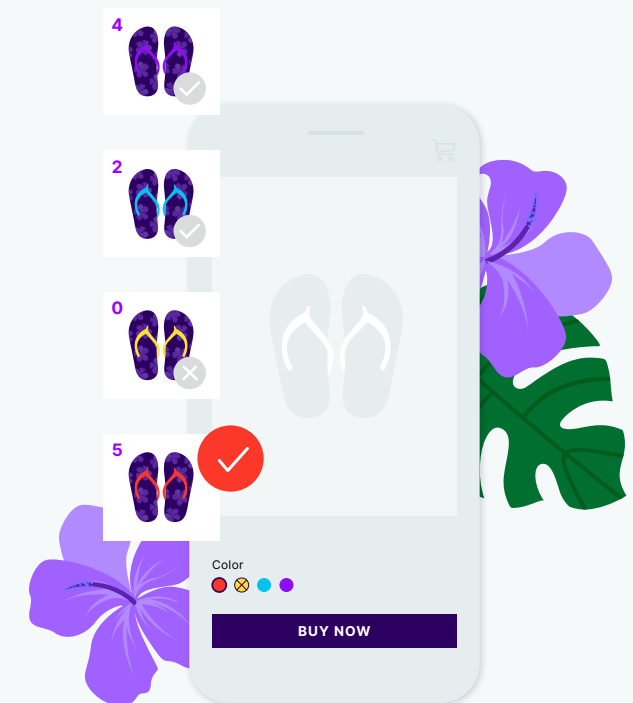
Hyper-Local Fulfillment and Delivery

Since quick commerce is all about speed, you need to consider where you will fulfill orders from. In order to provide rapid delivery times, you will likely need to fulfil from very local distribution centers (DCs), stores and local warehouses. Above all else, the location in relation to your customer is key. And don't forget about how that product gets from point A to point B. Do you need an entire fleet? Are you utilizing vehicles or bicycles? The latter helps you expedite orders by avoiding traffic, and it gives you a sustainability angle as a bonus. Or, you may choose to utilize third parties for delivery, such as Uber and Deliveroo. Whichever option your business chooses, one thing is certain: the correct technology platform must be in place in order to reap the benefits of fast, local [ecommerce fulfillment](#).

Technology at the ready

None of this is possible if the right platforms, technology and buy-in from the business is not in place. Quick commerce relies on many internal systems talking to each other to ensure accurate inventory availability, operational timing and

fulfillment and delivery resource availability. A real-time inventory management tool—an [Order Management System](#) that provides you with a single view of inventory—is compulsory. Not only can you accurately present to your customer what is in stock, but it will help you prevent stockouts and disappointment. Additionally, you need to be able to control and fluidly change your pick-and-pack strategies. You may need to fulfill certain items from specific locations on



one day and switch the next. The same agile approach must be utilized with click & collect / BOPIS, as well as delivery. Your operations must be orchestrated to meet changing demands efficiently and consistently.



The Bottom Line Challenges

Quick commerce has many benefits but is not without its challenges. The leading challenge is profitability. Someone has to cover the cost of faster delivery and the added cost of hyper-local inventory warehousing. But for many customers, free delivery has been the accelerator to conversion. While your current customers may spring for quicker delivery windows, will you be able to acquire new customers without dangling the “free delivery” carrot? And on the other side, if you as a business are covering all delivery costs, that needs to be factored in as well.

While selecting the right fee model is important, optimizing your costs is equally critical. This must include the cost to roll-out your quick commerce (scalability) as well as your ongoing overhead, such as delivery providers and administrative costs. A platform based approach can reduce the time and cost to scale-up by introducing consistency and flexibility. Automation and real-time data can similarly reduce your overhead and streamline your processes. Most importantly, internal or multi-fleet optimization plays a critical role in cost reduction.

Organizational Alignment

And are your internal teams and leadership on board? Q-commerce requires cross functional buy-in from many areas of the business. All of these teams need to be committed and work together in order to provide a positive customer experience. A siloed approach will not work.

The largest challenge of all is ensuring you have the right technology in place. It is worth repeating—without the right platforms and technology, none of this is possible. The right technology will synchronize across your teams, providing seamless, streamlined operations, end-to-end visibility and measurement, and a consistent, branded customer experience. And what if you are just not sure where to start? A reputable consulting agency is a great first step in determining how to best move forward.

Summary

As the quick commerce trend gains momentum, now is the time to consider the implications for your organization. Is your tech stack and operations up to the task? Do you have the delivery & fulfillment platform and order management system to meet rising market demand?

Together, Bringg and Fluent Commerce can help you deliver—fast. Bringg helps retailers and brands rapidly scale up and optimize last mile operations, and provides you with the control you need to offer a unified, omnichannel experience. Fluent Commerce is a leader in cloud-native,

scalable distributed order management and allows you to get a near real-time, always accurate single view of your inventory—which is critical when offering a service such as this. Together, Bringg and Fluent Order Management can help you swiftly roll out quick commerce, as well as the convenient, quick commerce-inspired solutions that will set you apart.



About Fluent Commerce

Fluent Commerce is the leading provider of fully customizable cloud order management to merchants and brands who want to provide a premium omnichannel fulfillment experience, profitably. We enable retailers and brands to roll out quickly and scale as needed, anywhere around the globe.

Learn more: fluentcommerce.com

About Bringg

Bringg helps enterprises scale up and optimize their last mile operations with data-led fulfillment and delivery orchestration SaaS technology. Using Bringg, retailers and logistics providers can rapidly enable innovative delivery and fulfillment models that maximize the customer experience, optimize logistics operations and scale business channels for growth. Some of the world's best-known brands in more than 50 countries use Bringg's platform to deliver the perfect last mile experience at peak efficiency across multiple delivery models.

Learn more: bringg.com

About Deloitte Digital

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