



Q-COMMERCE - ECONOMY

News: The quick commerce (q-commerce) sector in India is experiencing significant growth, driven by changing consumer preferences for rapid and on-demand delivery. The sector has evolved quickly from near-zero to a major component of the e-commerce market, with projections estimating its value at \$6 billion by 2025. Major players like BlinkIt and Zepto dominate the market, while global giants like Amazon are preparing to enter the space.

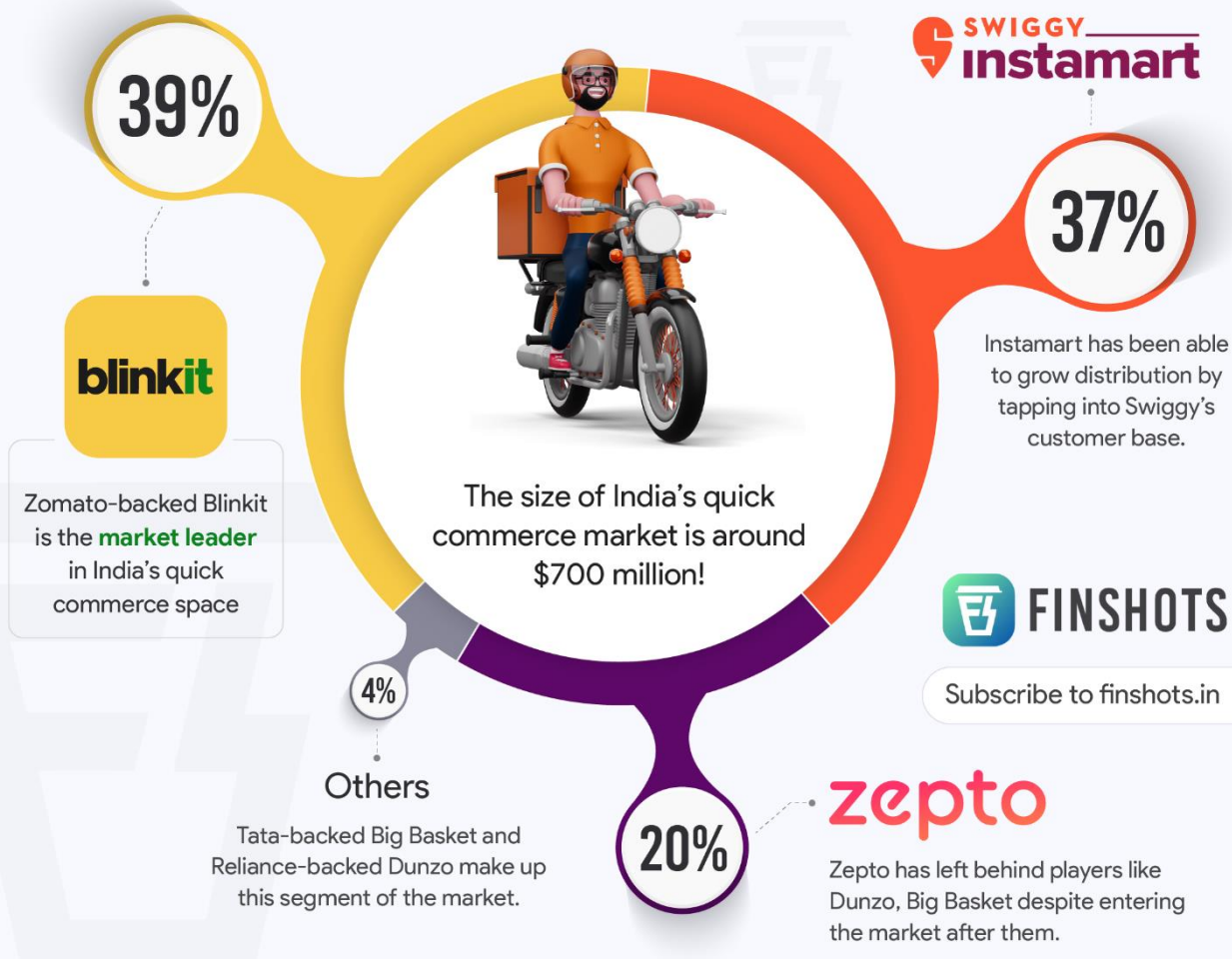
What's in the news?

Key Issues:

- The Indian q-commerce market has surged, with almost 40% of online grocery sales now attributed to q-commerce.

Quick Commerce in India

India's quick commerce market is mainly dominated by three players- Blinkit, Swiggy Instamart, and Zepto. The market value is expected to expand to \$5.5 billion by 2025.



Source- AllianceBernstein on Indian E-commerce, Economic Times



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- India's e-commerce market grew 18-20% by value in the first half of 2024, with grocery sales rising over 38%, primarily due to q-commerce.

Global Trends: Q-commerce is expanding globally, with the Asia-Pacific region holding the largest market share, followed by North America. The global q-commerce market was valued at \$68.82 billion in 2022 and is projected to grow at a CAGR of 22.2% through 2030.

- **Technological Innovations:**

- **Dynamic Pricing:** BlinkIt uses AI algorithms to adjust prices in real-time based on demand and competitor pricing.
- **Dynamic Widgets:** Swiggy Instamart's dynamic UI rendering allows for real-time updates without new app releases.
- **Demand Forecasting:** Zepto employs machine learning for accurate demand prediction and efficient inventory management.
- **Smart Logistics:** Dunzo utilizes AI for demand prediction, dynamic pricing, automated dispatch, and fraud detection.
- **Automated Billing:** BigBasket's AI-driven self-billing system enhances efficiency and accuracy in checkout processes.

Reason Behind Innovations:

- **Consumer Demand:** The rise in demand for instant delivery and convenience has driven the adoption of advanced technologies in q-commerce.
- **Competitive Edge:** Companies use innovative technologies to maintain a competitive edge in a rapidly growing market.
- **Operational Efficiency:** Technological solutions are aimed at improving efficiency, reducing errors, and enhancing customer experience.

Impact:

- **Enhanced Convenience:** Q-commerce provides unprecedented convenience, delivering a wide range of products almost instantly.
- **Improved Efficiency:** Innovations such as dynamic pricing and AI-driven demand forecasting have streamlined operations and reduced costs.
- **Market Expansion:** The growth of q-commerce has expanded the e-commerce market and created new opportunities for technological advancements.
- **Potential Applications and Future Directions:**
 - The rapid delivery model could extend to critical services, potentially revolutionizing sectors like healthcare.
 - Innovations from q-commerce can be applied to various industries, including government services, enhancing efficiency and responsiveness.

Source: <https://www.deccanherald.com/business/e-commerce-behemoths-target-quick-delivery-space-but-challenges-remain-3172764>