



Acing_Quick Commerce



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Introduction

**Market &
Competitive
Analysis**

**Challenge &
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**Impact:
Competitive
Comparision
Brand Perception
Integrated 4Ps**

Key Takeaways

2022 Landscape

Are We Making the Most of Our AOV?

<i>Metric</i>	<i>Amount (Rs.)</i>
💰 Average Order Value (AOV)	400
🛒 Cost of Goods & Services	320
Gross Margin per Order	80
📈 Gross Margin %	$(80/400) \times 100 = 20\%$

Challenge

Profitability vs. Scale

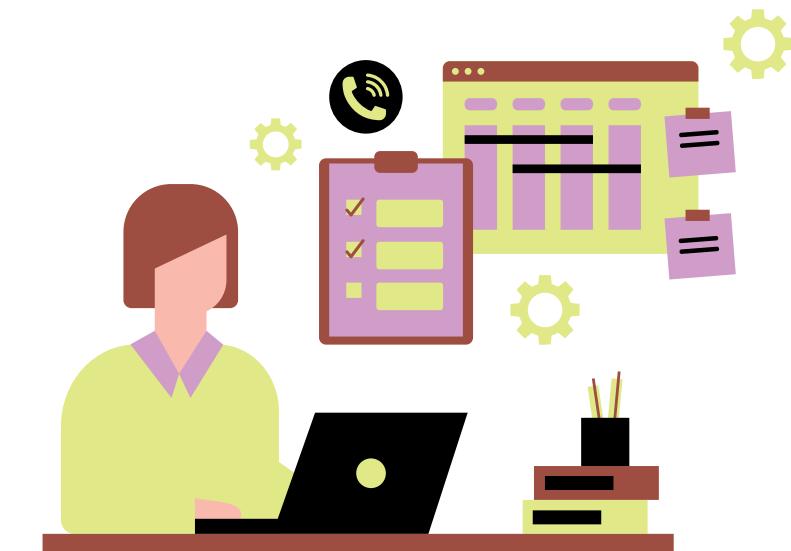
$$\text{Gross Margin} = \frac{\text{Total Revenue} - \text{Cost of Goods and Services}}{\text{Revenue}}$$



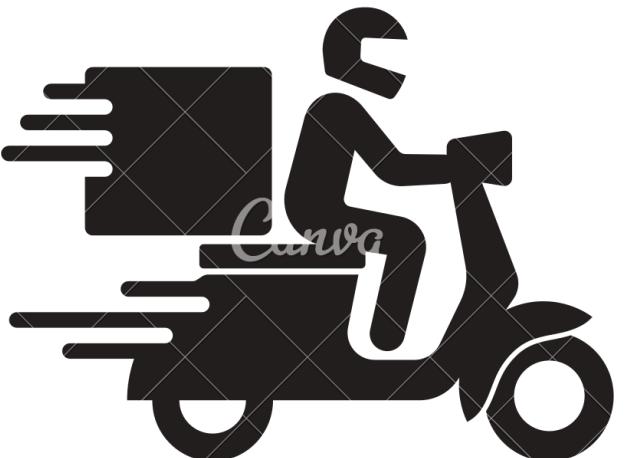
Office Expense



Rent



Administrative Costs

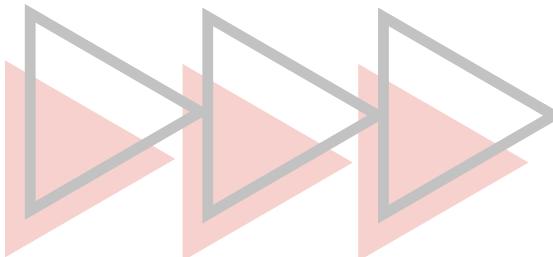


Delivery Costs

The Dilemma

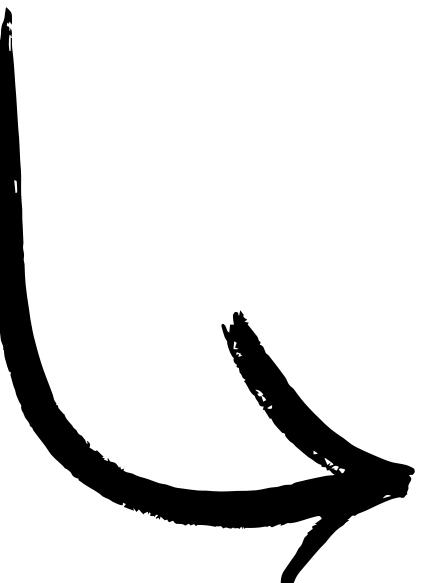
Challenges

- 🚚 High Delivery Costs
- 🏢 Operational Costs
- 🛵 Delivery Costs Per Order

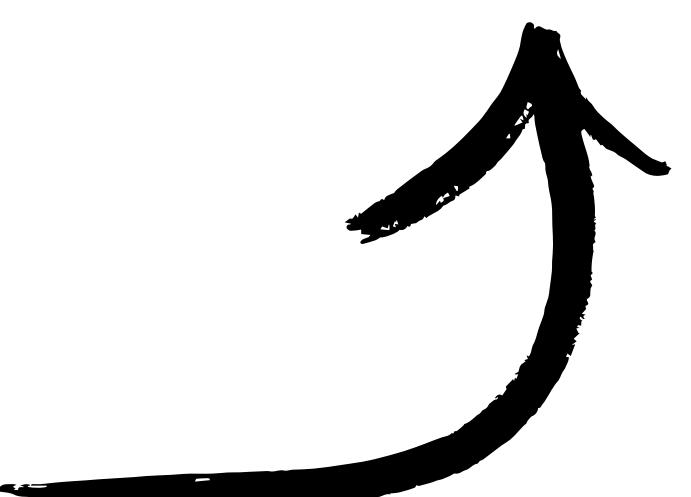


Impact on Margins

40-60% of gross margin lost in delivery
 34 employees, ₹6.12L salary + rent & infra
 ₹40 per order with a ₹30K/month delivery salary



Metric	Value	Calculation
Salary	Rs. 30,000	Given
Deliveries/Month	750	25 deliveries/day
Cost/Delivery	Rs. 40	30,000/750
Margin/Order	Rs. 40	Gross Margin (80)-40



What if AOV Changes from 400 to 550?

Apparently, it turns into a goldmine!!!

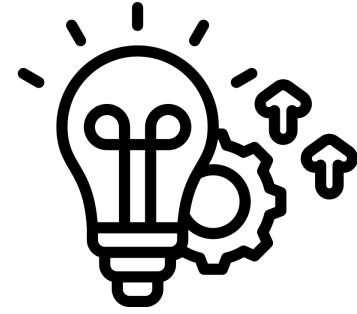
MATH

\$ *Profitability Snapshot*

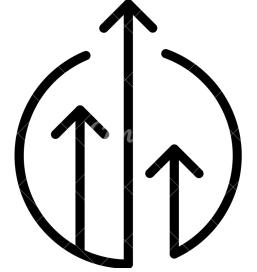
- Gross Margin Per Order: ₹80 → ₹110
- Net Profit Per Order: ₹40 → ₹70
- 18,000 Orders/Month → Gross Margin Grows from ₹14.4L → ₹19.8L
- After Salary, Gross Margin Becomes ₹12.6L (at ₹550 AOV)

How ?

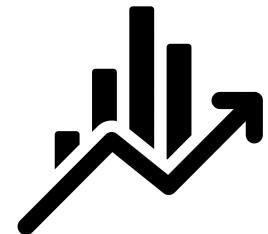
From One-Size-Fits-All to Segmented Pricing



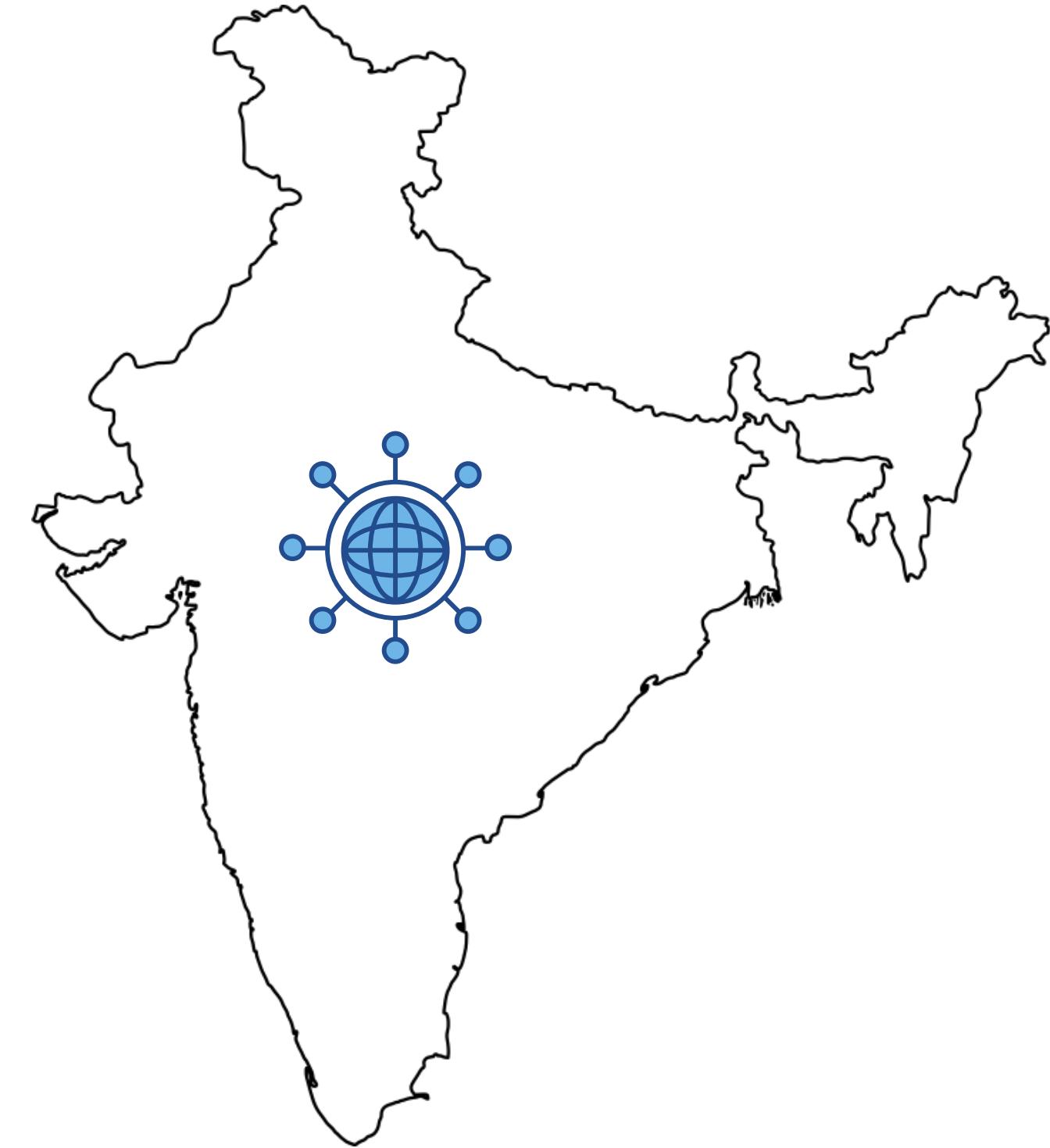
Evolution
From flat pricing to segmentation



Competitive Dynamics
Adapt to market pressures



Future Strategies
**Optimizing pricing by customer,
order, and location**



The 2024 Strategy

Pricing Segmentation

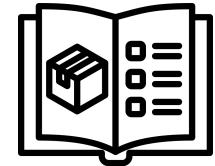


The "3 Cs" of Quick Commerce

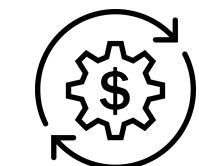
Redefining Convenience



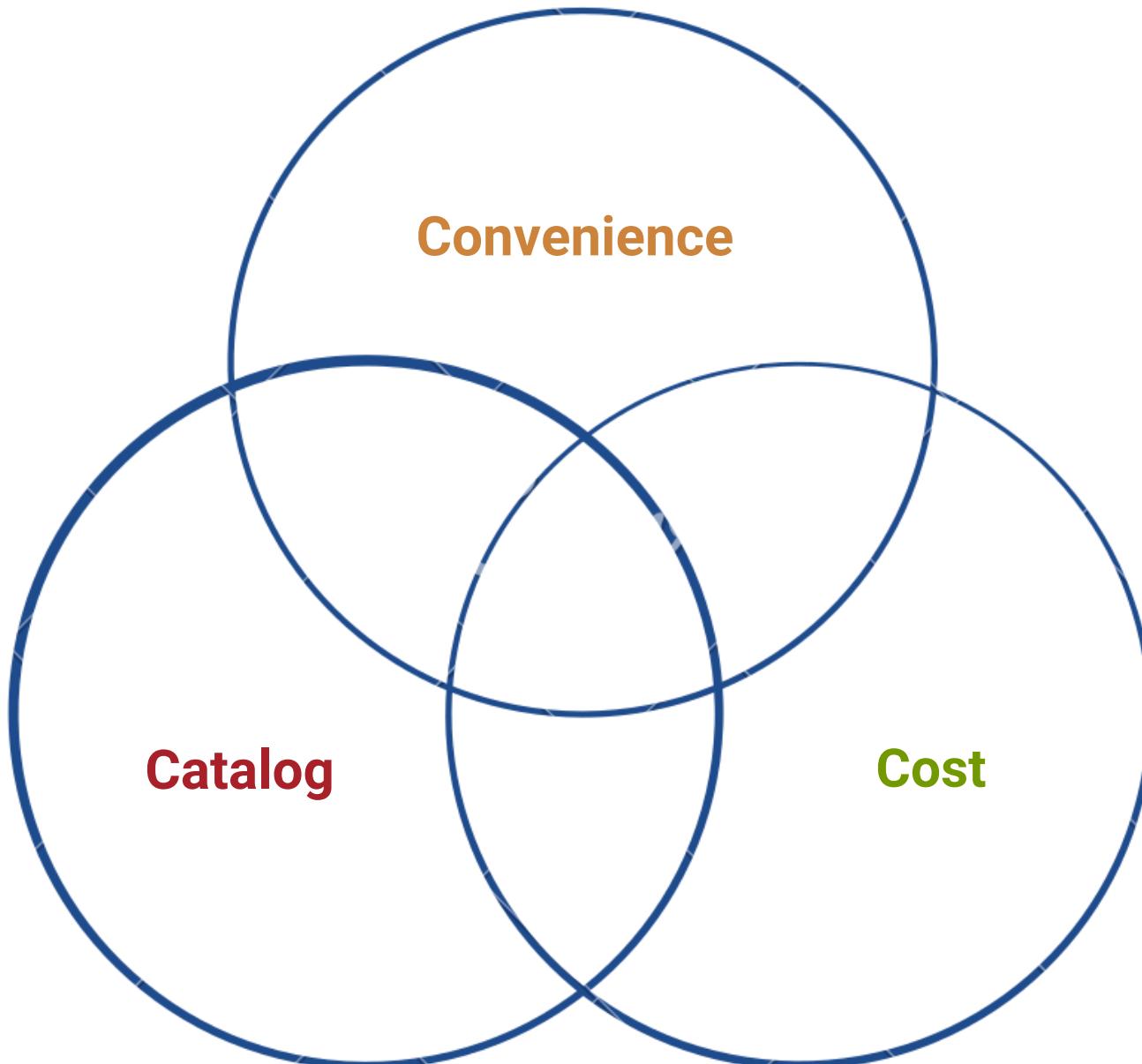
Convenience: Customers now expect faster delivery



Catalog: Range of products (more options)



Cost : Cost at which these products are available



Quick Question?

Segment	Consumer Class	Households	Population	Income Per Person
India 1	The Consuming Class	~30M	~120M	~\$15K
India 2	The Aspirant Class	~70M	~300M	~\$3K
India 3	Non Monetizable & Non-Users	~205M	~1B	~\$1K

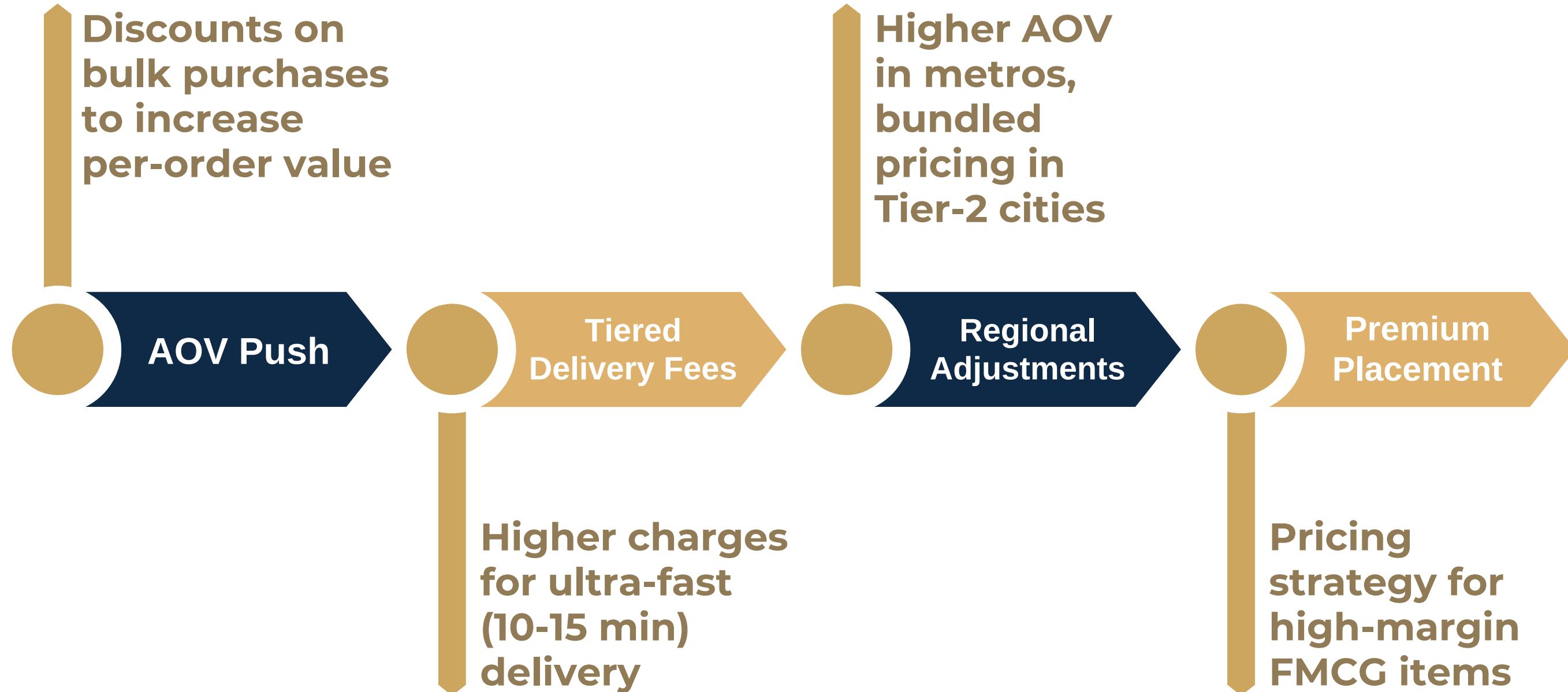
Which Target Segment would you chose?

What Blinkit did?

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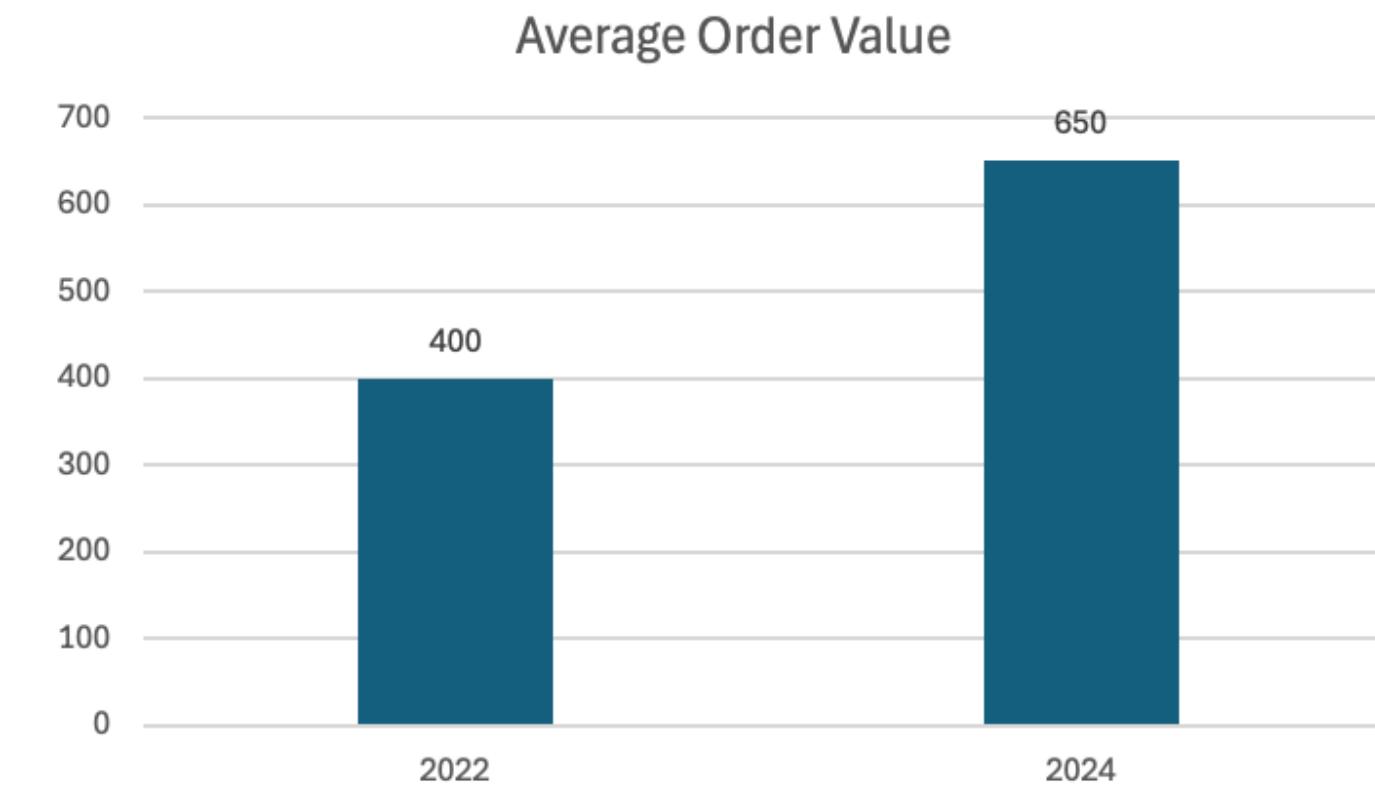
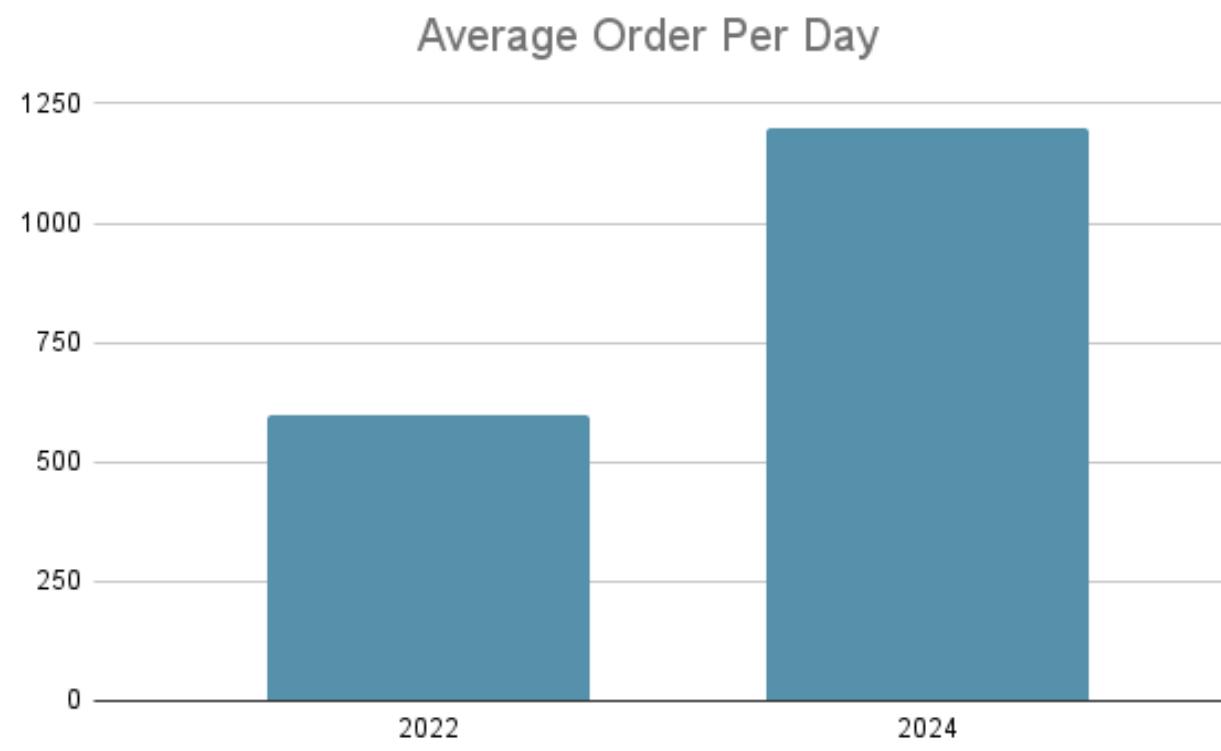
Execution

How Blinkit Implemented Segmented Pricing



Impact

Revenue Growth & Efficiency Gains

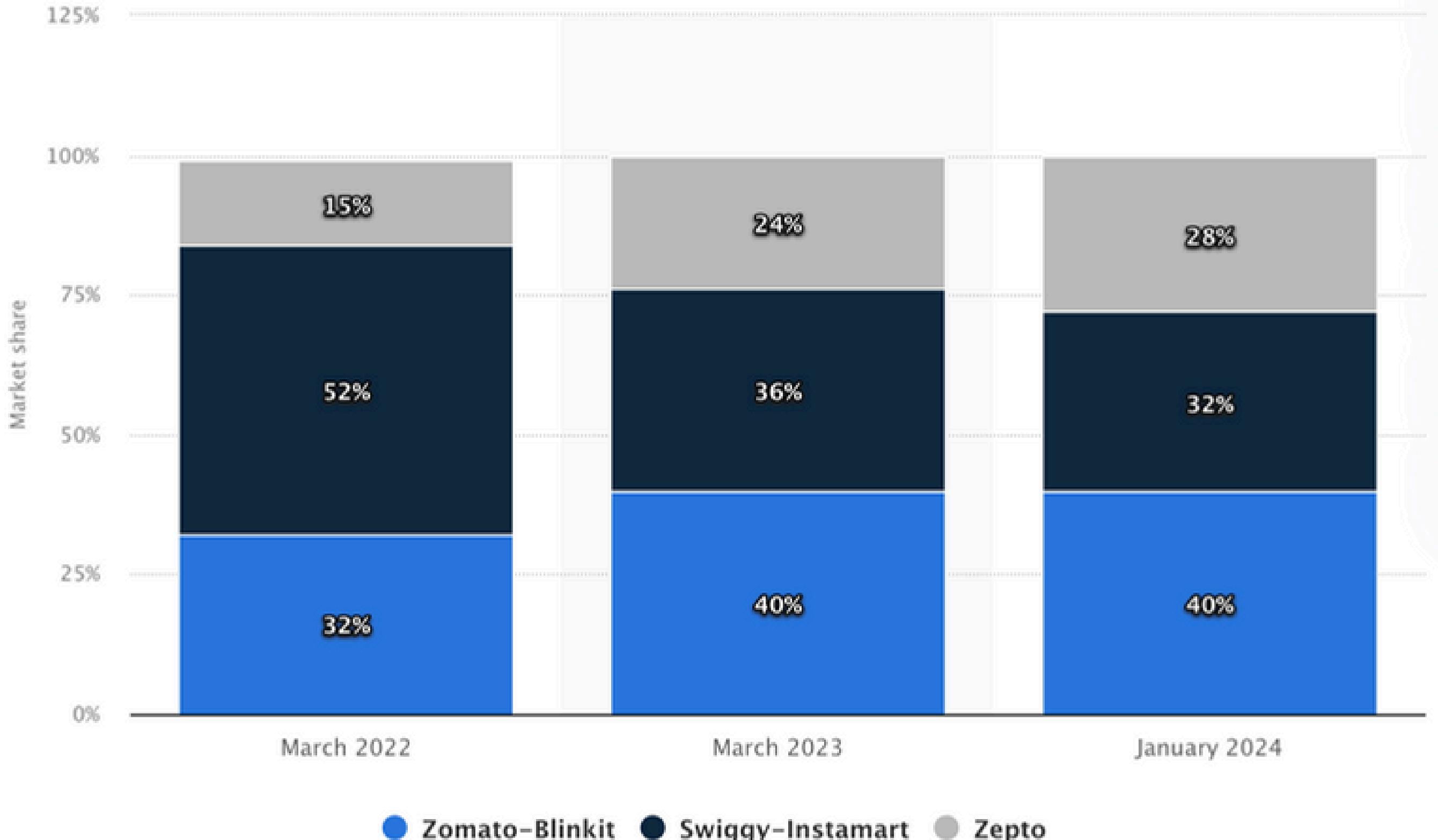


Higher AOV 

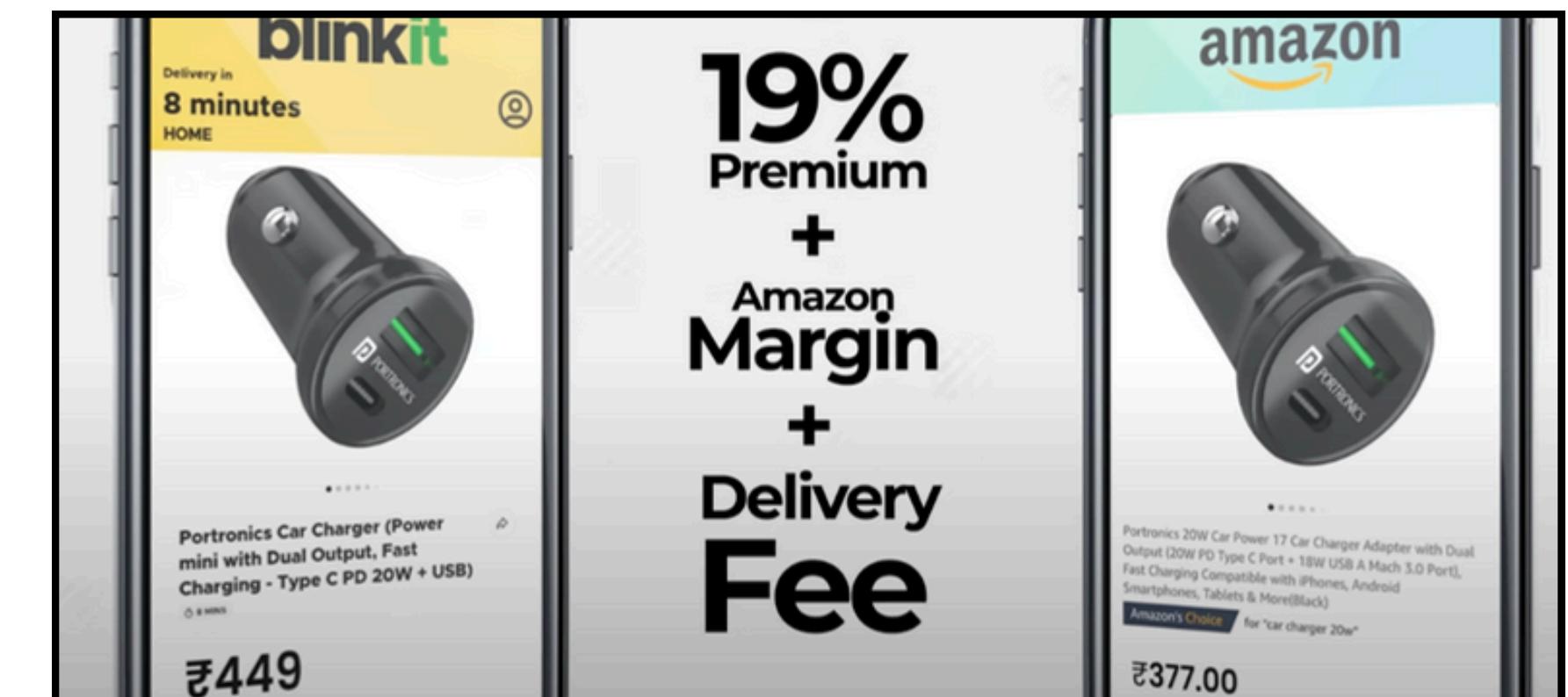
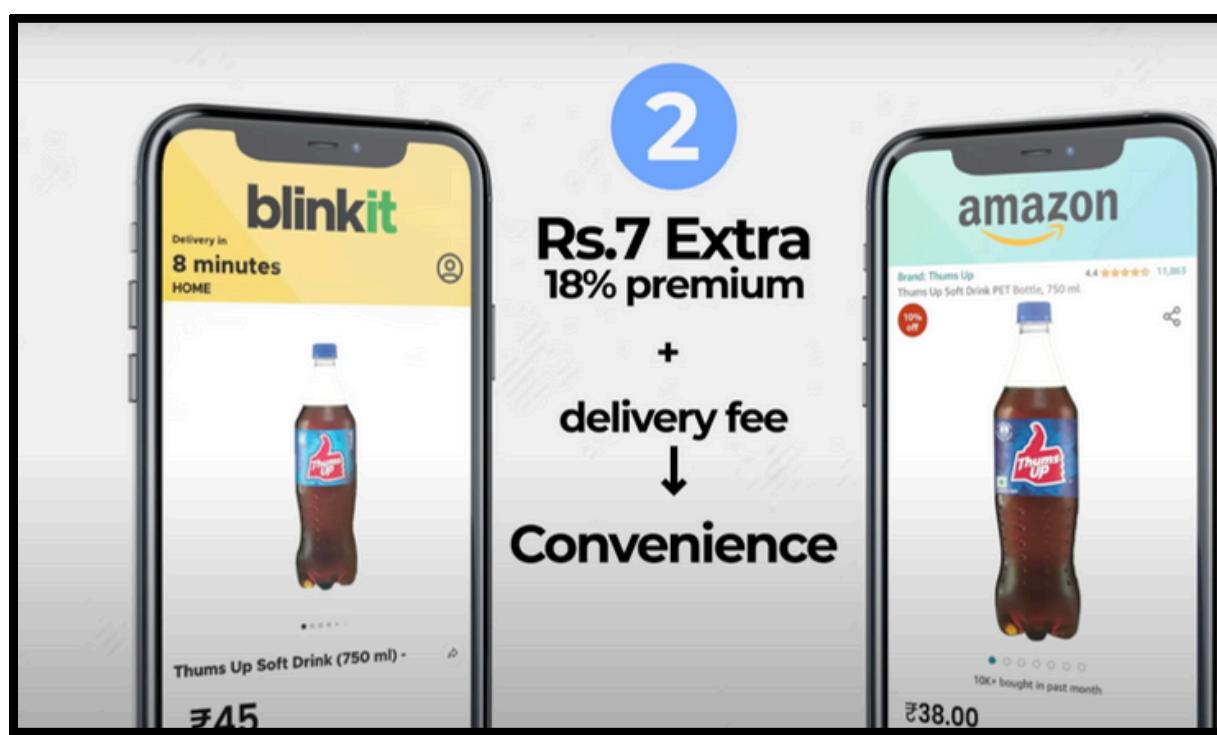
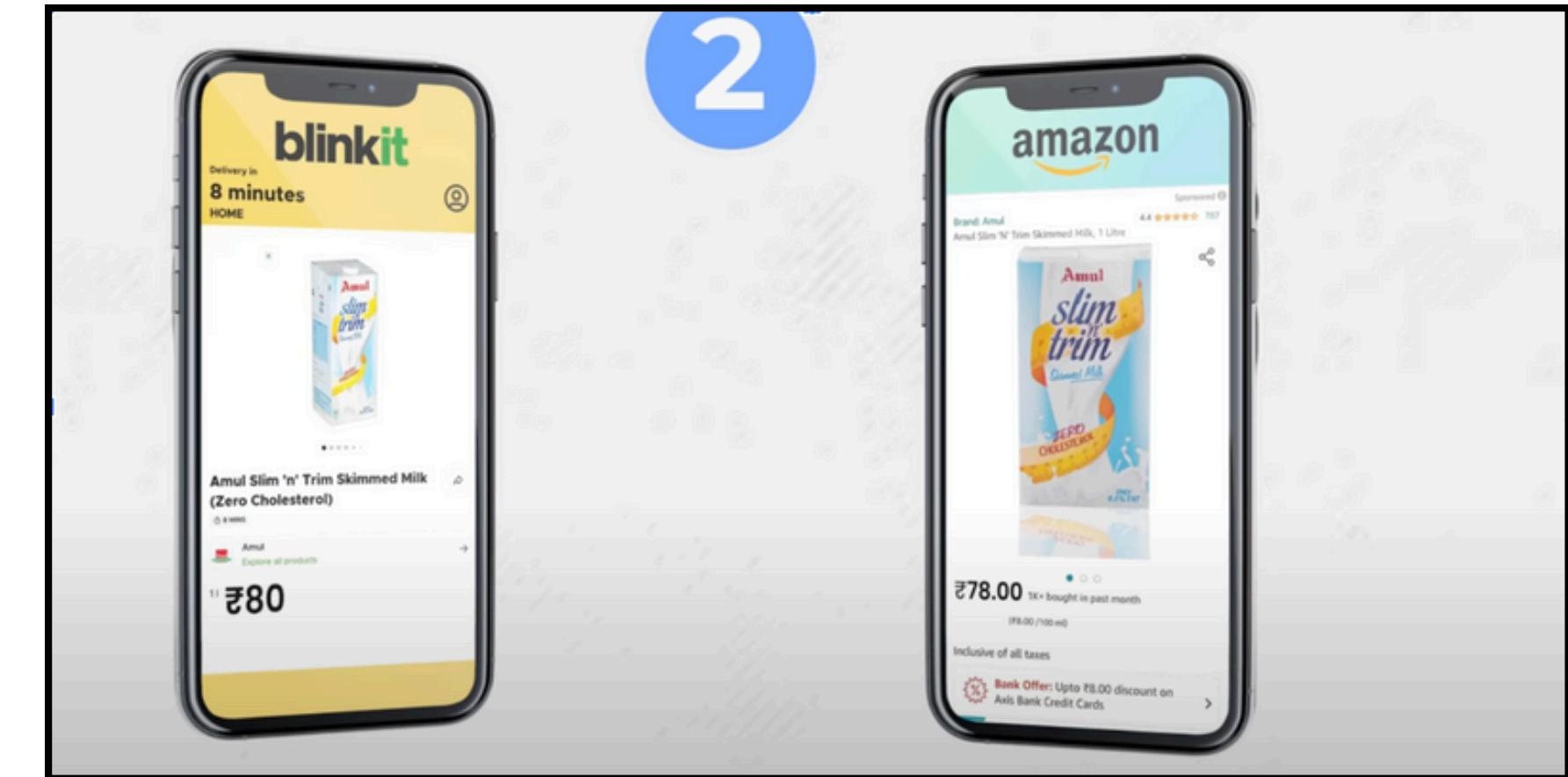
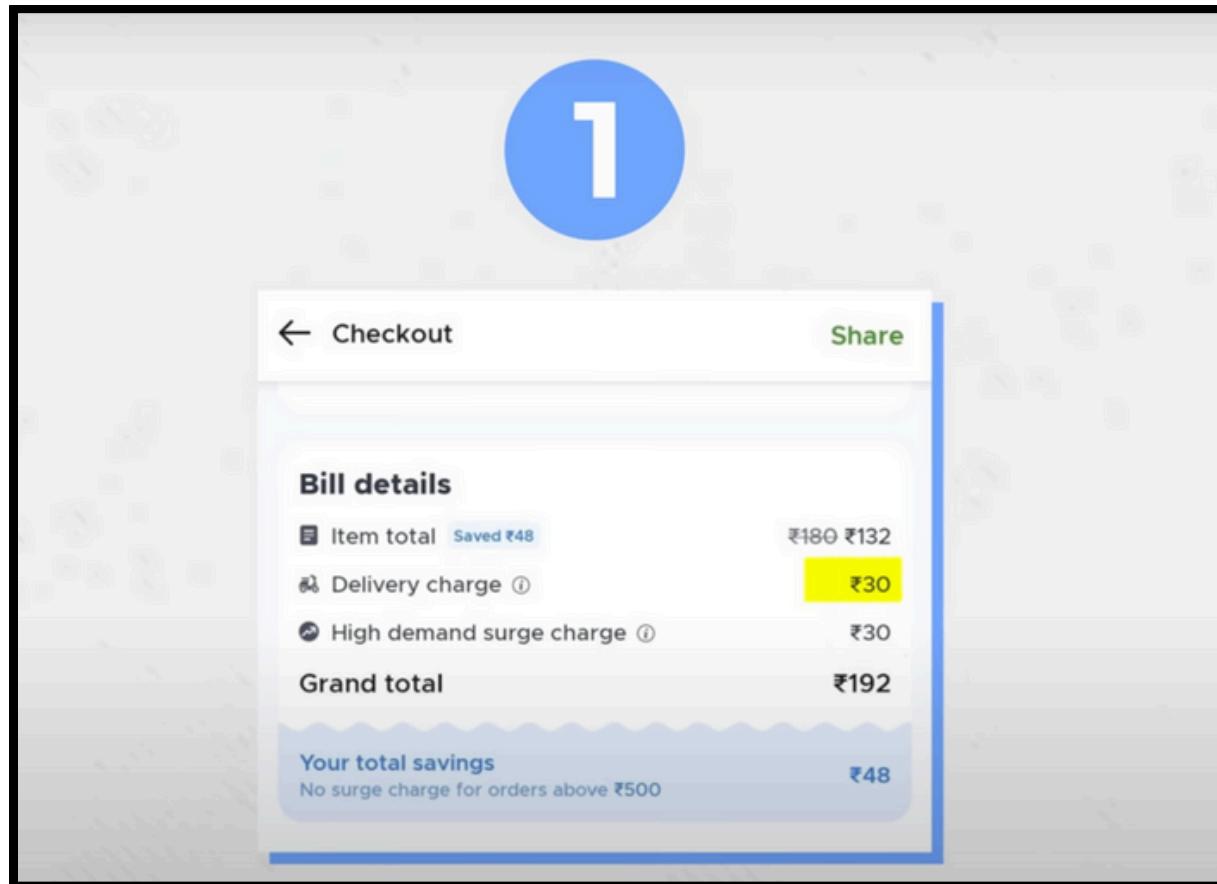
Delivery cost recovery 

Improved Profitability 

Market & Competitive Analysis



Pricing Tactics



Brand Perception

How Customers See
The Brand



Premium &
Value-Driven



Trust &
Convenience



Competitive



Focuses on premium offerings for high-spending urban consumers over deep discounting

Customers trust Blinkit for consistent, ultra-fast deliveries, ensuring reliability in everyday essentials

Unlike competitors, Blinkit maintains a balance between affordability and service quality

Integrated Strategies Across the 4P's

PRODUCT

Bundled essentials and premium FMCG to increase AOV

PRICE

Segmented pricing based on urgency, location, and customer type

PLACE

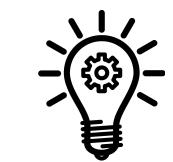
Metro-focused premium pricing, Tier-2 discounts for affordability

PROMOTION

Targeted offers, subscriptions, and AI-driven personalized discounts

Key Takeaways



-  **Hyper-Localized Pricing:** *Adjusting rates by neighborhood demand patterns*
-  **Strategic Market Segmentation:** *Targeted high-value customers prioritizing convenience over cost in India's price-sensitive market*
-  **Subscription-Based Models:** *Loyalty programs for premium customers*
-  **Sustainability-Linked Pricing:** *Charging extra for eco-friendly delivery*

Thank You