

# **An Empirical study of consumer behaviour towards Quick-Commerce in Indore city of Madhya Pradesh, India**

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**Abstract:** E-commerce industry has been constantly evolving from the first CD sold by Don Ken in 1994 to around 4.3 trillion industries in the world today. In last three decades revolution in information technology brought tremendous changes in the use of Internet and this helped in bringing revolutionary changes in E-commerce industry. Consumer behaviour have been also changing with the rapid adoption of new IT technology and now they wanted quick services of E-order, E-payment and delivery of their order products. E-commerce companies have been rapidly changing their business models to adopt the development of new IT technology and changing behaviour of online customers. To assimilate these changes of IT technology and aspirations of customers, E-commerce is changed to quick-commerce or q-commerce where customers are delivered their products within 15 minutes. Customers of Indore are also rapidly adopting Quick commerce for their urgent need products. But they still use e-commerce/mall/kirana shops for their regular and large order. To avoid higher delivery cost customers of Indore are using minimum order quantity to get benefit of free delivery. This study is conducted with 104 respondents from Indore and Reliability test and simple table and percentage methods were used for data analysis.

**Keywords:** E-Commerce, Quick Commerce (Q-commerce), Shelf Life, Expire Date, E-order, E-payment.

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## **I. Introduction**

E-commerce industry has been constantly evolving from the first CD sold by Don Ken in 1994 by his website Net-Market, to around 4.3 trillion industries in the world today. In last three decades revolution in information technology brought tremendous changes in the use of Internet and this helped in bringing revolutionary changes in E-commerce industry. Consumer behaviour have been also changing with the rapid adoption of new IT technology and now they wanted quick services of E-order, E-payment and delivery of their order products. E-commerce companies have been rapidly changing their business models to adopt the development of new IT technology and changing behaviour of online customers. The latest buzzword of E-commerce is quick-commerce or q-commerce where customers wanted delivery of their products within two hours and even within 15 minutes and world over e-commerce companies are continuously trying to fulfil desire of customers by rapidly adopting themselves towards this goal. Consumer's growing desire for instant gratification for product and Un-precedent speed and convenience to deliver products to customers within 15 to 30 minutes.

### **Objectives**

1. To study the factors influencing emergence of q-commerce in Indore
2. To study the consumer behaviour for q-commerce
3. To study the challenges of q-commerce for sites and consumer in Indore city

## **II. Review of literature**

The evolution of Information technology brought unprecedented changes in human beings simple life by changing all aspects of life from simple communication to marketing and selling/ purchasing of products. The evolution of IT first brought changes in communication with the development of internet and World Wide

Web in which all organization made their simple websites and displaying their products on them. The further development of IT brought dynamic websites on which organization can easily send and receive information and this given birth to e-commerce on which people can sell and purchase products. Initially process was slow but with the development of physical delivery system in the first decade and half of second decade E-commerce becomes a reality and it becomes a big industry which disrupted the established offline distribution system particularly clothes and electronics industry.

Quick commerce is the evolution or the next generation development of e-commerce characterized by ultra-fast deliveries often within 15-30 minutes. It is emerged as an evolution of traditional e-commerce and on demand deliveries model driven by covid-19 and changing preference of consumer supported by change in technology and logistic system and rise of dark store and availability of Gig workers. The early experiments with instant delivery was done by Kozmo.com (1998) and Webvan (1999) but failed due to high cost and inefficiencies in delivery ( Riker and Kalakota 1999). The success of food delivery platform like Uber Eats and Door Dash helped in setting the foundation of q-commerce by establishing the success of hyper local logistics system (Sen Li and Yang Liu, 2023). Woolenbug (2018) also found that dedicated ware houses (dark stores) improve delivery speed and reduce cost and facilitated rise of q-commerce. In 2015 Getri introduced fast grocery delivery in turkey and was the first q-commerce company of the world. Glovo was another Spanish company started q-commerce and active in 21 countries. Delivery Hero was worldwide retailer and started q-commerce in 2019 and established local stores DMart in United States. Thus before the covid-19 q-commerce was started in its nascent stage and pandemic restricted movements of people and required basic grocery items delivery at their door steps and they purchased online for planned and unplanned household items which helped in tremendous growth of q-commerce (Potdukhe, 2022). McKinsy (2020) found in its study in Europe that majority of the customers desired that after covid-19 they will prefer to buy online instead of going to stores. Gai (2022) found that rise in single member family in urban area lead to demand of small quantities of products with repeats orders helped in growth of q-commerce. The ability of customer to choose from options, online tracking of delivery status and fast delivery and purchase by a single click helped in rise of q-commerce (Villa and Monzon 2021). Chandok (2021) rightly said that q-commerce is next generation of e-commerce which fulfil customers' needs for convenience instant delivery

Huang and yen (2021) differentiated q-commerce from e-commerce by presence of store, delivery time and delivery mode, target customer and preference of customers. In Q-commerce delivery time is within 30 minutes and two wheelers are used from nearby stores. Potdukhe (2022) also supported this difference of q-commerce from e-commerce by identifying three key aspects of instant delivery model technology, Dark stores and delivery partners.

### **Objectives of Study**

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### **III. Research Methodology**

This research study is exploratory type

#### **Sample design**

Sample design is well planned for the collection of information from selected respondents of our target population and in our study population of Indore city is taken. Convenience random sampling method was used for data collection.

The sample size selected was 110 respondents from Indore city. (MP), India

Tools used for data collection

### Primary data

Primary data were collected for study using a questionnaire containing 19 questions

### Secondary Data

We have collected secondary data from the following sources

1. Websites
2. Newspaper
3. Journal and magazine
4. Reference Books

### Data Analysis

Reliability Statistics	
Cronbach's Alfa	Number of Items
0.634	15

The value of Cronbach is above 0.5, and then data are reliable for the study.

### Demographic Analysis

Analysis of data shows that 54.8% are male and 45.2% are female respondents of the population who purchased from Q-commerce sites in Indore, Madhya Pradesh.

Analysis of Age Group indicates that 43.3% are below 25 years age group, 33.7% are in age group of 25-45, 12.5% are in age group of 45-65 and 10.6% are above 65+ years age group of respondents.

Analysis of education data shows that 18.3% are 12<sup>th</sup> and below, 19.2% are graduate, 34.6% are post graduates and 27.9% are professionally qualified.

Analysis of marital status data indicates that 66.3% are married and 33.7% are unmarried.

Analysis of occupation data shows that 32.7% are private employees, 17.3% are government employees, 21.2% are self-employed and 10.6% are retired person and 18.3% are students.

Analysis of income data shows that 14.4% are below Rs 20,000, 34.6% are below 50,000, 26.9% are below 1, 00,000 and 24% are above 1, 00,000.

Q. Which Quick-commerce companies you used for purchase of Products online?

Blinkit	InstaMart	Zepto	BigBasket Now	Amazon fresh
50%	25%	13.5%	7.7%	3.8%

It shows that Blinkit is leader in Indore followed by InstaMart.

Q. Which Type of products you purchased from quick commerce sites?

Grocery	Fruits and vegetables	Soft drinks and snacks	Milk and products	Personal care	Other items
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38.5%	18.3%	18.3%	13.5%	6.7%	4.8%

Majority of customers purchase Grocery items, followed by Fruits and vegetables and soft drinks and snacks, then milk and its products.

Q. How often you purchased from Quick-commerce sites?

Frequently	Weekly	15 days	In a month	sometimes
42.3%	24%	18.3%	12.5%	2.9%

Nearly two-third customers purchased frequently, or once in a week and 18.3% in fifteen days from Q-commerce. It means customers are purchasing repeatedly from q-sites

Q. Do you think that Purchase from Q sites is timesaving?

Yes	Cannot say	No
87.5%	6.7%	5.8%

Majority of the customers purchased to save their time from quick commerce sites.

Q. Do you think that Q-commerce helped much in purchase of urgent need products?

Yes	Cannot say	No
83.6%	11.5%	4.8%

Majority of the customers think that quick commerce sites greatly helped in procuring urgent need products.

Q. Do you think that all the necessary categories of product are available?

Yes	Cannot say	No
85.5%	9.6%	4.8%

Majority of the customers think that necessary products are available on quick commerce sites.

Q. Do you think that different sizes of packaging of products are available on quick commerce sites?

Yes	Cannot say	No
85.5%	9.6%	4.8%

Majority of the customers are agreed that necessary sizes of products are available

Q. Do you think that Products are delivered on time by quick commerce sites?

Yes	Cannot say	No
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87.5%	3.8%	8.7%
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Majority of the customers are agreed that quick commerce sites delivered products on time.

Q. Do you think that delivered fruits and vegetables are in good conditions?

Yes	Cannot say	No
58.7%	13.5%	27.9%

58.7% customers are happy with the conditions of fruits and vegetables but nearly 42% customers are not happy with the condition of delivered fruits and vegetables.

Q. Do you think that delivered products have longer life/expire date?

Yes	Cannot say	No
64.5%	11.5%	25%

Two-thirds customers are agreed that delivered products shelf life is enough longer for use but one-third customers found that delivered products life is shorter and cannot be used for long time.

Q. Do you think that delivery cost of order product is not high?

Yes	Cannot say	No
61.5%	9.6%	28.8%

61.5% customers agreed that delivery cost is not high but nearly 40% customers think that delivery cost is high from quick commerce sites.

Q. Do you use minimum order quantity of order for free/discount delivery condition to balance order cost?

Yes	Cannot say	No
75.9%	10.6%	13.5%

Nearly three-fourth of customers used minimum order quantity to balance order cost.

Q. Do you think that only urgent and small quantity product is ordered from q-commerce and regular and large quantity is purchased from e-commerce/mall/Kirana shops.

Yes	Cannot say	No
88.4%	11.5%	8.7%

Majority of the customers used quick commerce sites to purchase urgent and necessary products but for their regular order they used e-commerce sites and Mall and Kirana shops.

Q. Do you think that Quick-commerce is harming Kirana shops' business in India?

Yes	Cannot say	No
65.3%	18.3%	15.4%

Nearly two-thirds of customers think that quick commerce is harming traditional kirana shops business

#### **IV. Findings**

1. Blinkit is market leader in Indore Market
2. Majority of customers purchase Grocery items, followed by Fruits and vegetables and soft drinks and snacks, then milk and its products.
3. Nearly two-third customers purchased frequently, or once in a week from Q-commerce.
4. Majority of the customer think that purchasing from Q-commerce is time saving and also urgent need product can be easily obtained.
5. Majority of the customers found that necessary category of products and their various packaging size is available on Q-commerce sites.
6. Majority of the customers received delivery of products on given time of 10-15 minutes.
7. Nearly 40% customers are not happy with the delivered products on the basis of their short shelf life and bad conditions of fruits and vegetables.
8. Nearly 40% customer feel that delivery cost is higher on Q-commerce sites and for balancing cost majority of the customers use minimum order quantity/free delivery options
9. Majority of the customers use Q-commerce sites for urgent products and for their regular purchase of bulk quantity purchase they still use options of E-commerce, Shopping Malls and traditional Kirana Shops ( Moms and Pops) in Indore.
10. Nearly two-third customers agreed that Q-commerce is affecting the business of traditional Kirana shops.

#### **V. Conclusion**

Revolution in information technology brought tremendous changes in the use of Internet and this helped in bringing revolutionary changes in E-commerce industry. E-commerce companies have been rapidly changing their business models to adopt the development of new IT technology and changing behaviour of online customers. The latest development of E-commerce is quick-commerce or q-commerce where customers wanted delivery of their products within two hours and even within 15 minutes. Consumer behaviour have been also changing with the rapid adoption of new IT technology and now they wanted quick services of E-order, E-payment and delivery of their order products. Customers of Indore city are also adopting q-commerce and ordering their urgent need products from Blinkit, Instamart and Zepto but for their regular large quantity purchase, they are still relying on E-commerce/mall/kirana. Customers think that delivery cost is higher and to balance it they are using minimum quantity order for free delivery. They think that gradually q-commerce is harming traditional kirana shops.

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