



Tookan

Why Online Grocery Delivery is Necessary Today?

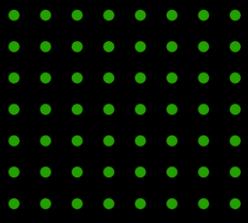


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INTRODUCTION

India is undoubtedly one of the fastest-growing economies in the world. In fact, it is projected to become the third-largest economy by 2030. Among the sectors responsible for India's tremendous growth, the retail sector accounts for over 10% of India's GDP. Out of that, the grocery market, in particular, has turned into a pillar of support for the economy. Due to constantly evolving consumer lifestyles, growing urbanization, the advent of tech-savvy generation with busier lifestyles, and growth in disposable incomes, there has been increased acceptance for online grocery shopping. A report shows that the global online grocery industry is expected to grow by 60% from 2019 to 2022.

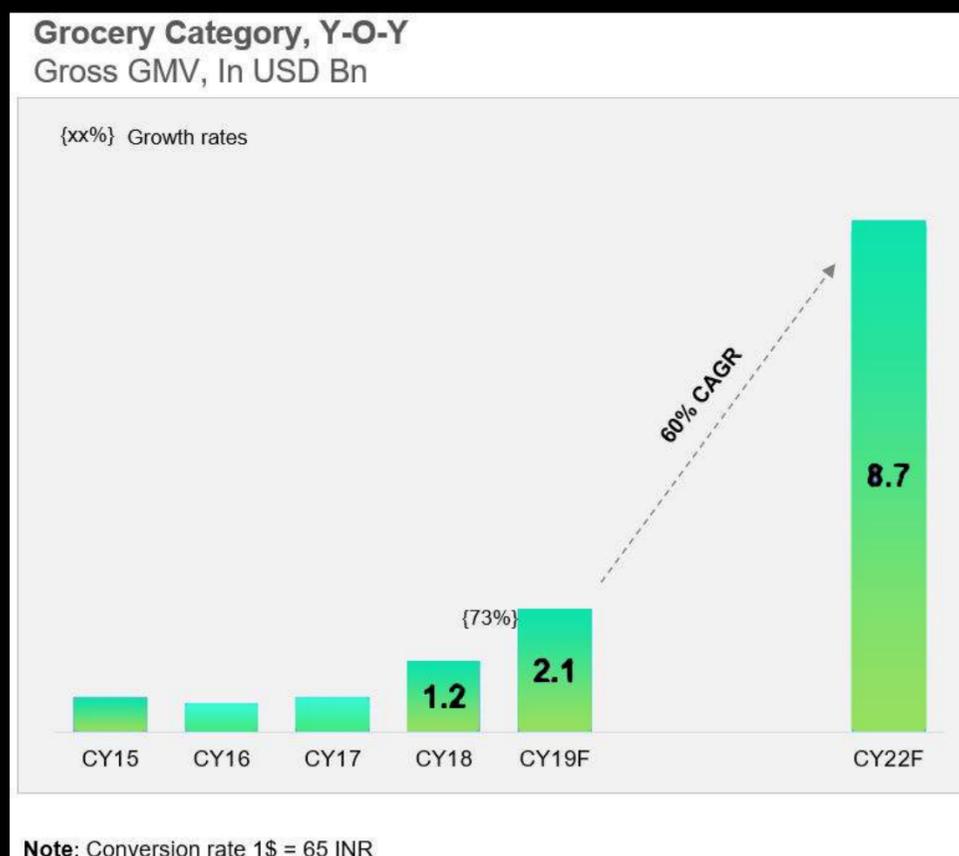


Image Source: [Redseer](#)

Today, the online grocery market amasses a significant market share in India's food and grocery market and is valued at \$2.9 billion as of 2020. With favorable government policies and rising demands in the market, the market is predicted to outgrow itself in the coming years.

The preference for online grocery delivery skyrocketed during the COVID-19 pandemic. After all, online grocery shopping is convenient, safe, and adheres to social distancing standards. All these make consumers throng to online grocery platforms for their daily needs. With a large section of the workforce working from home and a general apprehension to venture out, online grocery shopping has become more of a necessity than a luxury.

This e-book captures everything, from the current trends in the grocery industry to a step-by-step guide on how to start your own online grocery store.

IMPACT OF COVID-19 ON THE GROCERY INDUSTRY

The grocery industry had always been the staple of most economies, but it wasn't until the pandemic that the world realized how crucial it was to their livelihood. Most of us will recall the horrible sight of thousands of Americans rushing to stores in panic and bagging every essential commodity in their sight.



Despite that, grocery businesses swiftly adapted to the new normal and pivoted to provide safe shopping experiences. This led to the onset of several new shopping patterns to manage the increased customer expectations. The bar to thrive had suddenly risen for all of them. People were changing to different retailers for different reasons post the pandemic.

Reasons for Retailer Switching During COVID-19

Why are you shopping in stores you wouldn't otherwise?

% of shoppers trying new retailers

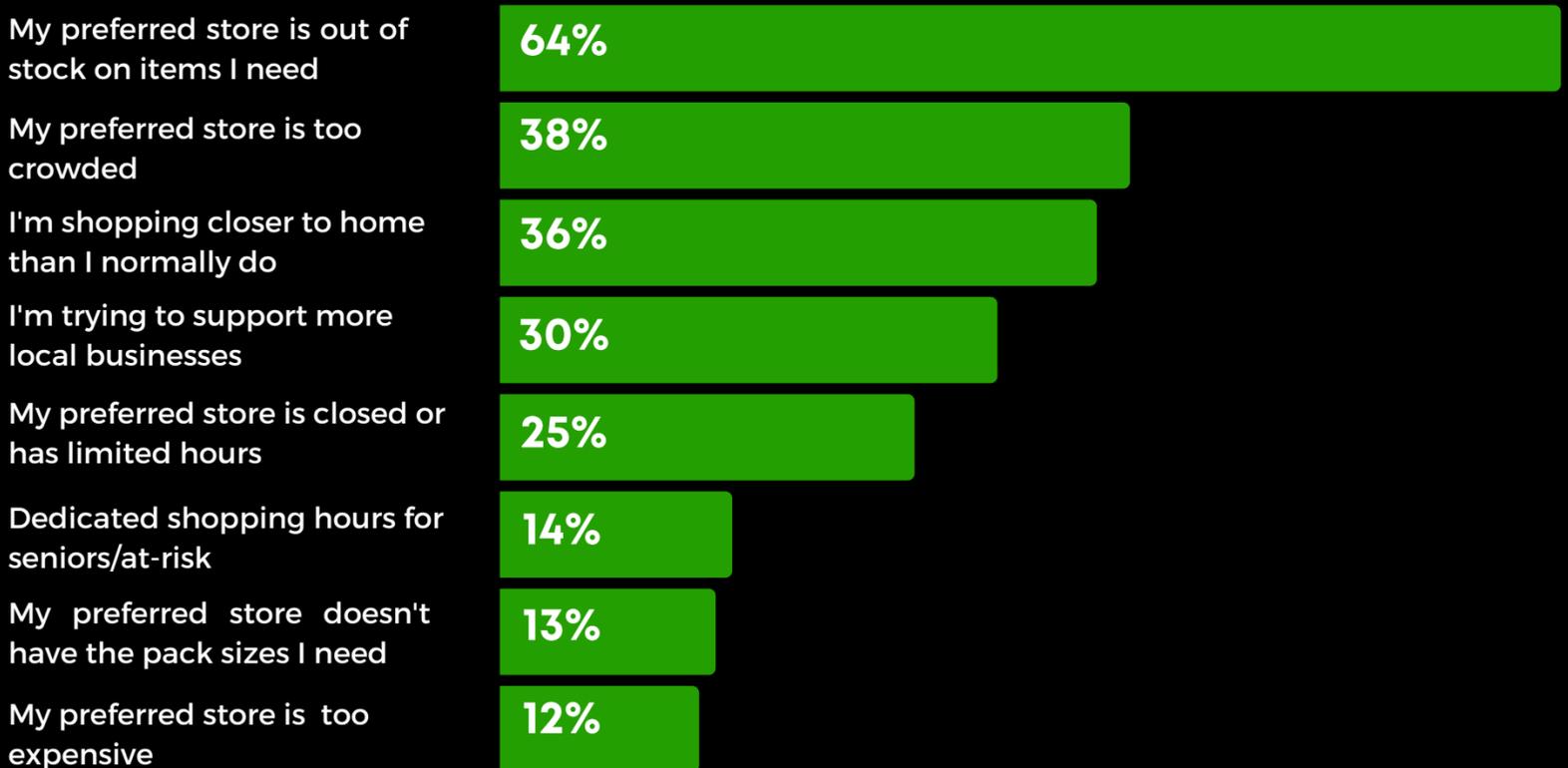


Image Source: [Numerator](#)

On that note, here are some potential long term impacts on the grocery sector due to the ongoing pandemic -

The Rise of Online Ordering

One of the biggest impacts of the pandemic on the grocery industry has been the boom in online ordering. According to a report, the consumers' shopping habits shifted from monthly to weekly after the onset of the pandemic. This was mainly driven by the increase in essential shopping during this period. (1)

Owing to the high preference for online shopping and the disruption caused by online grocers, we can expect a rising pressure on the brick-and-mortar stores in the coming days. A push towards personalization coupled with ease of shipping has made online shopping the most preferred mode for most people.

In India, the online grocery delivery market is operated by multiple players fighting for their share in the \$900 billion retail market. Yet this market is predicted to grow at 57% CAGR and reach \$18.2 billion by 2024. At the same time, the grocery sector is also accommodating small and individual players to operate their grocery stores online to cater to the local customer base.



Re-aligned Store Model

Stores are experimenting with their designs to best suit the new consumer needs and facilitate faster shopping trips. To avoid queues, pick-up hubs are being created inside the stores. For checkout, more shoppers are choosing cashier-less self-service options. For example, Walmart in the US has introduced cashier-less stores while Amazon has unveiled pay-with-palm technology for compact convenience. Stores across the world are embracing technology to be innovative and cope with the present needs of buyers.



Vocal for Local

Rising hygiene concerns and possible contamination in grocery products have led consumers to be more conscious about the product source. Local vendors have benefitted immensely from this behavior change. This buyer's quest to seek healthy and environmentally sustainable products will likely prevail even after lockdown ends as it has been embedded deep in the consumers' minds.

In summary, the world of grocery will never be the same. They will continuously evolve to meet the rising customers' needs.



WHY IS IT ESSENTIAL FOR THE GROCERY INDUSTRY TO ADOPT THE NEW TRENDS

Here are some of the reasons why businesses in the grocery industry should adapt to the latest trends -

It is a Highly Competitive Market

Powerful trends in the market, evolving customer behaviors and attitudes, and technological advances have all made the grocery industry fiercely competitive and highly concentrated. Your competitors are already adopting disruptive technologies and learning from advancements in other countries. They are recognizing threats early and seizing the opportunities for profitable growth wherever possible. To compete with them, you have to adopt the latest trends to thrive.

Change in Trend Due to Pandemic

The pandemic has led to several changes in consumer buying patterns. For instance, people chose to cook at home rather than eating outside. They don't enjoy spending a lot of time shopping anymore. The grocery industry was expected to decline or stagnate with the onset of the pandemic. But technology and door delivery helped them not only survive but also grow. As a grocery business, you should follow the other trendsetters and adapt to the present situations.

Digital Retailing is the Future

As other industries made the switch to websites, the grocery industry predominantly focused on mobile applications. In this current age of digitization, where everyone uses a cell phone, this is an excellent move. In fact, Grocery Dive estimates that there are more than 30 million users who will prefer using mobile apps for grocery services in 2022. Well-informed retailers are enhancing their customer shopping experience and winning by leveraging mobile solutions. You should do so too.

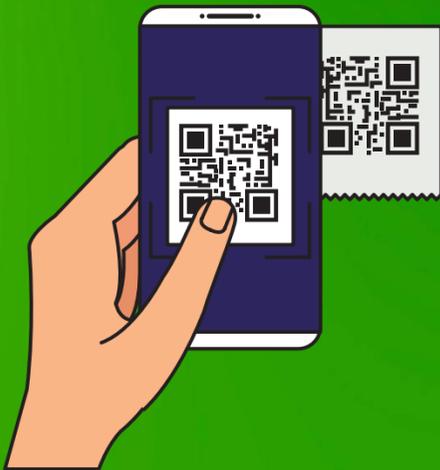
How Tech Is Shaping The Grocery Industry

Home delivery & store pickup



Stock reorg to satisfy 2-day shipping

Rise in mobile pay



Check-out-free stores
Thanks to smart phones

Targeted customer data



HOW POPULAR COMPANIES ARE USING TECHNOLOGY TO DELIVER GROCERIES

Market share of online grocery across India in 2019, by company

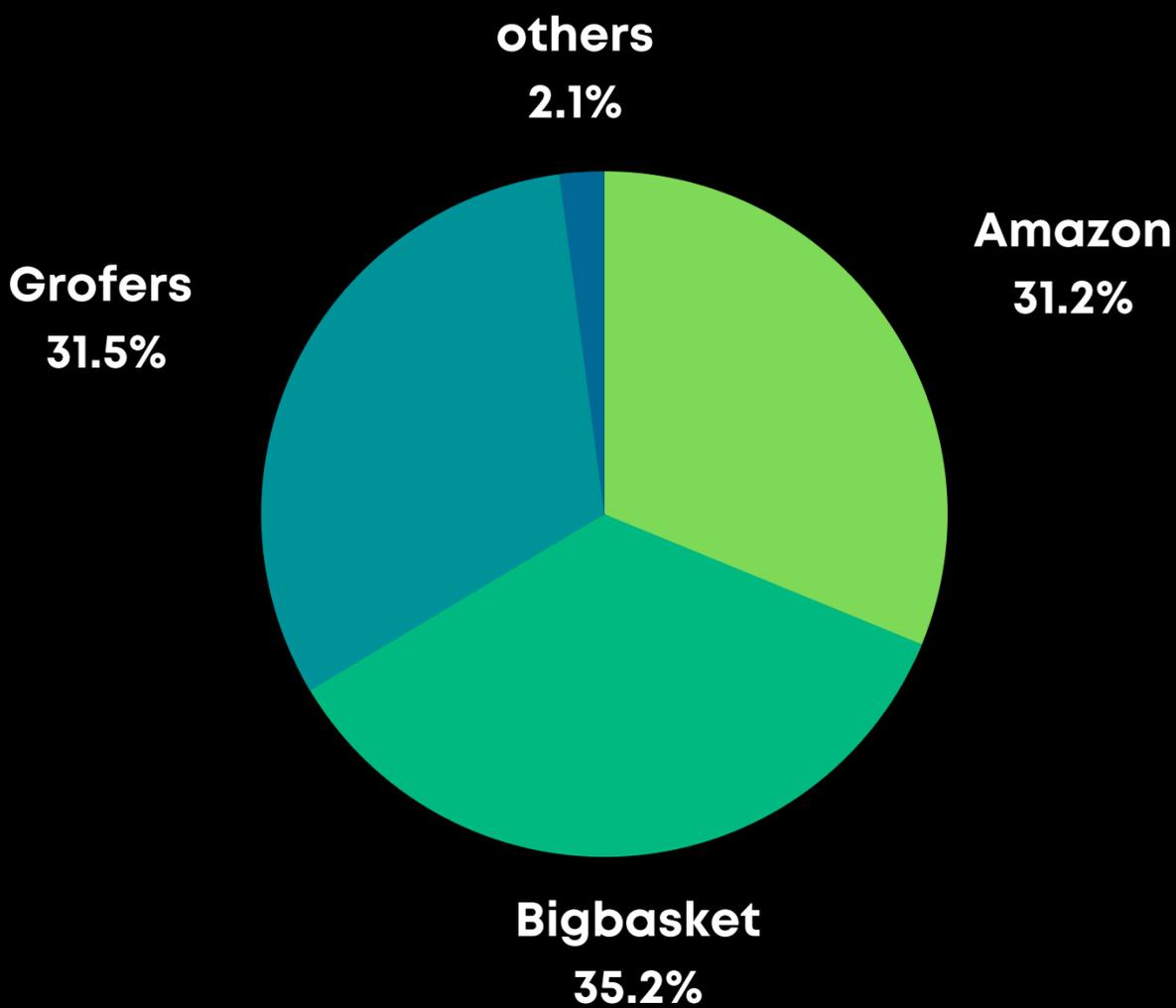


Image Source: [Statista](#)

With several physical grocery stores shut and others unable to keep up with the demand, the grocery delivery platforms are looked at as people's saviors. This has led to the stellar growth of several players in the grocery delivery space. Let us look at some of the most popular players and how they are managing in this pandemic -

Bigbasket

Bigbasket is India's largest online food and grocery store, which uses technology-driven solutions for smooth business operations. It employs ERP (Enterprise Resource Planning) systems to manage the entire fleet from order placement, tracking, and delivery. It uses a REST-API interface to integrate with its ERP system and handle the dispatch process, vehicle routing for optimal utilization, automated notification to customers, etc.



Grofers



This online grocery delivery store has its own mobile app and website for users to place orders online. Grofers currently operates in all metropolitan cities of India and is expanding to tier-2 cities. Like Bigbasket, Grofers has thousands of products available on their platform and offers features like cashback on delivery slots, 100% exchange policy, and easy search options. Once a user places an order on their website, it goes to their warehouse, where the employees prepare the items for delivery. The delivery agents then pick up the order and follow the directions on their smart devices to take the products to the last mile.

Jio Mart

Jio Mart is an online grocery store from the house of Reliance that delivers 60,000+ grocery products at discounted prices at your doorstep. It follows an on-demand model and partners up with local retailers to avoid warehousing. It connects users with local retailers to deliver goods by routing them from the nearest store in the customer's vicinity. Customers can use their dedicated mobile app to place an order. The customer can also track the real-time status of their orders as Jiomart employs AI-led automatic scheduling and routing software to deliver the product on time. The software also offers GPS mapping to track them in real-time.



Amazon fresh

The Amazon Fresh logo features the word 'amazon' in black, lowercase letters with a green arrow pointing from the 'a' to the 'z', followed by the word 'fresh' in green, lowercase letters.

This is the only international grocery delivery service on the list. Amazon Fresh is quite a popular grocery pickup and delivery service on the list. Amazon has spent a huge chunk of money on machine learning to improve its grocery delivery experience. It has an automated warehouse with centralized inventory management and order fulfillment. To keep up with the huge volume of orders, it has invested in fulfillment centers in local areas and a powerful delivery management software to automate the processes.

HOW YOU CAN START YOUR OWN ONLINE GROCERY DELIVERY SERVICE

Here is a step-by-step process of how to start your own online grocery store -

Step 1: Identify a Target Location and Audience



Determining your audience and the location is the first thing you need to do. It will help you identify the popularity and the success potential of your store. If you plan to deliver highly perishable items with a limited shelf life, such as fruits, vegetables, and milk, you can deliver to a smaller region. It is essential to plan everything properly, from setting up your office/warehouse to establishing tie-ups with local grocery stores before you build your online grocery store.

Step 2: Backend Operations



Now that you have figured out your location and target audience, you need a warehouse for storage and to perform other inventory operations. Always prefer setting up your warehouse in a location very close to your product source to ensure a quick delivery. Alternatively, you can tie up with local suppliers and wholesalers who can regularly supply you with the products.

Step 3: Register Your Business



This is a crucial step to follow while setting up your grocery business. You can either register your company as a sole proprietor or a partnership registration if there are partners. You can hire any registered tax consultant or chartered accountant to help you in the registration, applying for necessary permissions, and GST formalities. Once registration is over, you can open a current account of your choice.

Step 4: Start an Online Grocery Website



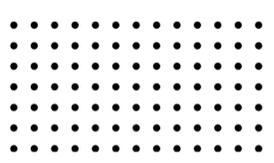
An online website or an app will be the face of your grocery business. Make sure the website or mobile application development is in the right hands, such as an experienced web design/app development company.

Step 5: Set up a Delivery System

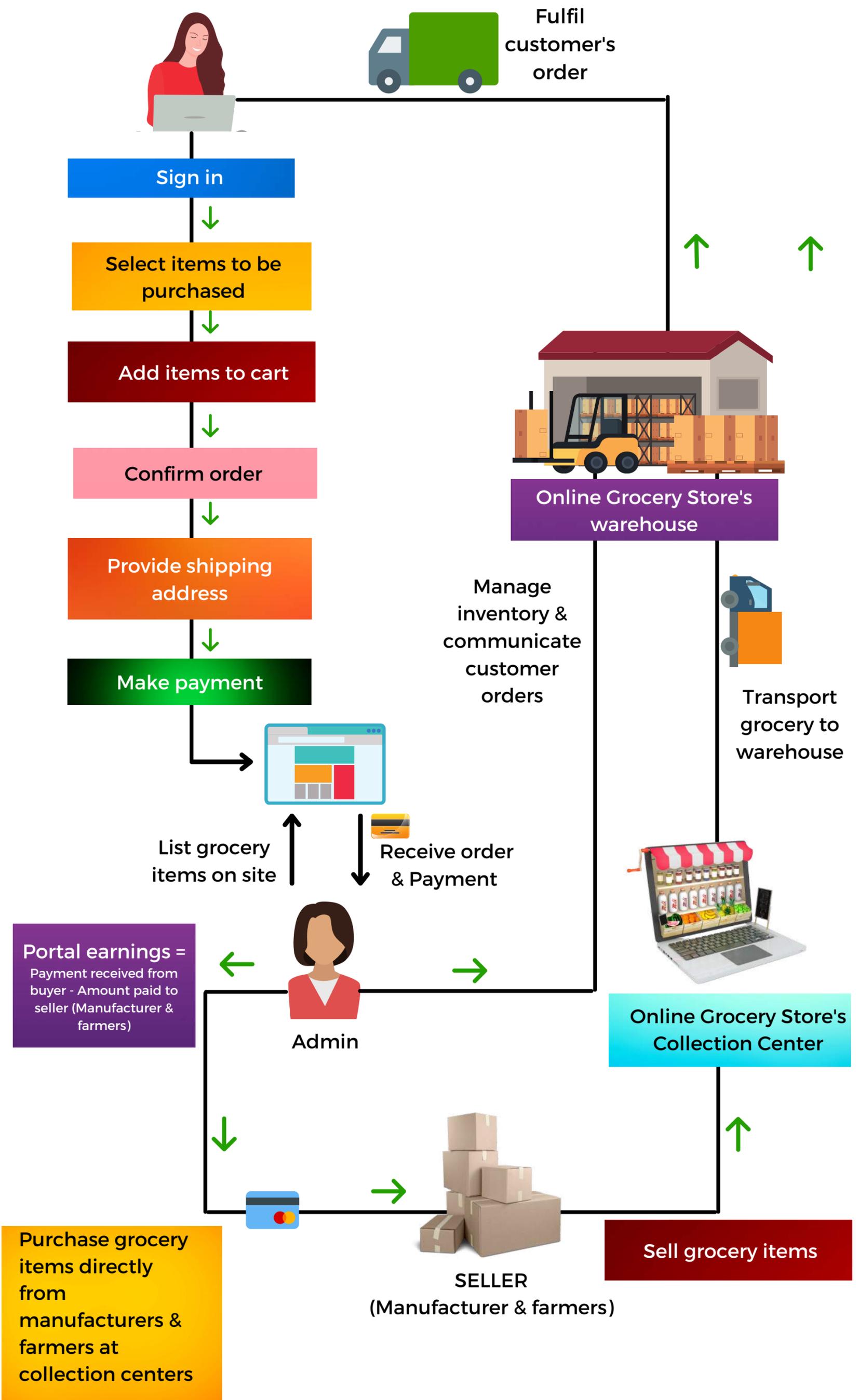


The success of your online grocery store depends heavily on a proper delivery management system that ensures seamless operation. This is arguably the most critical step in your journey to start your own online grocery store. In India, most consumers expect same-day delivery, especially when it comes to grocery items. Even a slight delay in this is heavily frowned upon.

Taking in orders and not delivering them on time will cause irreparable harm to your grocery store. So it's best to employ proper DMS to avoid such pitfalls. A delivery software has many advanced features like automated scheduling and routing for drivers to deliver effectively, GPS mapping for real-time tracking, mobile access for easy managing, and automated notifications for customer satisfaction. Choose a delivery management system like Tookan that offers all these features to its customers.

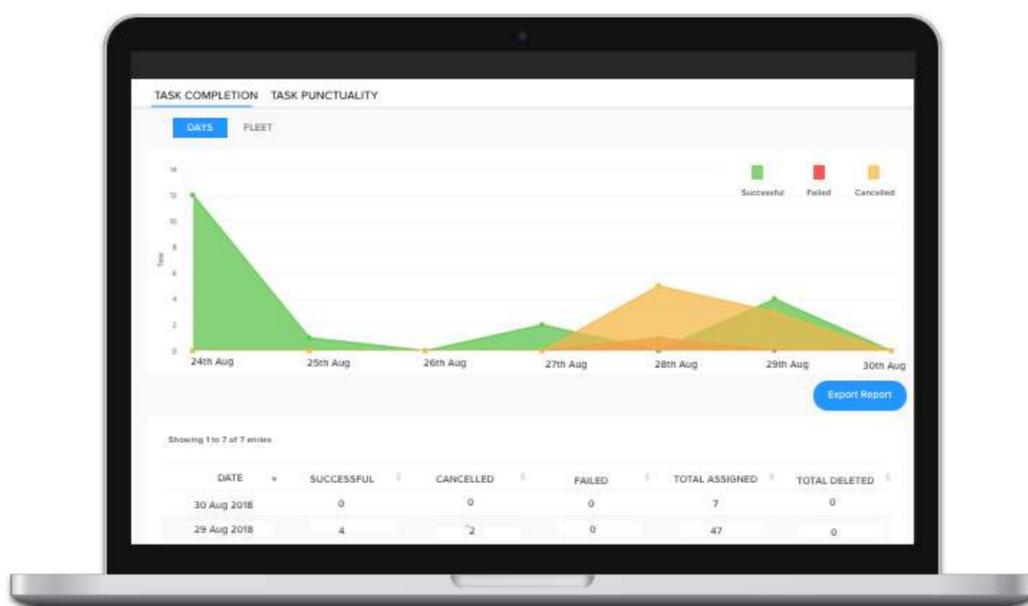


How online grocery store works



HOW TOOKAN CAN HELP YOU START YOUR ONLINE GROCERY DELIVERY?

Out of all the delivery management applications available in the market, Tookan has the advantage of having the right features perfectly tailored for the online grocery delivery business. Also, Tookan is very flexible and doesn't offer a one size fits all software. It can be scaled and customized to serve all types of industries. Tookan offers all the services an online grocery delivery business needs, including dispatch, performance optimization, and fast deliveries to increase your revenue. It has three different mobile apps designed specifically for dispatch managers, delivery agents, and customers. These apps make communication easier between all the stakeholders and ensure effective and faster delivery of groceries.



With Tookan, you get -

- An extraordinary online shopping experience with your customers.
- End-to-end managed software for your safety and convenience.
- Easily customizable software to meet your requirements.
- Efficient and faster deliveries to your customer's delight.
- Multi-channel platforms for every stakeholder for effective communication.
- A centralized dispatch dashboard to monitor fleet operations.
- Ensures full visibility by real-time tracking of delivery agents and order status.
- Advanced automated scheduling and optimized routing to the nearest delivery agents, thus reducing shipping costs.
- Automated notifications and proof of deliveries for extreme customer satisfaction.
- Make better business decisions by utilizing Tookan's behavioral monitoring and advanced analytical data.

Tookan has partnered up with major food delivery players such as McDonald's, KFC, Pizza Hut, Burger King, etc., and is trusted by over 24000 businesses worldwide.

SUMMARY

With the rapid rise of digital services and ever-evolving consumer behavior, the food and grocery retail industry has been getting highly competitive for grocery businesses to stay in the race. The world will never be the same even after the pandemic ends. We will witness a reduction in the number of brick-and-mortar stores as most businesses will move online.

However, physical grocery stores are not going to perish either entirely. They have to adopt a hybrid model where they combine their physical store with online delivery. They need to embrace advanced technologies like a delivery management system to thrive, as satisfying customers during this period will be challenging.

Technologies like delivery management, drones, and AI-led end-to-end dispatch management with zero human interference will be the future of the online grocery industry.

If you want to own an online grocery venture, now is the time to partner with a reputed delivery management software like Tookan. It's no secret that customer experience is the ultimate battleground where businesses are won or lost. Tookan has vast experience and extensive expertise in enabling the success of several online grocery stores using their advanced delivery solutions.

So, what are you waiting for? [Contact us](#) now and get started right away.

