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Q-GROCERY:
CHALLENGES & OPPORTUNITIES

EU CBEC forum

Dec 01, 2021

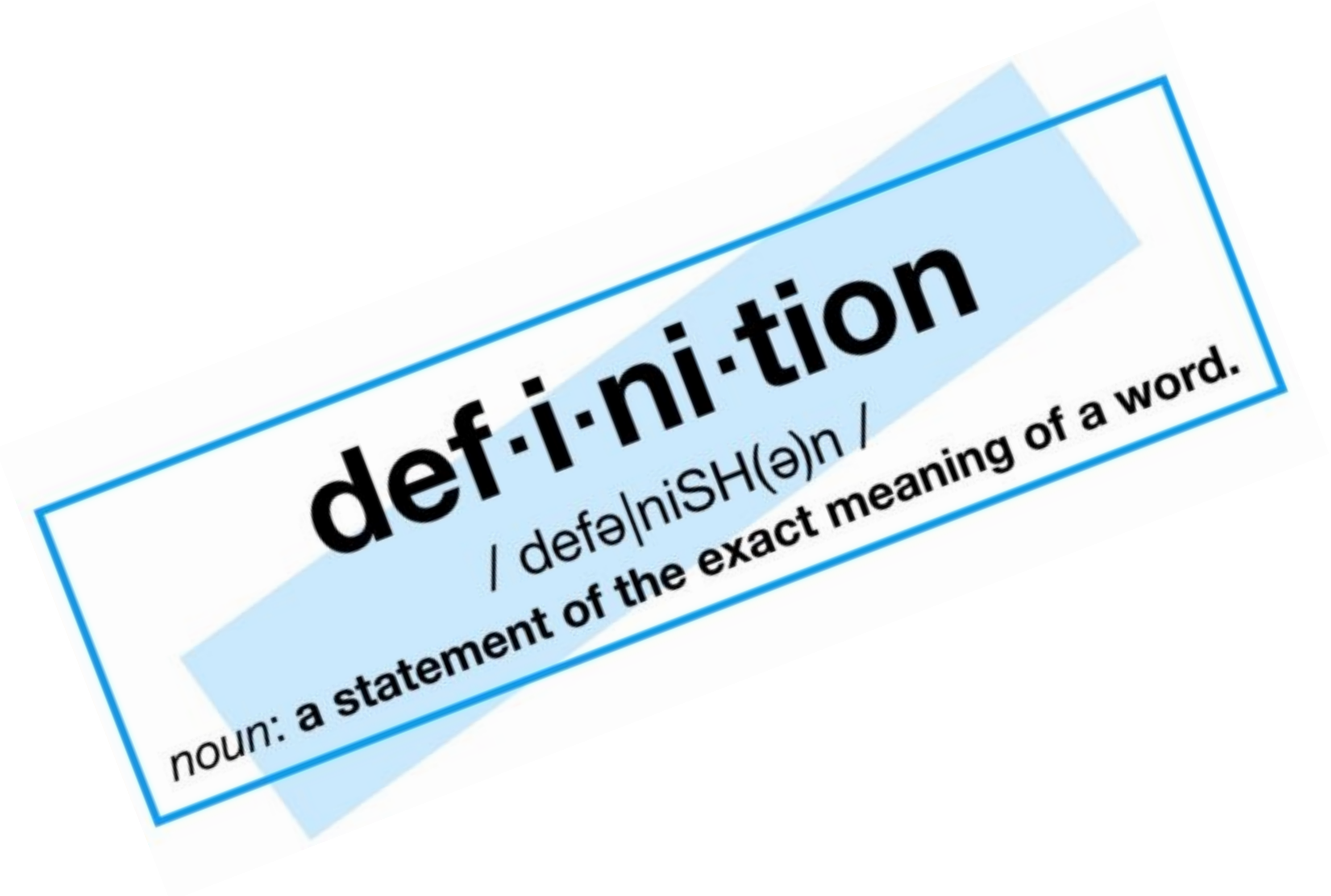
Q-Commerce and Q-Grocery

Q-Commerce

Most rapidly growing e-commerce format with fast, or super-fast, express delivery, starting from 10 minutes

Q-Grocery

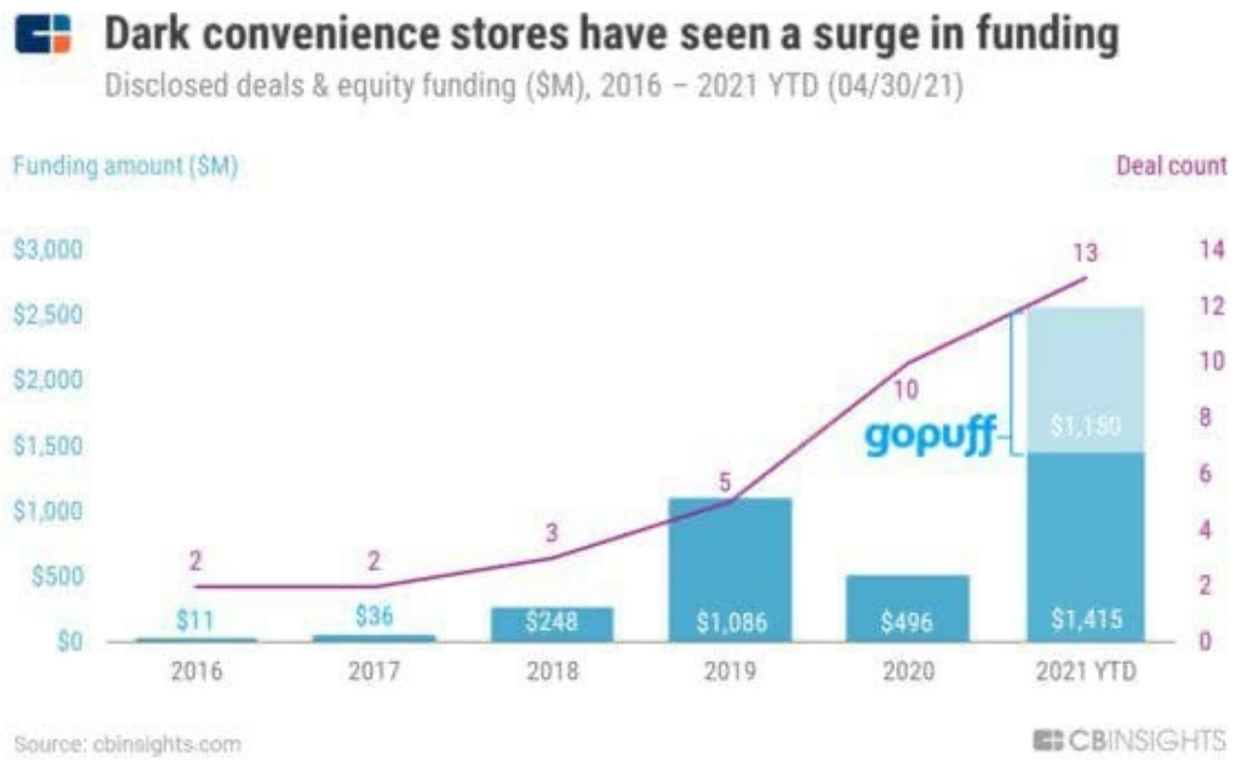
Q-Commerce with focus in grocery is called Q-Grocery. Q-Grocery accounts for major share of Q-Commerce worldwide, changing consumer habits and introducing the largest grocery retail market disruption for the last 50 year

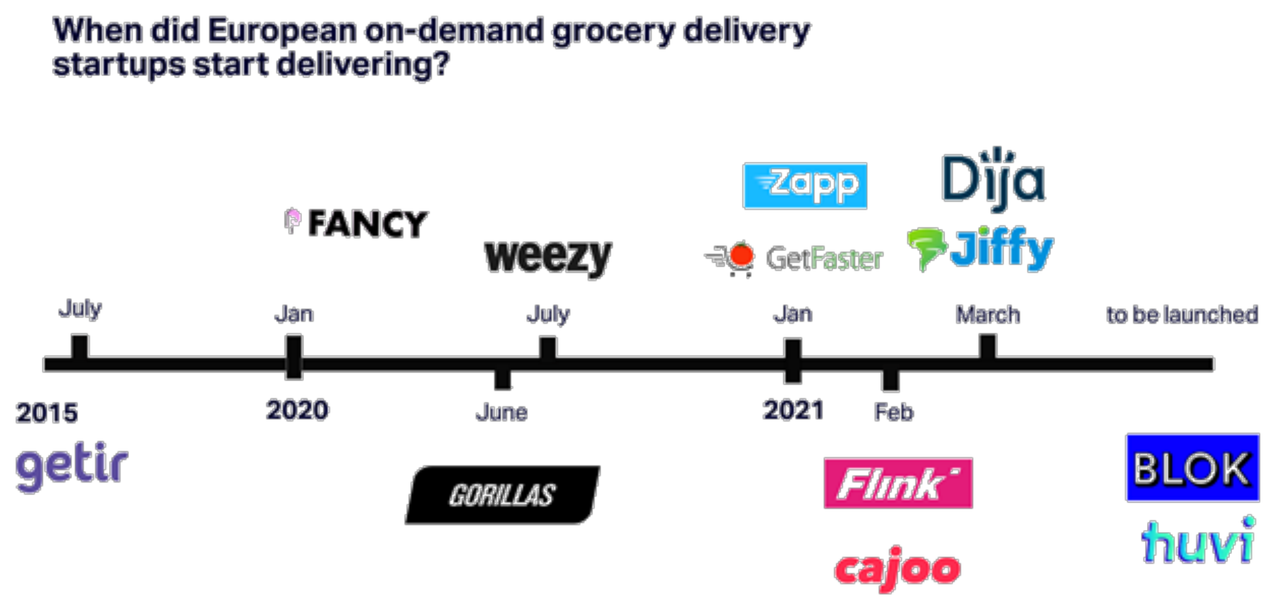


Hyperlocal Online Grocery Retail with Express Delivery is The Next Big Thing

"This wasn't a 10-minute convenience item pitch. It was: 'The weekly shop is broken, there's no reason it's done like this.' They want to fundamentally change the supply and logistics of the way we all order grocery and convenience items."
Ophelia Brown, Blossom Capital

«…Grocery delivery startups – the sector every VC wants to invest in right now»
Amy Lewin & Cecile Busy, Sifted





Source: Sifted, CB Insights

Q-GROCERY DEMONSTRATES INCREDIBLE CUSTOMER RETENTION – CHANGING HABITS!

LESS FOOTPRINT

MORE SAFE

MORE CONVENIENT

MORE TIME FOR FAMILY OR YOURSELF

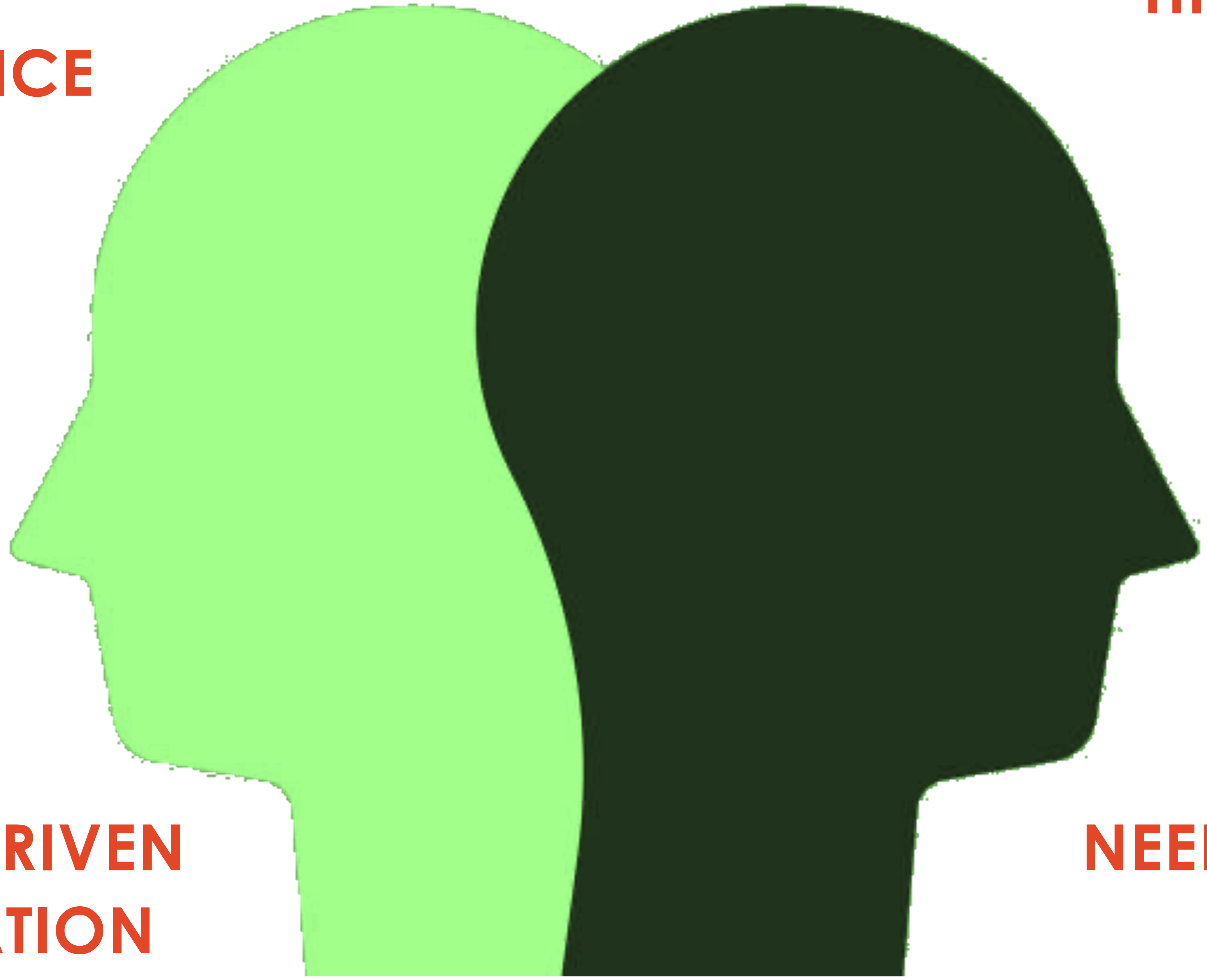
BIG OPPORTUNITY MEANS BIG CHALLENGES FOR ESTABLISHED RETAIL CHAINS

BETTER
CUSTOMER SERVICE

HIGH SPEED OF
CHANGES

COMPETITIVE
EDGE

NECESSITY
TO TAKE RISKS



PROTECTING
WALLET SHARE

LACK OF
COMPETENCES

MORE REVENUE DRIVEN
BY PERSONALIZATION

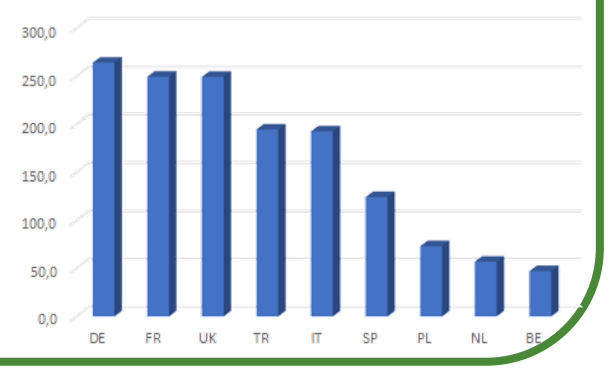
NEED TO ADAPT MANAGEMET
PROCESSES

German grocery market

LARGEST EUROPEAN GROCERY MARKET

$323bln

and growing at 2,1% CAGR



HIGH GROCERY EXPENCES PER HOUSEHOLD

$604 per month

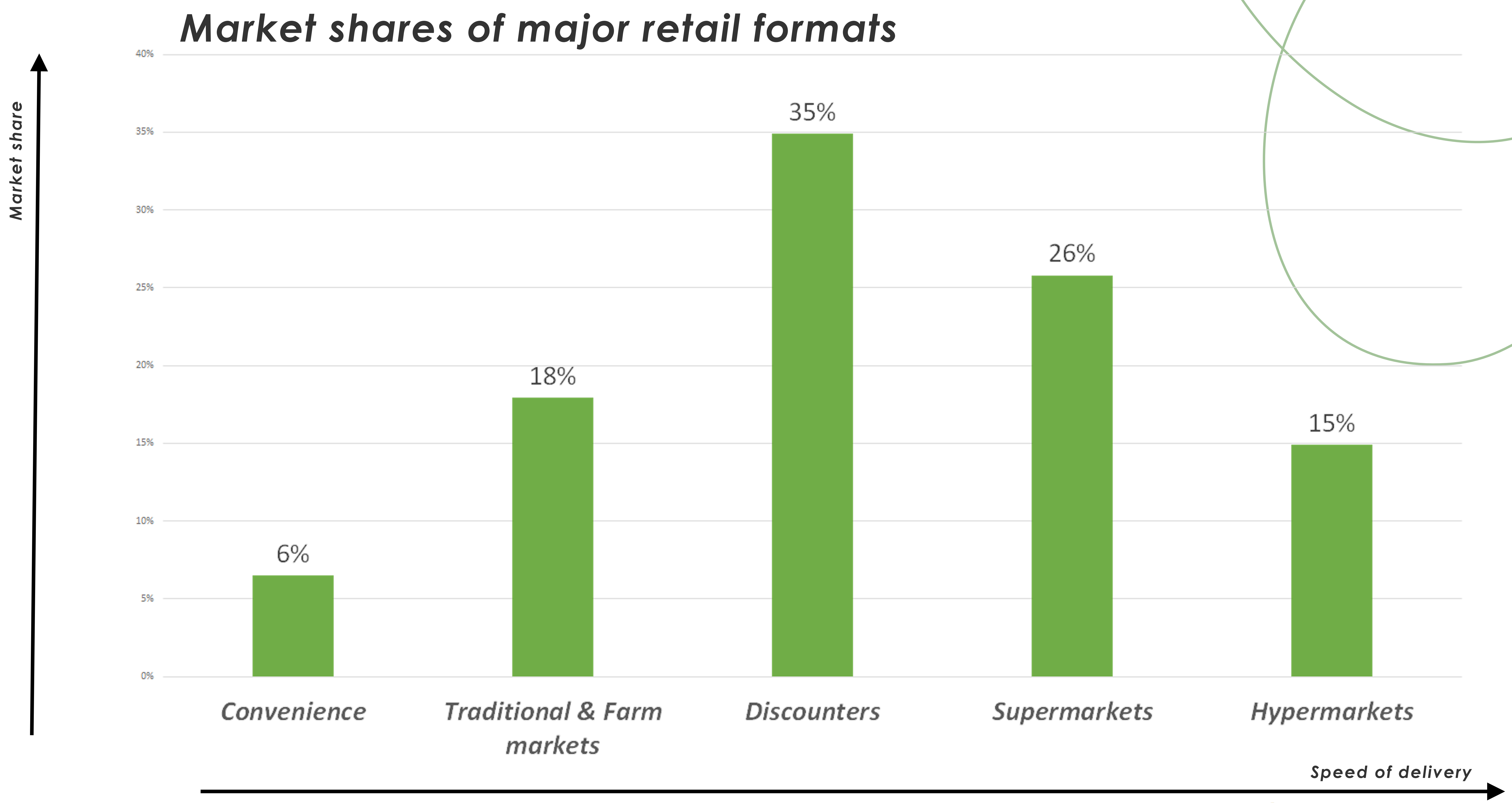
UNIQUE EVEN DISTRIBUTION OF POPULATION

Only 25-30% population live
in 250-300k+ cities

FANTASTIC E-GROCERY GROWTH OPPORTUNITY

1,2% ONLINE PENETRATION,
#1 ONLINE GROWING CATEGORY

Customer Convenience ≠ Convenience retail



Discounter vs Convenience: different CVP

MASS MARKET SOFT
DISCOUNTER
RETAIL

$26-35 AOV

12-15 items

HYPER FAST DELIVERY
CONVENIENCE
RETAIL

$17-20 AOV`

5-7 items

"EVERYDAY PIECE OF BREAD"

for example

- Affordable chicken legs
- Potato
- Local bread
- Table wine
- Greens
- Quality beef for cooking

GetFaster LA BELLE VIE FRIDGE NO MORE

"INSTANT DELIGHT"

for example

- Trendy yogurt with chia seeds
- Decent choice of ready-to-eat
- Premium beef stake
- Fancy snacks
- Fine wine
- Tropical fruits

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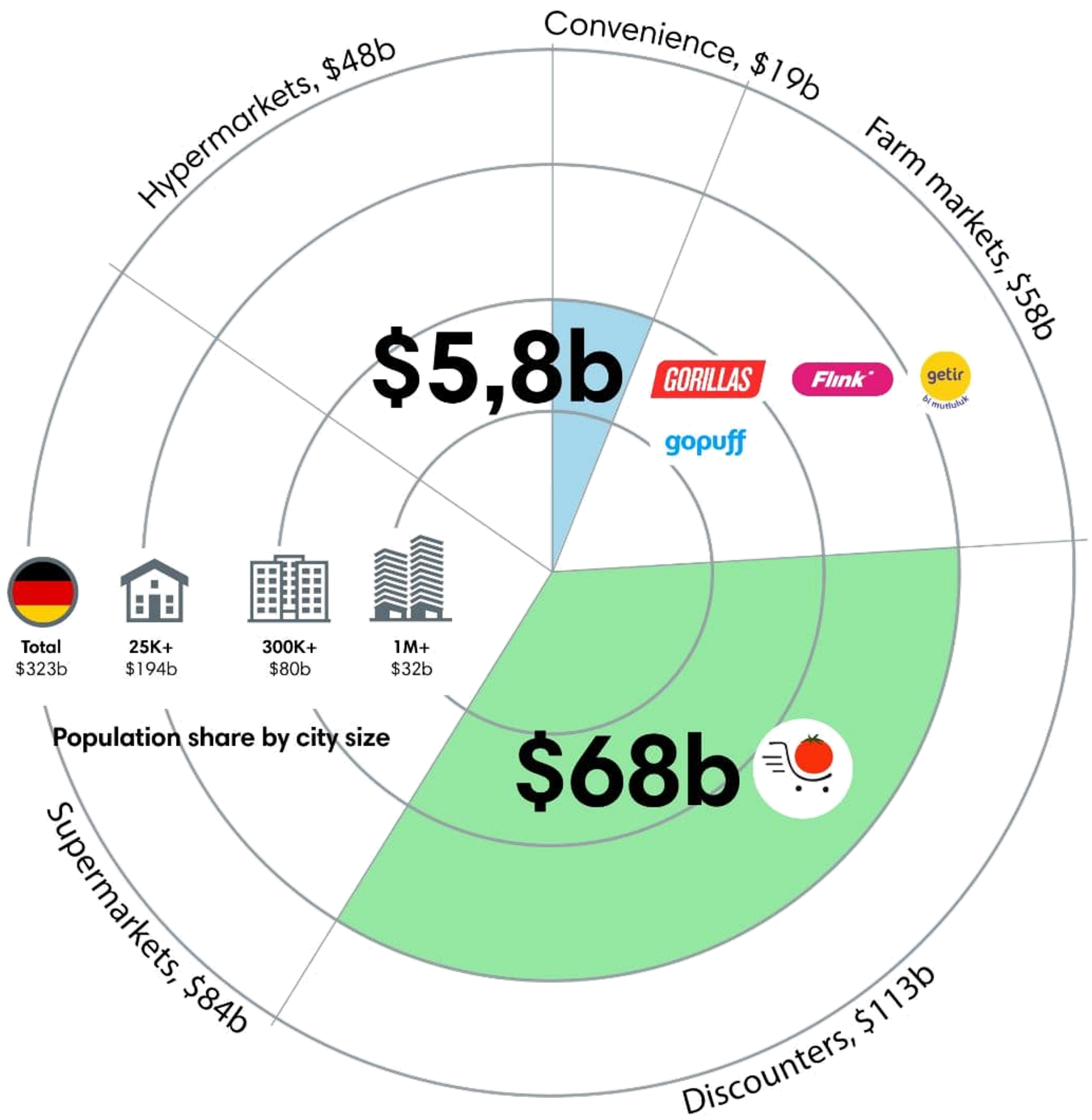
Differentiation: what is at stake?



	DISCOUNTER	CONVENIENCE
Total market	$323 bln	
Retail format share	35%	6%
Geographical reach	60%	30%
SOM, $	**$67,8 bln**	**$5,8 bln**

DIFFERENTIATION DEFINES EXPANSION STRATEGY

Convenience players must expand internationally to large cities – with too narrow market segment in each single country.

Mass market players can conquer major local market share – and with local market large enough can "stay local" and still create >$10b value

Q-Grocery imposes operational challenges!

PICKING COSTS

DELIVERY COSTS

HIRING, TRAINING & RETAINING STAFF

CULTURE:

- EMBRACE CHANGES
- TAKE RISKS
- MAKE DECISIONS FAST
- NOT BE AFRAID TO MAKE MISTAKES

AGILE IT

DEVELOPMENT:
LOCATIONS / MFC INFRASTRUCTURE

CAPEX vs OPEX

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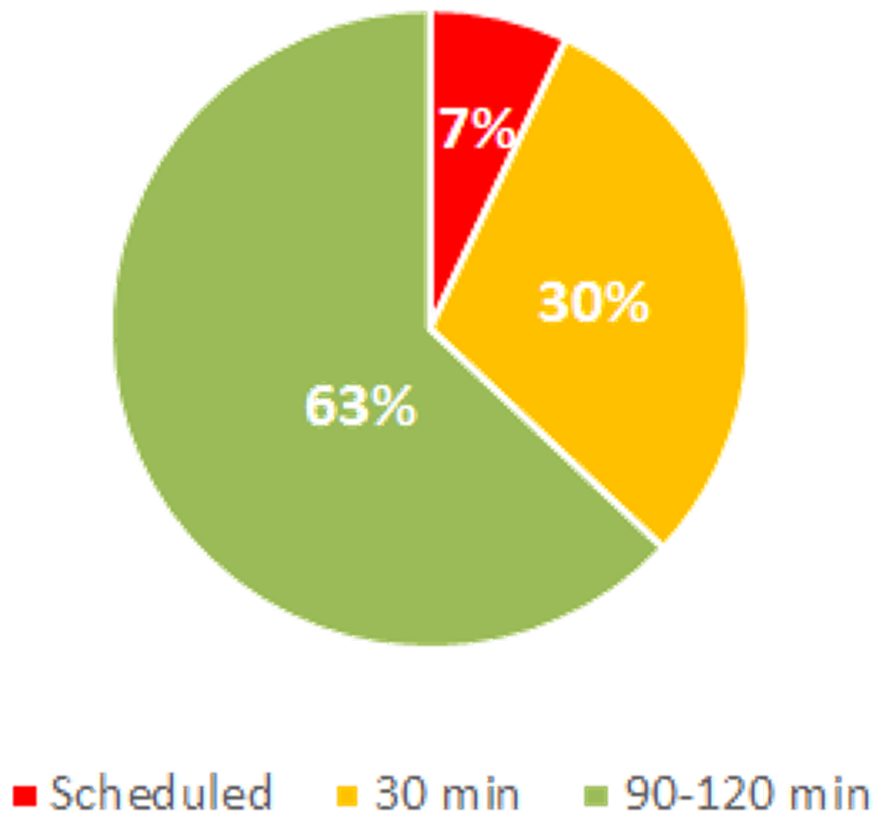
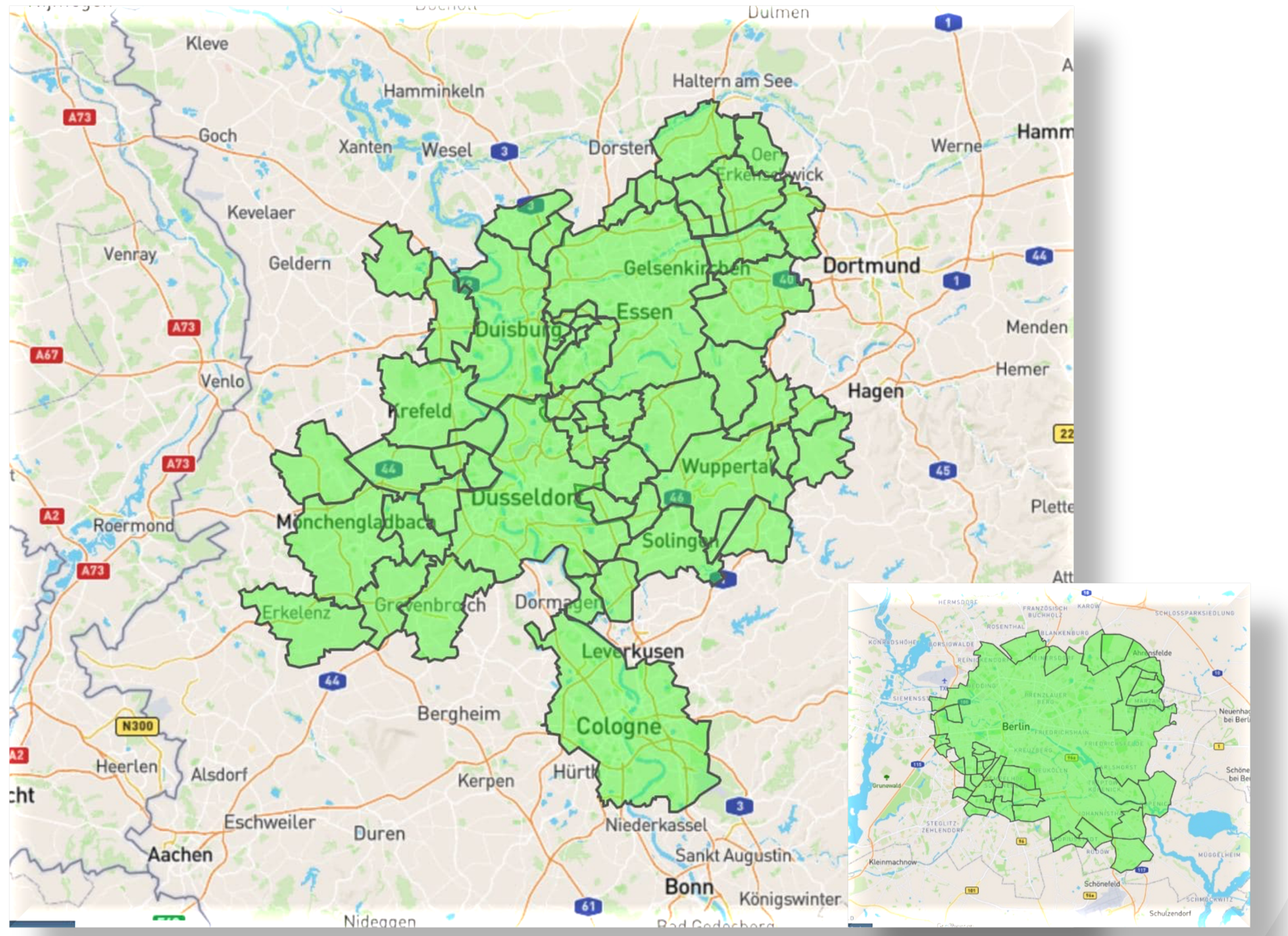
GetFaster experience

"CONSERVATIVE" GERMANS LIKE BUYING ONLINE

- >30-50% retention on 3rd months, no churn after
- over 30% of customers are 45+ years old
- >18% wallet share (and growing)
- No correlation between city population and AOV
- ***43 cities, 10-15% weekly growth***



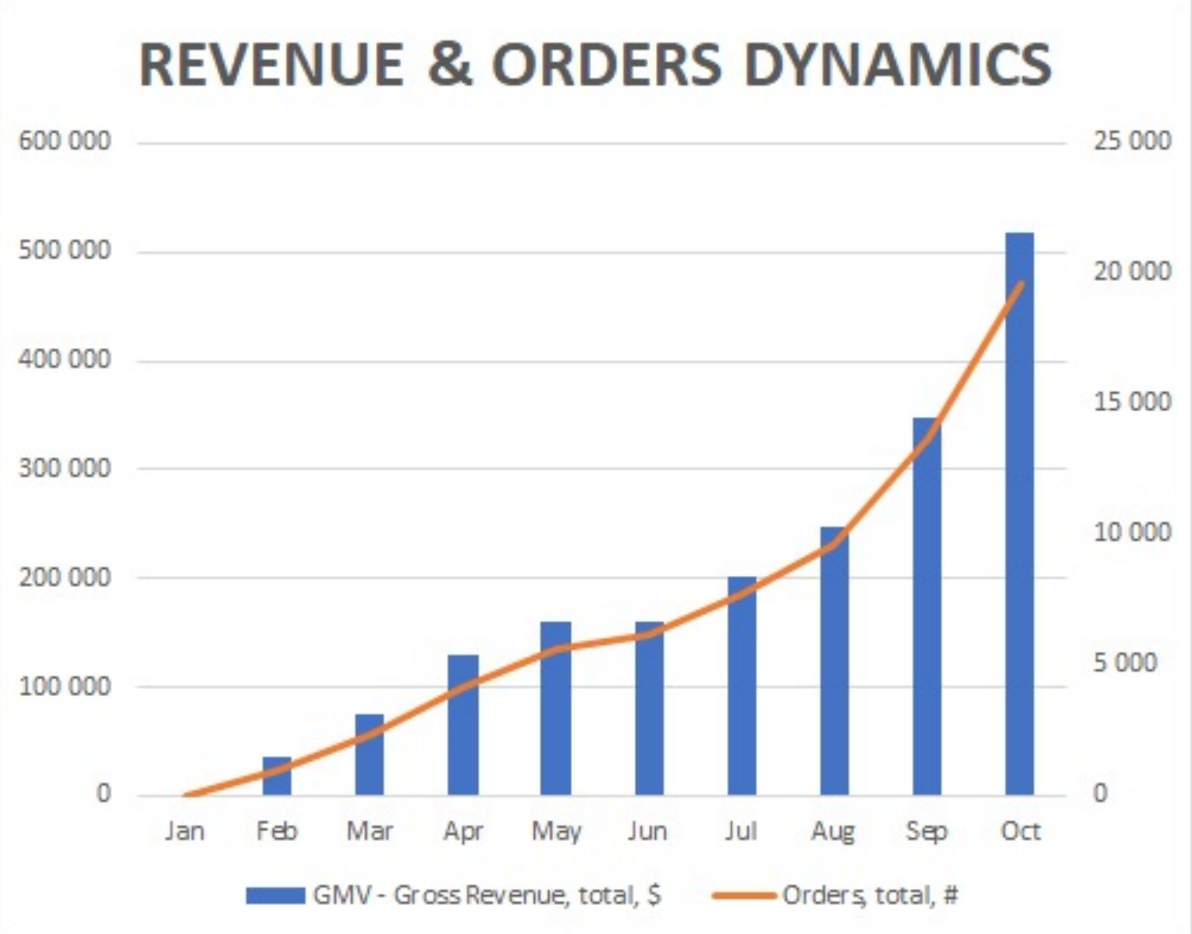


30' DELIVERY (E-BIKES): 2.2+ ORDERS PER TRIP

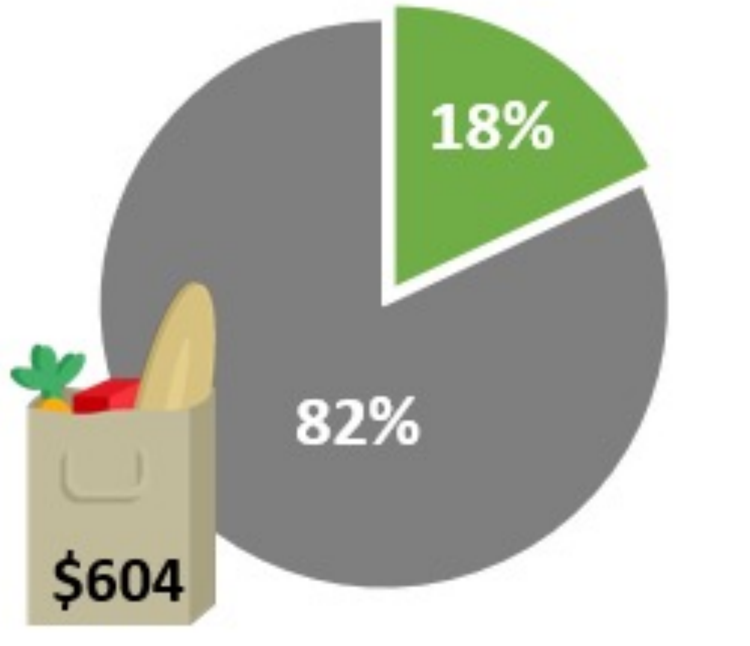
90' DELIVERY (CARS): 8.3+ ORDERS PER TRIP

3,2+

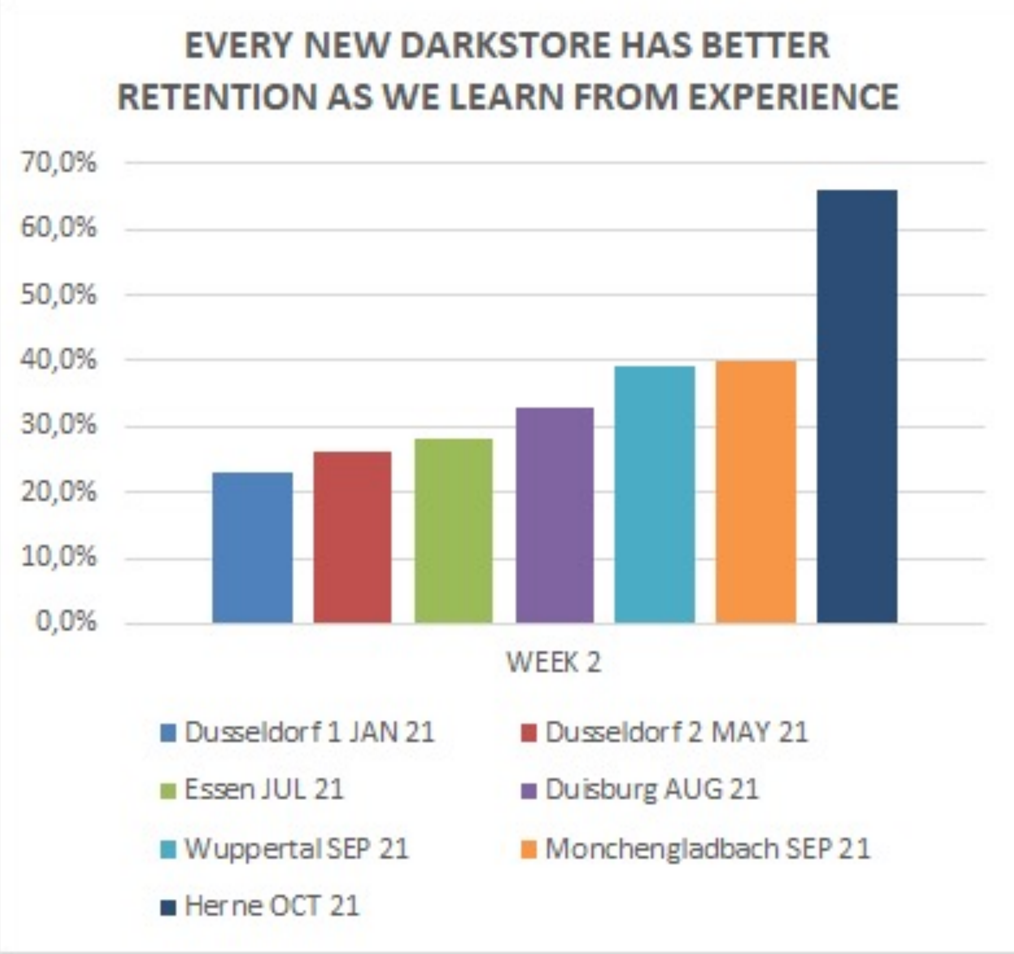
ODERS PER HOUR PER COURIER FTE*



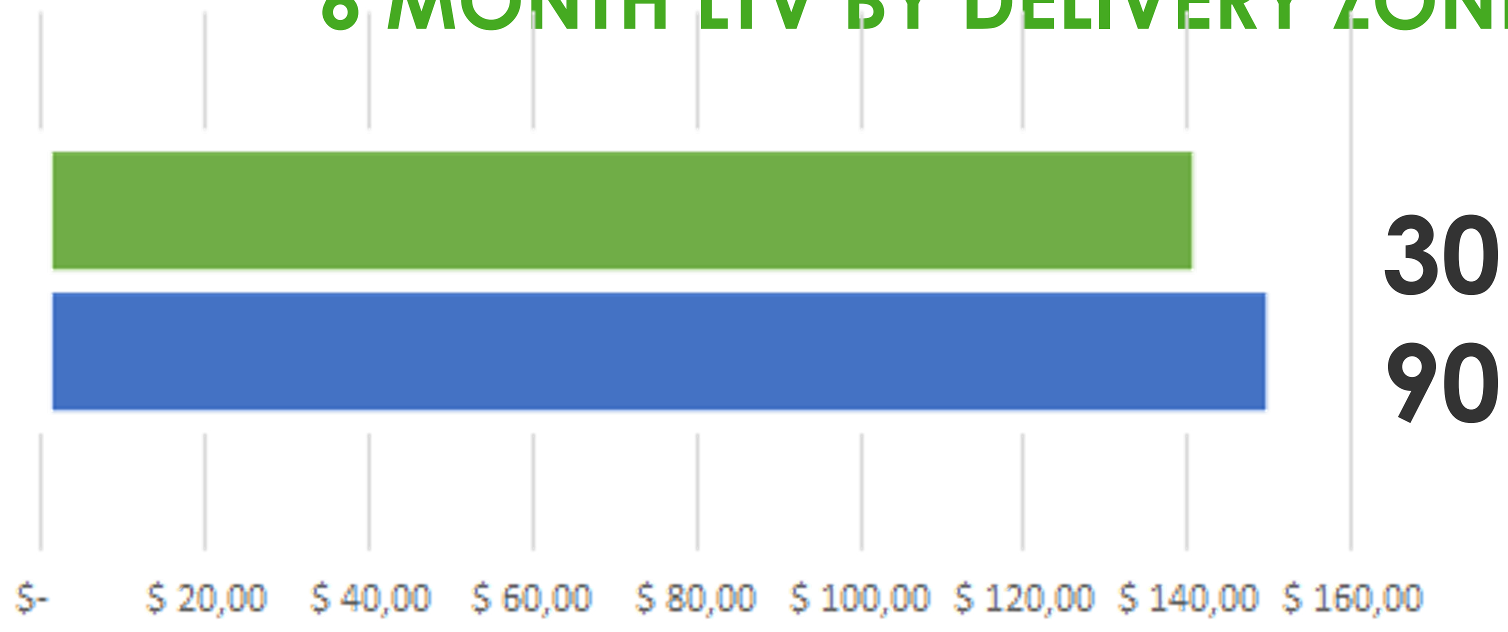
GETFASTER WALLET SHARE



AVERAGE MONTHLY HOUSEHOLD GROCERY EXPENCES IN GERMANY



6 MONTH LTV BY DELIVERY ZONE*



30': $142
90': $151


LET'S
DISCUSS

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