

TWC Trends Summer Edition 2022

Rapid delivery

How much consumer interest is there and how is the channel evolving?

July 2022



Rapid delivery – features



Rapid: less than half an hour, as little as 10 mins



Spontaneous: doesn't have to be booked days/hours in advance



Largely fulfilled by dark stores



Different assortment to traditional convenience



Focussed on dense urban areas



High interest, but London weighted

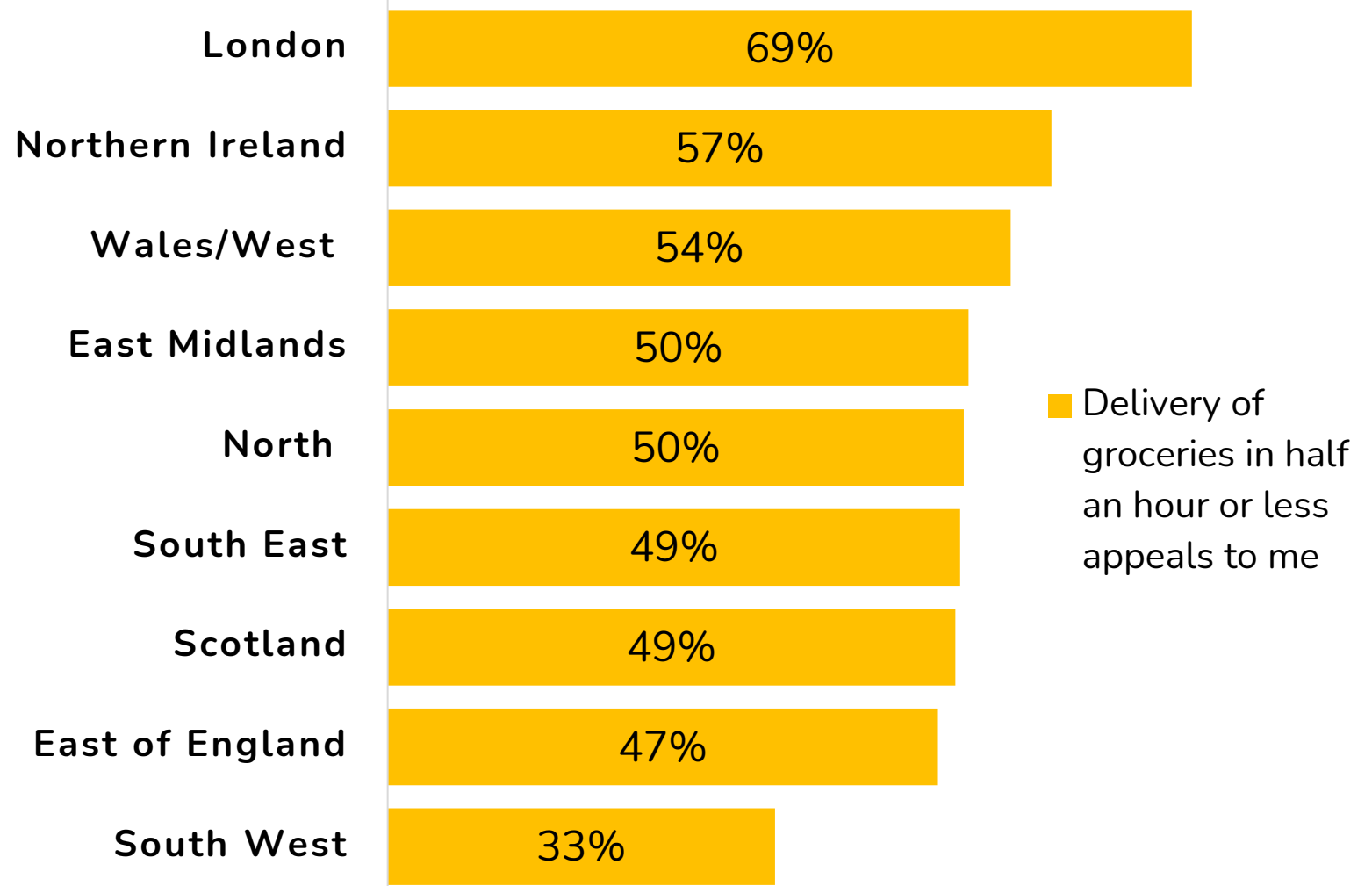
% used rapid delivery

17%

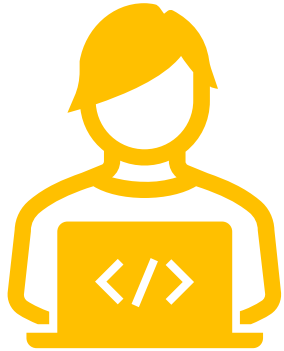


Delivery of groceries in half an hour or less appeals to me

51%

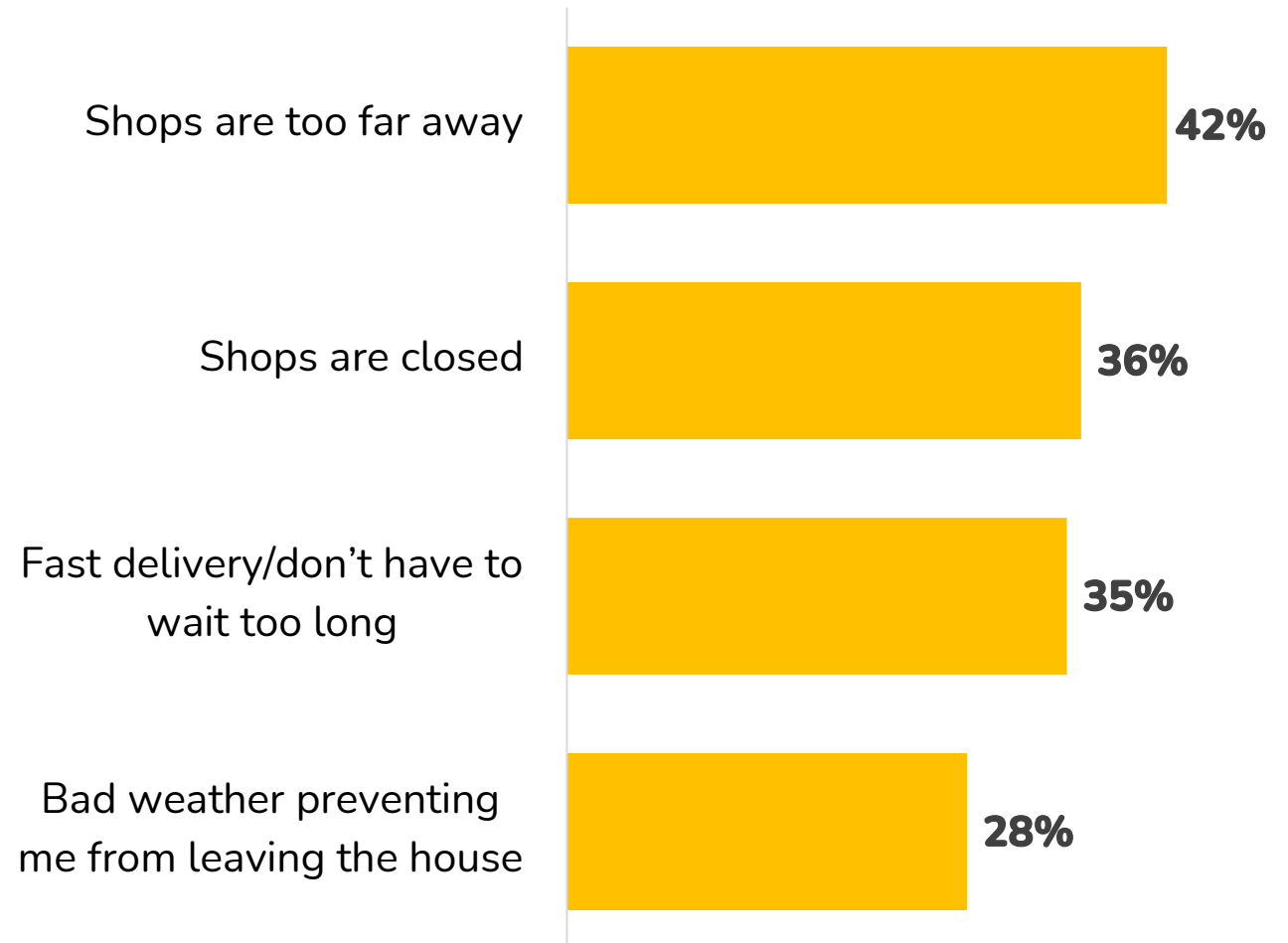


Younger profile; emergency missions



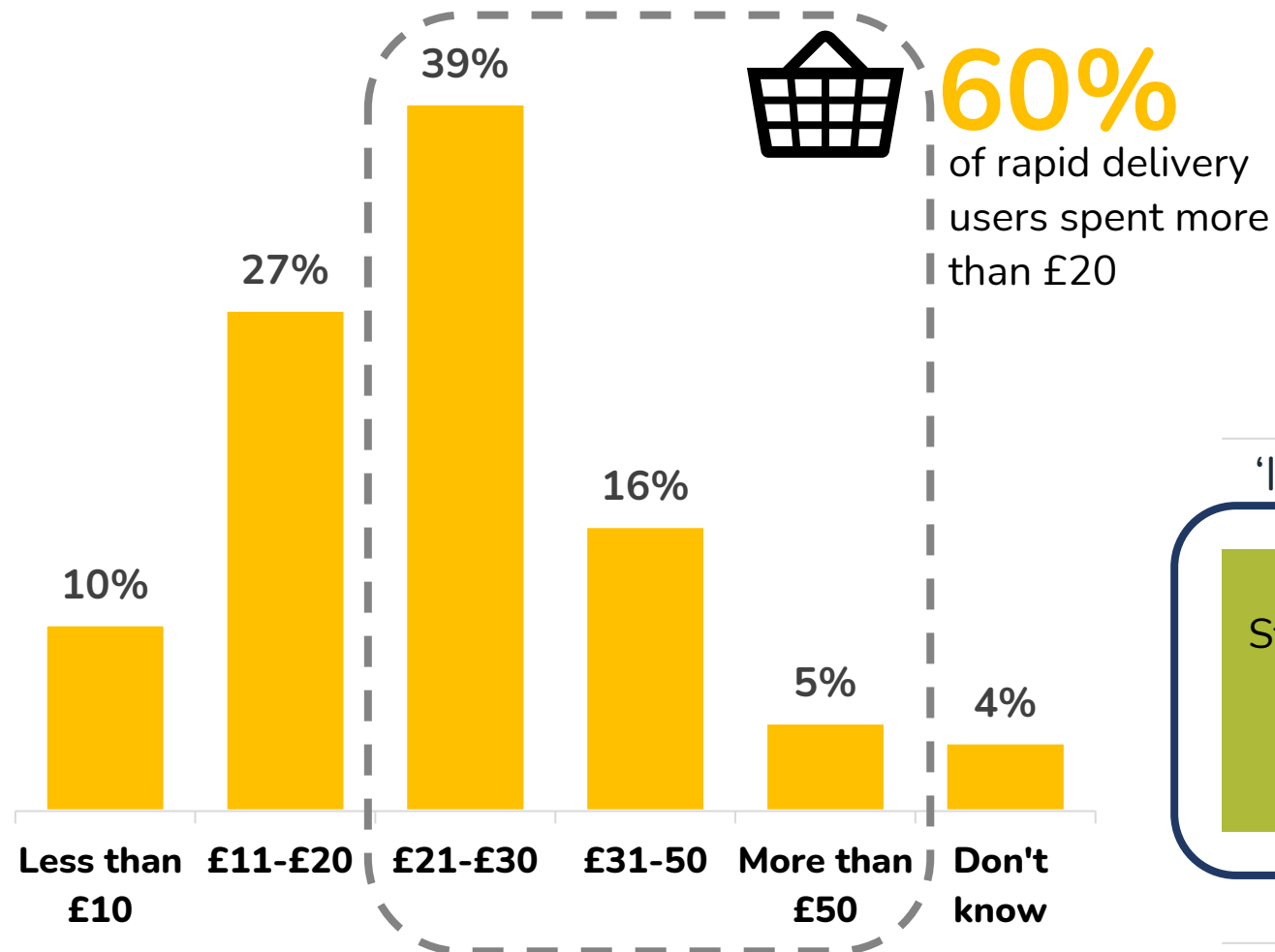
- Users of rapid delivery are younger: over indexing on 18-34 age group
- Users are also more likely to have children in the household
- Reasons for using rapid delivery will have implications on range and pack sizes. The spontaneous nature of missions will also mean if the products the consumer wants aren't available, they are likely to quickly move on to the next operator.

Top reasons for using these services



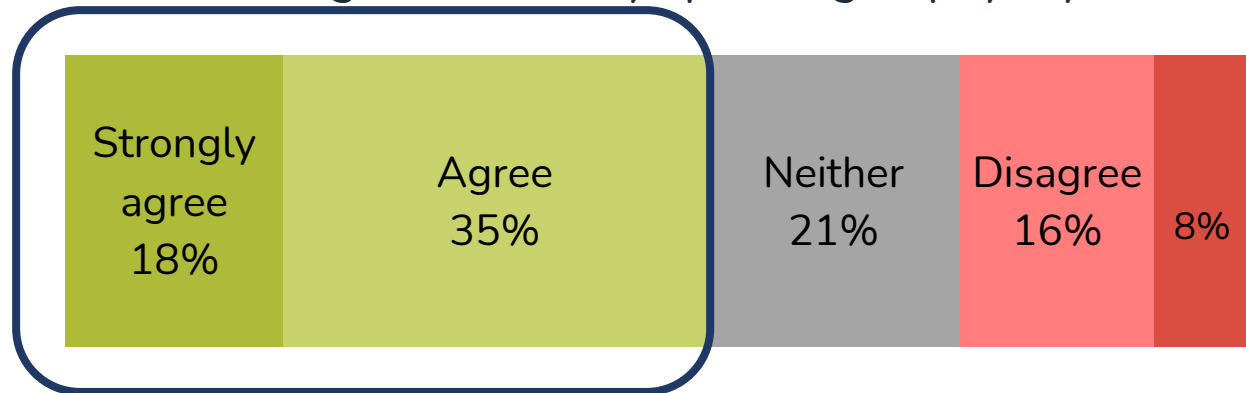
Upsell opportunity..or simply unaffordable? **twc**

On the last occasion you used a quick delivery service, how much did you spend in total (inc any delivery fees)?

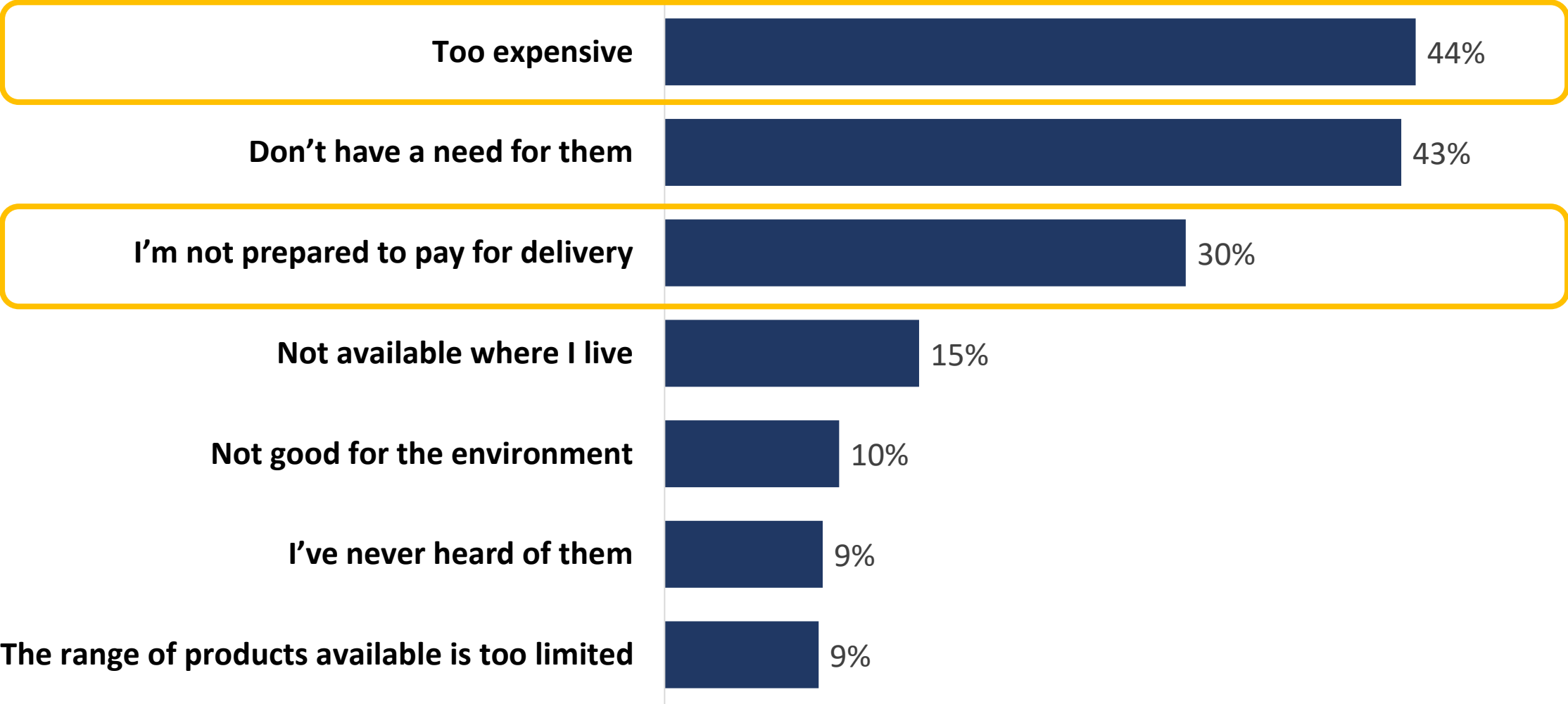


- Average basket size is over £20, more than double a typical instore convenience store basket size
- However, we cannot ignore the cost-of-living crisis, with over half of consumers admitting they are having to reduce their spending to pay their bills

‘I am having to reduce my spending to pay my bills’



Barriers for non-users include cost and lack of need



As an emerging market, rapid delivery is seeing consolidation of operators

Rapid delivery service Getir to buy UK rival Weezy

Deal marks first sign of consolidation in Britain's fast-growing on-demand grocery market



Jiffy to cease rapid grocery delivery to become dedicated software company

By George Nott | 17 May 2022

Click & collect from dark stores will continue “for the coming week or so”, with deliveries to customers ending even sooner.



WEDNESDAY 10 NOVEMBER 2021 4:36 PM

London grocery delivery app Dija snapped up by rival GoPuff

JAMES WARRINGTON



London-based grocery app Dija has reportedly been sold to larger rival GoPuff amid fierce competition in the UK's nascent rapid delivery market.

The startup is set to announce the sale tomorrow, just five months after it launched, Sky News reported.

While details of the deal will not be disclosed, the takeover will reportedly value Dija at significantly less than the \$100m valuation it secured when it raised funds earlier this year.

Zapp looks to bring in former Jiffy customers with special offer deal

By George Nott | 26 May 2022

Move comes as it is understood Zapp's dark store count has reduced to 11, from a peak of more than 24



TWC thoughts

- ✓ There is a high level of consumer interest in rapid delivery solutions, with around half of consumers finding the concept appealing. Appeal – and usage – is highest in London
- ✓ Rapid delivery attracts a younger demographic than convenience stores; as well as appealing to those with children. Basket spends are higher: 60% of users reported spending more than £20, compared to a typical c-store basket of <£10
- ✓ However, cost is a major barrier for non-users. And this will only intensify with the cost-of-living crisis. Over half of GB consumers are having to reduce their spending to pay their bills
- ✓ Rapid delivery remains a city-based model, even in high density areas many operators are struggling to find a path to profitability and consequently we are seeing consolidation amongst operators as well as players exiting markets, scaling back expansion plans and reducing headcount

Find out more:

Sarah Coleman, Director of Communications, TWC will be setting the scene on rapid delivery at the FWD Conference on 30 June.

