

Grocery delivery in 2022: what's next?

2021 was marked by significant growth of quick commerce and ultra-fast grocery delivery, a phenomenon that is still gaining momentum and is adopted mainly to feed last-minute consumer requests in high-density urban areas.

This model has registered a remarkable impact, generating a huge amount of venture capital investments, impacting the economical and social future structure of some major cities.

Some numbers: Gorillas has raised more than \$300 million since its founding last year and is valued at over \$1 billion. Jokr, started eight months ago, has raised \$350 million (\$1.2 billion valuation).

Glovo recently raised \$528 million (\$2 billion valuation) and many more...

Is this success a flash in the pan or a true revolution?
“Truth stands in the middle”, said Marcus Tullius Cicero.

For Grocers out there still thinking if they should consider a partnership with some ultra-fast operators, the answer is neither entirely positive nor negative. The ultra-fast delivery approach could be adopted as part of their overall business strategy to face competition and satisfy the needs of specific customers in specific areas (e.g.: downtown of big cities, single or business workers, etc...). But this model generates uncertain outcomes because it replies to needs with an offer that is valuable in short times but could easily evolve into economical sustainability issues in the long run. Let's think about the exploitative labour practices, environmental costs, etc

On the other hand, there's nothing wrong with the plan of nurturing a short-term demand and then progressively switching into a smarter supply chain. As customers become more and more sensitive to environmental and social factors, it will be extremely difficult to rely only on an approach based on hundreds of mini-warehouses (mainly physical stores). Instead, it would be crucial for Grocery Retailers to set the ground by investing in the creation of regional dark stores that could guarantee scalable supply chain models, higher revenue and customer loyalty.

The quick-commerce model will likely keep existing and growing as one of the links in the long chain of last-mile solutions that are redefining the concept of

grocery shopping, together with the dark store model that best matches with the offering of [flexible time-slot deliveries](#) and [dynamic pricing](#) for real-time demand shaping, both powerful boosters of brand loyalty.

So what's next for the grocery industry? Probably a mixed and balanced approach that could guarantee the satisfaction of both urgent needs and bigger weekly family carts. How the Covid pandemic will play out in the next 12 months will probably make some difference in the first phase of this research for balance, but remember that the emergency will eventually go away, leaving the sector eager to find long-term stability and profitability.