

**Report On**  
**Challenges & Opportunities of q-commerce grocery stores-**  
**A study on Pandamart**

By  
Samia Tahrim  
Student ID: 18264034

**An Internship Report Submitted to the BRAC School of Graduates in  
partial fulfilment of the requirements for the degree of MBA**

Graduate School of Management  
BRAC University  
October 2022

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## **Declaration**

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at BRAC University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

### **Student's Full Name & Signature:**

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Samia Tahrir  
Student ID: 18264034

### **Supervisor's Full Name & Signature**

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Dr Syed Mahbubur Rahman  
Associate Professor  
Graduate School of Management  
BRAC University

# Letter of Transmittal

Dr. Syed Mahbubur Rahman  
Associate Professor  
Graduate School of Management  
BRAC University  
66 Mohakhali, Dhaka-1212

**Subject: Challenges & opportunities of online q-commerce grocery stores- A study on Pandamart**

Dear Sir,

It is indeed a great pleasure to be able to hand over the internship report prepared as a part of the requirement of my MBA program. I have worked with utmost sincerity to complete this internship report. Working with Foodpanda was a great learning experience for me as it taught me to face the challenges of professional life that I would face in the future. I hope you will find the report to be objective and reliable. I have tried to utilize my gathered knowledge and experience to make this report as compact and comprehensive as possible.

I, therefore, express my heartiest thanks of you for your kind supervision, guidance and cooperation for building up this report.

Sincerely yours,

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Samia Tahrir  
Student ID: 18264034  
Graduate School of Management  
BRAC University  
Date: 11<sup>th</sup> Oct'22

# Non-Disclosure Agreement

This agreement is made and entered into by and between Foodpanda Bangladesh Ltd and Samia Tahrir

*I hereby declare that I would keep all the information confidential strictly and I will not share the information outside of this organization.*

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Samia Tahrir  
Student ID: 18264034  
Graduate School of Management  
BRAC University  
Date: 11<sup>th</sup> Oct'22

## **Acknowledgement**

I, Samia Tahrim, would like to express my heartiest gratefulness to every one of those people who encouraged me to complete my internship report.

To begin with, I am appreciative to almighty for making this internship report possible. Secondly, I want to offer my thanks to my academic supervisor Dr. Syed Mahbubur Rahman, Associate Professor, BRAC Graduate School of Management, for helping me with direction and advice to finish my report.

Additionally, I want to thank my authoritative supervisor SK Amreen Akhtar, Senior manager of Demand Planning, Foodpanda Bangladesh, for giving me all the essential data.

Besides, I am additionally grateful to my colleagues who supported and encouraged me all through the span of my job period consistently

## **Executive Summary**

At present Foodpanda is considered the market leader in the online food delivery industry in Bangladesh. They have created their brand image and gained customers' trust. The offer they provide are unparalleled and make the customers come back even if they switch to other customers. They are building sustainable strategies and creating long-term plans keeping the future in the mind. With this confidence, Foodpanda launched their new venture Pandamart back in 2020 which delivers groceries across the country. Pandamart is a q-commerce venture. The term q-commerce is basically e-commerce in a new, faster form. It combines the merits of traditional e-commerce with innovations in last-mile delivery. Q-commerce has revolutionized the traditional e-commerce grocery business and gained a place among customers rapidly because of its convenient service, the necessity of which started during the lockdown due to the convenience it provides. The primary target market for this model is the working younger generations living in urban areas. The advantages it offers are speed, flexibility, cheap maintenance and 24/7 availability. Disadvantages are the cost incurred to ensure speedy delivery and low margin because of growing competition. If it is blended with the right technology, infrastructure, unforgettable customer service and engaging marketing strategy. This report is based on the experience gathered while working for Pandamart and focuses on analysing their existing SCM Procedures and describes the opportunities and challenges it can face in the future along with recommendations that might help them to grow.

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# Chapter 1: Overview of the Internship

## 1.1 Student Information

Name: Samia Tahrin

Student ID: 18264034

Program: Master of Business Administration

Major: Operational Management

## 1.2 Internship Information

### 1.2.1 Employment Details:

Duration: September 2021-Present

Company Name: Foodpanda Bangladesh

Division: D-mart

Department: Demand Planning

Address: Navana Pristine Pavilion, 8th Floor, Plot-128, Block-CEN, Gulshan Ave, Dhaka 1212

### 1.2.2 Supervisor Information

Name: Tasmia Tahsin

Designation: Assistant Manager, Demand Planning

### 1.2.3 Job Scope:

#### 1.2.3.1 Job Description:

Demand Planning is one of the critical areas for the D-mart (Pandamart) segment as it ensures the availability of the products in the stores which are responsible for generating profits and ultimate customer satisfaction. During my internship, I had the opportunity to work closely with the planning procedures and was responsible for several important a

activities. My working hour was from 10:00 AM to 7:00 PM, 5 days a week. My workstation was at the head office.

#### 1.2.3.2 Key Responsibilities:

- Developing inventory planning for the warehouses based on the statistical forecast, existing and pipeline inventory, sales & marketing activities such as promotion, new launches, and dis-continuations.
- Transforming the demand plan into the supply plan and ensuring product availability.
- Create a long-term rolling forecast and share it with the stakeholders
- Calculating overstock of the warehouses and generating a redistribution plan
- Share the forecast information with marketing and logistics
- Developing monthly forecast, S&OP and KPI report
- Calculating overstock of the warehouses and generating a redistribution plan

### **1.3 Internship Outcome**

#### **1.3.1 Benefits of the internship:**

Foodpanda provided me with the platform to gain first-hand experience in learning how a global e-commerce platform performs. I worked in a group of experienced personnel. They shared not only the knowledge required to perform the activities I was assigned to but also the knowledge and expertise they gained in their professional lives. This experience has taught me about real-time challenges and the ability to make fast decisions keeping everyone's interest in mind.

#### **1.3.2 Challenges of the internship:**

The challenges I faced during the internship is regarding office hours. Even though the office hour is mentioned to be from 10 AM to & PM, I had to work outside of this hour. And sometimes it was demanded to work on weekends as well. Overall, it was required to stay active even outside the working hours and days. Another challenge was to the time it took to get access to all data sources. All sorts of data are maintained by the regional team oversea.

Also Bd has designated team of BI. So, while the request for accessing data goes through bd team to the regional team and this process a significant amount of time. As the demand planning process is fully dependent on data ,this time required to get data access is a wastage to valuable time and energy, Moreover, they are reluctant to provide their best support for a intern position.

### **1.3.3 Recommendations:**

- Easier and faster access process to the data base as time is limited for internship
- Should maintain fixed timing for office work as that made the employees more focused and efficient worker.

# Chapter 2: Organization Part

## 2.1 Company Overview:

### 2.1.2 Introduction:

Foodpanda is one of the leading online grocery and food delivery marketplace in markets. It provides consumers with a wide variety of food, groceries and more within a competitive time frame. It aims to achieve operational excellence with technological advancement to grow in quick commerce. It was founded in 2012 by Swiss Lukas Nagel and Rico Wyder. Currently, it is operating in 400 cities across 11 markets in Asia-Bangladesh, Singapore, Taiwan, Vietnam, Pakistan, Philippines, Laos, Cambodia, Myanmar, Hong Kong, Thailand & Malaysia. Previously its mother company was Rocket Internet but sold to Delivery Hero in December'2016. On November 2017 they changed they rebranded themselves from orange to pink.



Figure 1: Territories of Foodpanda

Foodpanda was launched in Bangladesh in 2013.

Currently they have food delivery, Dine in, Pick-up services (Food panda), grocery delivery (from their own shop-Pandamart or from other supershops like Swapno, Unimart, Meena

Bazar). They have both mobile app and website appearance to offer the services to the customers. Two of their upcoming services are Panda Go- A parcel delivery facilities & Panda Kitchen- A cloud kitchen facility.

In early 2022, Foodpanda announced its new mascot called *Pau-Pau* on its 10th anniversary. It is an anthropomorphic panda that cares about empowerment and environment.

### **2.1.2 Mission:**

“Bringing food into our everyday”

That means their service is not just limited to delivering food, but they also go that extra mile to make the journey memorable.

### **2.1.3 Vision:**

1. Launch Moonshots: Sometimes it's the unusual ideas that become the biggest success stories. Looking beyond the limit Foodpanda set themselves up to succeed tomorrow.
2. Own it: They believe in owning the problems they encounter.. They stay accountable, focus on solutions, and don't make excuses.
3. Get 1% better every day: They opt for keeping faith in the works they do even if it doesn't show immediate results and build the resilience and drive to do better everyday
4. Stay Humble: They believe in being self-critical and maintaining a low ego as there is always room for improvement for everyone.
5. Create magical experience: They believe that the key to keeping their partners, users, riders or pandas with them offering magical experiences
6. Win through diversity: Their ongoing commitment to diversity lies not only in the belief that it's what's right, but also that it helps them win. Diversity empowers their

problem solving, fuels innovation, emboldens their decision making, and is a key part of our success.

7. Decide fast, take risks & get it done: They are not afraid to make decisions and act, even when they face uncertainty. They learn from their mistakes, keep iterating, and always focus on execution.

#### **2.1.4 Corporate Departments:**

The major departments of Foodpanda Bangladesh are as below

1. Accounting Department
2. Finance Department
3. Marketing Department
4. Sales Department
5. Legal & Corporate Policy
6. Information Technology Department
7. Quality Control Department
8. Operations Department
9. Category Management Department
10. Human Resource Department
11. Customer Service Department
12. Content Development Department
13. Business Intelligence Department

## **2.2 Management Practices**

### **2.2.1 Leadership Style:**

Foodpanda leadership style is participative. As it is believed that every individual has unique style of working and unique strengths. So, they believe in personalization. In a world that is constantly changing, it is important for the employees to feel comfortable so that they can give their best ideas, feel valued and most importantly grow through their mistakes. This attitude helps the company to grow as in they are not only about delivering food, but the aim

also to create a connection with their customers and add value to the communities. Therefore, it is not just about doing one's job, it is about performing it the best way.

### **2.2.2 Recruitment & selection Process:**

Foodpanda provides two types of employment, one is contractual and other one is permanent. For contractual recruitment, selected candidates must face one interview with their respective line managers. For permanent employment, selection procedure has two or three steps, based on the requirement of the role. For both types of employment, they circulate the vacancy post on LinkedIn and on their website.

### **2.2.3 Training & development:**

For developing technical and management skills of the employees, Foodpanda provides opportunity to avail LinkedIn Learning platform for free. After completing a course, they can get certificates.

## **2.3 Marketing strategies:**

The main marketing strategy of Foodpanda is providing vouchers and promo codes that is known as Coupon Marketing. To attract new customers they provide promo codes to avail on their first purchase. And for the existing customers there is always a "Basket Size" opportunity to avail. That means if the customers purchase a certain number of products, they would receive a certain amount of discounts based on their personalized voucher code. This inspires the customer to shop more than their requirements as they need to complete the required basket size to be eligible for availing the discount.

Target customer of Foodpanda are the younger generations, especially the working millennials. Based on the priority of their targeted audience, their most promotional activities are social media based. Such as running short advertisement video on YouTube, announcing exciting over via facebook page and engaging social media influencers etc. For special promotions customers receive push notifications on their mobile.

## **2.4 Operations Management:**

Foodpanda has various types of software to do their day to activities. For Inventory management, Purchase order generation their own portal is used named “Foodpanda Portal”. For planning purpose “RELEX” software is used for data visualization Tableau is used across the countries. For communication purpose Slack & Work chat is used. For taking employee attendance “DigiGo” is used where one need to install the app on their phone and log the in and out time. Leave application is also submitted on this platform. For performing HR activities such as onboarding, employee lifecycle management, leave management, HR related NOC/letters, rewards etc “Workday” is used.

## **2.5 Industry Competitiveness Analysis:**

### **2.5.1 SWOT Analysis:**

In SWOT, S stands for strength for Weakness, O for Opportunities and T for Threats. So, SWOT analysis is to find out the strength and weakness of an organization and its threat and opportunities relatives to the competitors in the market. This helps an organization to evaluate their current scenario and facilitates to set objectives to reach their goals. Below the SWOT Analysis of Foodpanda is given below

#### **Strengths:**

1. Large number of enlisted restaurants that enables customers to find their desired product and increased number of orders via foodpanda
2. Numerous numbers of discounts and promo codes have created a buzz within the younger generation who is now prone to order online at least once a day or week. Moreover, customized discounts put the cherry on top
3. Being able to deliver within the time they promised is another criterion that successfully gained trust of the customers
4. 24/7 availability. No other competitors of them are available at late hours
5. Professional and easily accessible customer service



**Weaknesses:**

1. Charging higher prices than the original prices of restaurants make some people to prefer to go the restaurant than ordering online
2. Unethical behaviour of riders that foodpanda has no existing policy to handle creates bad impression over the customers.
3. Bad quality food of food by the restaurants also create distrust among the customers as foodpanda has no policy for this as well.
4. There is still some areas within the major cities that are out of the range of foodpanda.As a result some of the promising customers are getting missed out.
5. Complexity of customer service creates frustration among the enthusiast suppliers.

**Opportunities:**

1. Foodpanda acquires a handsome portion of market share with their unparalleled strategy to attracting customers with numerous offer and discounts, which makes it very tough for the rivals to compete with.
2. There is already a group of loyal customers of them, so they have a leverage to onboard experimental business models and techniques.

**Threats:**

1. With the increased popularity of ordering food form restaurants,many similar business are coming into the markets. And competitors are applying Foodpanda's successful techniques to attract customer with better pricing and faster delivery, which might lead to losing market share for Foodpanda.
2. The switching cost is very low for the customers, it only requires installing an free app on mobile and open an account with the user details. There are a number of replacement goods are available on the market like Pathao, Shohoz, Hungry Naki etc that provides the customers leverage to switch at any time and at any slightest inconvenience.

## **2.5.2 Porter's Five forces analysis:**

### **Rivalry among the existing businesses:**

Based on the analysis, rivalry with the existing companies is moderate to high for Foodpanda. Same business is emerging with the time. Hungry Naki, Pathao & Sohoz food are on board with the newest ideas to steal the customers. But because of the trust build-up with Foodpanda and the restaurant coverage are keeping it at the front position of the competition.

### **The threat of new entrants:**

The threat of new entrants in this market is moderate to high as the infrastructure and administrative cost is very low. But the real challenge is to get onboard more restaurants than pandamart, propose innovative marketing strategy, attract many customers and then being profitable.

### **The threat of substitutes:**

There is a high threat of substitutes in the market for Foodpanda. The firms in this sector are striving to produce several viable replacement goods in their best efforts. Nowadays it is very easy to access restaurants in most of the location as the number of restaurants are increasing day by day and within a small area there are multiple options of restaurants to go. People can easily visit the restaurants and have the meal in a beautiful environment.

### **Bargaining power of suppliers:**

The bargaining power of the suppliers is low in this market. Foodpanda has already established its brand image and reputation. The number of customers use their app daily is not even in close competition with their rivals. As a result, restaurants are ready to pay extra commission for joining Foodpanda's platform.

### **Bargaining power of buyers:**

Based on the analysis, the bargaining power of the buyers is very high as there is no cost incurred to switch suppliers. It only requires installing an free app on mobile and open an account with the user details. There are several replacement goods are available on the market like Pathao, Shohoz, Hungry Naki etc that provides the customers leverage to switch at any time and at any slightest inconvenience.

## **2.6 Summary and Conclusion**

At present Foodpanda is considered as the market leader in the online food delivery industry in Bangladesh. They have created their brand image and gained customers' trust. The offer they provide are unparalleled and make the customers to come back even if they switch to other customers. They are building sustainable strategies and creating long term plans keeping the future on mind. For example, expanding into other types of venture such as grocery delivery, package delivery etc. Moreover, the organizational structure and workforce are one of the major competitive advantages for Foodpanda. But the challenge is to keep up the good work and the image intact that they built in all those years.

## **2.7 Recommendations**

1. It has been noticed that the turnover ratio of the company is high. Foodpanda need to take initiative and increase employee benefits to create job satisfaction among the employees. There is no alternative of having loyal and dedicated employees if a company wants to go a long way.
2. Even though the delivery charge is increasing, the basic salary of rides is yet below standard. They engaged in strikes earlier with a demand to increase their salary. This had a bad impact on company's brand image. Therefore, they need to be cautious so that this doesn't repeat again.
3. Expanding into new ventures in great initiatives but neglecting the already profit generating venture is not wise. They need to focus on foodpanda's service and quality as well and work on it so that the rivals find it hard to compete.

# Chapter 3: Project Part

## 3.1 Introduction

Pandamart started in Bangladesh back on 2020. It is a Q-commerce platform. This is a trend influenced by Covid-19 lockdowns as the lockdown reduced accessibility to everyday items and household goods. Q-commerce or Quick-Commerce or 'e-grocery' is basically e-commerce in a new, faster form. It combines the characteristics of traditional e-commerce with innovations in delivery procedures. The speed of delivery is the main differentiator and pandamart promises to deliver within 30 minutes. To achieve this strategically located "dark stores" are established in these types of business model.

### 3.1.1 Background:

To differentiate from 1st generation traditional brick-and-mortar supermarkets and traditional e-commerce models, as shown in Table 1, comes the term quick commerce (q-commerce) as "a fast form of on-demand delivery which can deliver goods ordered online by customers to in less than one hour." Compared to traditional e-commerce models, q-commerce features speed. Cost-saving is the topmost priority in a traditional e-commerce model. In order to do that companies, aim to handle large volumes of products, use large warehouses and optimize deliveries. In q-commerce, as delivery time is the key consideration of customers when making purchase decisions, companies establish dark stores or micro-warehouses and rely on couriers specialized in last-mile deliveries (Villa & Monzón, 2021). The demand for speedy delivery is driven by busy urban lifestyles, small families, an aging population, and q-commerce is enabled by the on-demand economy and the capability of instant deliveries (Villa & Monzón, 2021). Besides speed, convenience, consistency, friendliness, and human touch have been identified as the most aspects of customer experience (PWC, 2018).

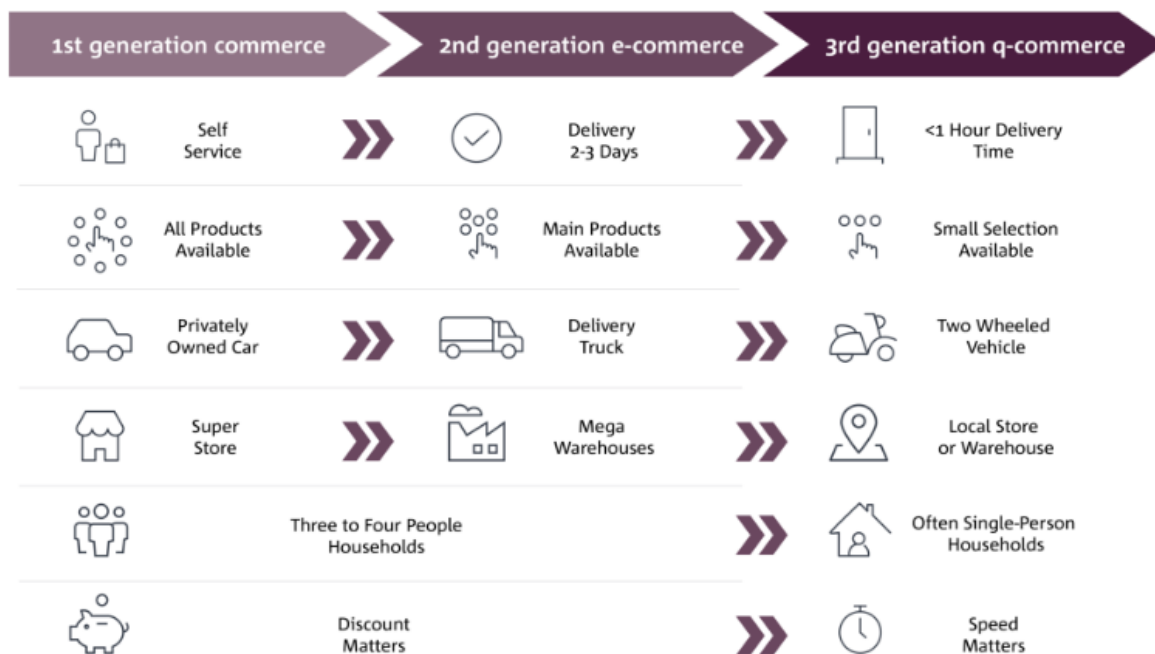


Figure 2: Evolution of commerce

Source: (Mirkovic, 2021), (Delivery Hero, 2020, p. 16).

The COVID-19 pandemic has also definitely encouraged the customers to purchase online for the first time and realized the convenience of online shopping. In research it was observed that customers have not rushed back to physical stores in China even after the lockdown ended. This behaviour of customers is being expected on the purchase of categories like food and beverages, medicine & medical suppliers, personal care and pet care (Escudero et al., 2020).

### 3.1.2 Purpose of the report:

The purpose of this report is to complete the internship of MBA program. This report has been prepared under the supervision of Dr. Syed Mahbubur Rahman and from the experience I gained while working on Foodpanda Bangladesh.

### **3.1.3 Objective of the study:**

The primary objective of this study is to understand the supply chain activities that take place on an q-commerce platform and analyse the challenges and opportunities related to it.

### **3.1.4 Scope of the Study:**

The study mainly focuses on the supply chain activities of Pandamart. Since they started operating 2 years ago, their processes are going through many improvements to make it more efficient and cost effective and to tackle the day to day challenges.

## **3.2 Methodology:**

For preparing the report, the main source was the experience and knowledge I gathered while working there. And then different data sources that are given below:

### **Primary Sources:**

- Interactive sessions and discussions with the persons responsible
- Learning the activities with a keen mind
- Talking with the root level personnel

### **Secondary Sources:**

- Foodpanda website
- Different Articles
- Wikipedia

## **3.3 Findings & Analysis:**

In order to find out the short comings and opportunities of Pandamrts' current practices, we need get into the details of its existing model & operations.

### **3.3.1 Business Model:**

The supply chain processes differ based on the types of business models it has. There are two business models that are mostly followed by the companies, one is Business to Business (B2B) & Business to Consumer (B2C). Pandamart has a B2C policy. The characteristics of the B2C model are given below:

- Easy understanding of the target customer as the customer profiles provides a clear idea about their preferences
- It is a short sale cycle meaning the products can be sold to the customers faster and for this reason, the company need to build a solid customer support centre to tackle their issue regarding product and purchase.
- Targeted consumers are more price sensitive
- Compared to B2B , B2C consumers spend the most time on social media, therefore, the marketing strategy should be planned accordingly

### **3.3.2 Core processes of Operation:**

#### **Purchase:**

The purchase process is done on Pandamart by Category Management Team. They are responsible for the overall communication with the suppliers. So, contacting with the suppliers, negotiating, and setting margins for the products are mainly performed by them. They also forward the POs to the suppliers and ensure their delivery to the stores. Moreover, communicating with the marketing team to run promotions and price cut to clear out the overstock quantities are also their responsibility.

**Inventory Management:** The types of inventories they deal with are finished goods.

According to the purchase order shared with the suppliers, they deliver the products directly to the warehouses (DSD) or to the Distribution Centre (DC). Live inventory update is accessed by Foodpanda's own management system known as the 'Food panda Portal'. This portal is refreshed every 3 hours and shows the stock update after calculating the customer orders in that time period. Another sort of inventory adjustment such as damaged quantity, expired quantity, and the quantity that supplier took return are also adjusted on Inventory Portal.

Periodic SKU count takes place which is known as Cycle Count. The count of products that are physically available are matched with the system's inventory. It takes place on monthly basis on the warehouses and DC.

**Demand Planning:** For demand planning purpose “RELEX” software is used which is a leading supply chain and retail planning platform. It takes into account the historical sales, current & in-transit stock & running promotional deals to project the forecast quantity.

**Warehousing:** Currently there are total of 25 warehouses all over the country, among which 15 are inside Dhaka (ISD stores) & 10 are located outside Dhaka (OSD stores).

The buildings where the warehouses are located need to fulfil some standard pre-defined specific criteria to be selected as warehouse. All of the warehouses have generator and air conditioner facilities. All these ensures the quality of the food products. Moreover, while receiving the products from suppliers, the store manager and quality controller needs to ensure the products’ quality, condition, expiration date all are maintaining our own product receiving criteria and BSTI’s standard packaging rule.

**Transportation:** There are currently 5 trucks of various capacity (7,9,12,14,16 feet to transfer stocks across the warehouses. Defined roots are maintained, where there is one designated While sending products from DC to warehouses, for a specific route the percentage of truck fare and transferred stocks’ value is calculated. The tolerance level is 7% here, that means if the truck fare for a specific route is not more that 7% of the transferred stocks’ value then it is sent otherwise not. The below example would illustrate it.

*Table 1: Example of Acceptable percentage of Truck Fare & Transferred Value*

Route	Warehouse	Truck Fare (BDT)					ST Value for specific sized truck (BDT)					% (ST/Size)				
		7 Feet	9 Feet	12 Feet	14 Feet	16 Feet	7 Feet	9 Feet	12 Feet	14 Feet	16 Feet	7 Feet	9 Feet	12 Feet	14 Feet	16 Feet
Route-1	Barishal	12420	13973	15008	16043	18630	148576	148576	148576	148576	148576	8.4%	9.4%	10.1%	10.8%	12.5%
Route-2	CTG1 + CTG2	7498	8453	10028	10028	11500	517069	517069	517069	517069	517069	1.5%	1.6%	1.9%	1.9%	2.2%
Route-3	Cumilla	4968	5693	6521	7038	6728	183281	183281	183281	183281	183281	2.7%	3.1%	3.6%	3.8%	3.7%
Route-4	Gazipur	2588	2795	3623	4140	4451	170236	170236	170236	170236	170236	1.5%	1.6%	2.1%	2.4%	2.6%
Route-5	Jashore+Khulna	9568	11558	13858	15928	17193	443349	443349	443349	443349	443349	2.2%	2.6%	3.1%	3.6%	3.9%
Route-6	Narayanganj	2976	3214	3928	4761	4166	268613	268613	268613	268613	268613	1.1%	1.2%	1.5%	1.8%	1.6%
Route-7	Rajshahi	8280	9833	10868	12420	14490	180492	180492	180492	180492	180492	4.6%	5.4%	6.0%	6.9%	8.0%
Route-8	Rangpur	8798	10350	11903	13973	13973	162833	162833	162833	162833	162833	5.4%	6.4%	7.3%	8.6%	8.6%
Route-9	Savar	2277	2795	3105	4140	4451	208992	208992	208992	208992	208992	1.1%	1.3%	1.5%	2.0%	2.1%
Route-10	Sylhet 1+2	7498	8970	11270	12823	14605	451784	451784	451784	451784	451784	1.7%	2.0%	2.5%	2.8%	3.2%

Here for Route 1 to 10, truck fare and transferred stocks’ value is given with percentage of transferred stocks’ value and truck fare. For 7 & 9 feet truck, cost of route 9 is within the



limit, so for transferring stocks, 7 feet or 9 feet truck can be used based on their availability. For route 1, for all truck feet's' are more than 7% than the transferred stocks' value. Therefore, for now the store transfer won't take place.

### **3.3.3 Challenges of q-commerce:**

**Lack of trust:** Most of consumers prefer to do their grocery shopping by taking a walk in the supermarket and make a purchase after ensuring the product quality by touching or watching. This way at first, they come in direct contact of the products and then make the purchase. But while doing online shopping, this opportunity doesn't exist. Consumer first make the purchase and then come in direct contact with the products. With the urgency of receiving the delivery, most of the time the opportunity of checking the product is also narrow. So, if they find any sort of quality issue or discrepancies, immediately they do not get any solution. It needs to go through the various steps of filling a complain and receiving the compensation.

#### **On-time delivery:**

Ensuring on-time delivery is one of the biggest challenges. It requires efficiency, planning and high number of manpower to achieve this as every order requires an individual route and individual rider to get delivered.

#### **Unpredictable demand trend:**

As a newly found enterprise, the consumer behaviour is yet to be fully discovered for it. So, demand curve shows a messy trend. Moreover, discounts and promo codes drive the consumer behaviour to a great extent. So, at the time of promotion, one single SKU shows sky-high demand and rest of the time it shows low to zero demand. Also, even though attractive offers made the consumers to make their first purchase, it is not guaranteed that they would comeback.

**Ensure product availability:** Ensuring the availability of the products is one of biggest challenge. Products are purchased from the suppliers, could be a manufacturing supplier or an import-based supplier. Despite of the type any unfavourable situation such as unavailability of raw materials or price change can hamper the availability of a product. Also for import based suppliers, the shipment delay or customs restrictions are two main reasons that made the suppliers unable to serve a product. Moreover, suppliers prioritize the businesses that

provide the highest business share. So, there is no guarantee that the availability of a product at suppliers end would ensure the product at our end.

### **Achieve competitive advantage:**

The demand in this sector is providing fastest delivery at the cheapest cost. Slightest fault in pricing strategy might lead to bankruptcy for the organization. Dealing with price sensitive consumers becomes much more difficult when the price of commodity goes up frequently.

### **3.3.4 Opportunities of q-commerce:**

1. **Shift in Consumer Behaviour:** The biggest growth potential of q-commerce rises from the fact that there had been a epitome shift in the consumers' expectations in recent times. The majority of its customers are younger generations aged under 40, who prefers innovative services over cost effectiveness. They are also the early adapters who appreciate the technological advancements.
2. **Flexibility:** q-commerce has the facility to be available 24/7 and are not restricted to maintain certain opening and closing hour like the traditional shops. Therefore, while the traditional shops are closed, dark stores should be able to capture the customer orders and fulfil the emergency orders. Need not to mention smartphone technology has given rise to - people are awake at all hours with smartphones within arm's length at all times.
3. **Advancement of automation:** To make the processed sophisticated and fast paced related companies would be more prone to rely on the advancement of technology. Cado and Kroger both companies have developed robotics and automation picking and time saving technology which can be beneficiary for the q-commerce industries if they join hands. Drone and driverless delivery might also come into play and tailor the overall operation procedure of q-commerce industries and gave them newer definitions.
4. **Ease of Expansion:** Once the technologies and processes are on board, it would be easier for the companies to bring other product categories such as medicine, electronics, books, plants etc. Not requiring much infrastructure and business and traditional business

### **3.4 Summary & Conclusions:**

Q-commerce has revolutionized the traditional e-commerce grocery business.

It is gaining a place among customers rapidly because of its convenient service, the necessity of which started during the lockdown due to the convenience it provides. The primary target market for this model is the working younger generations living in urban areas. The advantages it offers are speed, flexibility, cheap maintenance and 24/7 availability.

Disadvantages are the cost incurred to ensure speedy delivery and low margin because of growing competition. If it is blended with the right technology, infrastructure, unforgettable customer service and engaging marketing strategy. After analysing the overall SCM procedures of Pandamart it can be said that Pandamart is on the right track. To achieve a competitive advantage, they need to focus on continuous improvements and greater customer service at competitive pricing.

### **3.5 Recommendations:**

- To gain suppliers' trust it is necessary for the suppliers to know what future they hold with Pandamart. Therefore sharing with them a demand projection for longer period might convince them to make Pandamart a priority.
- There is no alternative of providing responsive and helpful customer service in order to create a long lasting impact on customers and make them to come back again, Currently there is only cashback procedure available that too takes quite a long time to send. But other popular grocery sellers provide product exchange policy as well and it was seen that most customers prefer exchange than cash back offer. Also there is no direct hotline number, complaints need to be submitted via email or live chat with the available person, These processes are hard for the people who don't understand the technology much.

- Targeting only younger generation as customer may be not so much wise decision. Because in our country household activities such as cooking and daily grocery shopping are still taken care by the generation in their 40s or 50s. While targeting only younger generation, this huge portion of potential consumers are being neglected. Their UI configuration and ordering procedures are also a bit confusing and complex for the older generations to use. They need consider these facts to increase the business.
- Increasing count of products had direct relation to increase the order number, which was proved by the Pandamart Pakistan. Pandamart Bangladesh should focus on this area. Having great variety of products also increases the order value of the individuals as it creates an impulse even if not being a absolute required product.
- There are many areas that are low penetrating meaning the sales quantity is not that much promising compared to the expenses it incurs. Steps should be taken to close those stores and focus only on the promising areas.
- While running promotions it is seen to use only the internet media instead of the traditional marketing medias which are proved to be successful in case of other rivals. Such as running attractive TV advertisement, distributing leaflets with the running offers or hanging billboards to attract all the promising consumers. If a person is not active on social, he or she would never know about the running offers or there's a chance he/she haven't even heard about pandamart. For a such promising enterprise these are really not acceptable, and their rivals are taking all the focus while they have all the potential to go on the front row.
- Practising sustainability is current trend in the world. If pandamart focus on this,they would create an evolution in the market as their rivals are still not focusing here, This would directly add to their brand image and bring them a global recognition. Using eco-friendly packaging could be a possible initiative.

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