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August 08, 2024 / 08:05 IST



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India's biggest FMCG firm Hindustan Unilever Limited (HUL) is seeing strong growth in sales through the quick commerce (Q-commerce) channel and the quick commerce channel now contributes to one-sixth of the company's e-commerce sales, said Rohit Jawa, Chief Executive Officer, and Managing Director of HUL.

"E-commerce is growing faster than modern trade, and modern trade is outpacing general trade, a trend that seems secular. E-commerce is segmenting into different models, including beauty commerce, grocery commerce, and quick commerce. E-commerce is about 7% of our overall sales, Q-commerce is one-sixth of that and continues to grow," Jawa told Moneycontrol.

Quick commerce has emerged as an important distribution channel in the recent past driven by platforms such as Swiggy Instamart, Blinkit, Zepto and others.

The emerging sales channel grew by 77% in 2023, 5x the growth rate of e-commerce, according to a recent report - Consumer Connection, 2024 - by market research firm Kantar.

According to the report, Q-commerce penetration has increased to 5.6 percent in 2024 from 4.4 percent in 2023, seeing a growth of 31 percent, highlighting its rising significance as a sales channel.

The HUL CEO pointed out that Q-commerce growth is being led by convenience driven categories such as food and personal care.

“Generally, convenience-driven categories such as food, ice cream do well. The staple categories have less salience, but they present significant opportunities as consumers increasingly use these channels for daily needs. For example, quick commerce is a very significant channel for our ice cream and noodle products,” said Jawa.

He added that the growth of quick commerce is also notable in HUL’s other categories like personal care as well.

“This aligns with global trends, where convenience shopping becomes increasingly important. Quick commerce is effectively fulfilling the convenience shopping mission and is performing well in the top cities where it is available,” added Jawa.

Given the growth being witnessed in Q-commerce, the FMCG major is increasing its engagement with players in this segment as it looks to further drive sales through this distribution channel.

“At HUL, we are deeply engaged with all platforms, as we do with any other customer. These platforms are growing faster than the overall e-commerce channel. For instance, I've spent a whole day with a key partner to explore ways to increase and grow categories within their channel. I've also visited dark stores to understand their operations,” said Jawa.