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Quick Commerce and the Changing Face of Retail in India: An Analysis Using Secondary Data

ANUSHKA AGRAWAL[1], DR. HITESH KESARWANI[2]
[1]*B. Com (Hons), Amity Business School, Amity University Uttar Pradesh, Lucknow*
[2]*Assistant Professor, Amity Business School, Amity University Uttar Pradesh, Lucknow*

Abstract- Over the last two decades, India's retail sector has gone through changes that would have seemed impossible to the shopkeeper who once ruled every neighbourhood. First the kirana gave some ground to e-commerce, and now quick commerce has entered the story — a delivery model built around speed, promising groceries and daily items at the door in under thirty minutes. This paper examines how that model took root in India, how it actually works on the ground, what it has done to urban consumer behaviour, and whether any of it makes financial sense in the long run. The entire study uses secondary data — reports from consulting firms, research by industry bodies, and published business analyses. No surveys or interviews were conducted. The findings suggest that quick commerce has unmistakably changed how a large slice of urban India shops. However, profitability is still a genuine struggle, the recklessness built into extreme delivery targets caused a serious safety controversy, and the environmental costs of so many small, individual deliveries are starting to matter. Quick commerce will not push kiranas or traditional e-commerce aside any time soon, but it has staked out its own territory — and whether it can hold that territory long-term depends on operational discipline, responsible practices, and the ability to keep customers coming back for reasons other than a discount.

Index - Dark Stores, Hyperlocal Fulfilment, India Retail, Kirana Stores, Last-Mile Delivery, Q-Commerce, Quick Commerce, Urban Consumer Behaviour

I. INTRODUCTION

Walk into any Indian neighbourhood and the kirana store is still there. It has been there for decades, maybe longer — a small, cluttered shop selling everything from rice and cooking oil to phone recharge cards and last-minute medicines. The owner knows the regulars, extends credit without paperwork, and opens before the city wakes up. For most of India's retail history, this was the system, and it worked.

Then came e-commerce — and with it, the idea that shopping did not require leaving home at all. Platforms like Flipkart and Amazon brought enormous product catalogues, easy price comparisons, and doorstep delivery to a country that had mostly relied on personal visits to physical stores. It took a few years to gain traction, but once cheap smartphones and UPI-based payments became widespread, the shift was unstoppable. By the late 2010s, a sizeable portion of urban India was ordering online routinely, and waiting three to five days for delivery was considered perfectly normal.

Normal, however, has a way of shifting. As urban lifestyles became more compressed — longer work hours, worse traffic, smaller households, fewer people available to run errands — even a two-day wait started to feel inconvenient. The consumer appetite for faster delivery was not hard to read, and a new category of business rose to meet it. Quick commerce, or Q-Commerce as the industry calls it, took the logic of e-commerce and pushed it to an extreme: order daily essentials on an app and receive them within ten to thirty minutes. The mechanism behind this speed is a network of small, neighbourhood-level warehouses called dark stores — facilities not open to shoppers, existing purely to pick, pack, and dispatch orders as fast as possible.

Platforms like Blinkit, Swiggy Instamart, Zepto, and BigBasket's BB Now were among the early entrants building this model in India. The marketing was aggressive and intentionally attention-grabbing — some companies promised delivery in ten minutes, which generated enormous media coverage and drove millions of app downloads. For a time it worked as a growth strategy. But it also created a set of problems that were hard to ignore. Delivery riders were under pressure to meet targets that required riding fast through city traffic. Accident rates crept up. Worker

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welfare organisations raised concerns. Social media amplified the criticism. Regulatory bodies in some cities began scrutinising delivery practices, and eventually most platforms pulled back from the hard ten-minute guarantee.

This paper takes a structured look at the quick commerce story in India. It covers where the sector came from, how it operates, what economic pressures it is dealing with, what it means for traditional retail, and whether the model can realistically sustain itself. All analysis is based on secondary data from published industry and consulting reports. No primary research was conducted.

A. Objectives of the Study

- To understand the evolution of India's retail sector from traditional neighbourhood stores through organised e-commerce and into quick commerce
- To examine how quick commerce platforms operate, how the sector has grown, and what structural challenges companies are navigating
- To evaluate long-term sustainability of the model, covering profitability, delivery safety, consumer loyalty, and environmental responsibility

B. Scope and Limitations

The study is limited to urban India, with primary focus on Tier-1 and Tier-2 cities where quick commerce infrastructure is operational. Rural markets are outside the scope. The research draws entirely on secondary published sources, meaning findings reflect the quality and currency of those reports. Because the sector changes quickly, some specific data points may have shifted since publication. No comparative analysis with international quick commerce markets has been included.

II. REVIEW OF LITERATURE

A. From E-Commerce to Quick Commerce

India's online retail history is well documented. Bain & Company (2022) tracked how the country's digital consumer base expanded dramatically after 2020, pushed forward by falling data costs, rising smartphone penetration, and the explosion of UPI-based digital payments. What this report also captured is the change in what those consumers wanted — in the early years of e-commerce, the appeal was selection and price; by the early 2020s, delivery time had emerged as the primary battleground between platforms.

RedSeer Consulting (2023) provides a useful framing for why quick commerce emerged when it did. Urban consumers, they observed, were increasingly treating daily essentials like a just-in-time supply problem — wanting products when they need them, not planned days in advance. Traditional e-commerce, operating from large centralised warehouses on the city's edge, physically cannot meet this kind of demand. Quick commerce solved the problem architecturally: by decentralising inventory into dozens of small dark stores spread across neighbourhoods, platforms brought the product close enough to the customer that ten-to-thirty-minute delivery became operationally achievable.

B. Market Growth and Consumer Behaviour Shifts

IBEF (2023) documented the growing role of digital platforms in day-to-day urban purchasing. Quick commerce was particularly visible in this shift — app-based daily shopping moved from being a novelty to a routine for a substantial segment of metro city consumers. Technopak Advisors (2022) studied the order patterns in detail and found something structurally important: quick commerce generates small, high-frequency orders rather than the large, planned purchases that characterise conventional e-commerce. Consumers are not doing their weekly shop through these apps; they are solving immediate, specific needs — a missing ingredient, a forgotten household item, a medicine needed tonight.

PwC India (2023) was careful to separate the growth narrative from the profitability one. Revenue figures for the sector look strong, but the margins that sit underneath them are under pressure from multiple directions — high infrastructure costs, discount-driven customer acquisition, and the per-order economics of small basket sizes. Growth and financial health, in this sector, are not the same thing.

C. Operational Model: Dark Stores and Technology

BCG (2022) offered a clear description of how the dark store model works. These facilities are deliberately stripped down — no retail display, no customer foot traffic, no signage. Every design choice is oriented toward getting an order picked and packed in the shortest possible time. Stock is limited to the most frequently purchased items, typically a few thousand SKUs compared to the tens of thousands that a large supermarket might carry. The advantage is speed; the disadvantage is fixed cost. Every dark store carries overhead regardless of how many orders come through the door.

KPMG (2022) went deeper into the technology requirements. A dark store serving a residential neighbourhood needs to know, in real time, what is on the shelf, what needs restocking, what the likely demand will be over the next few hours, and how to route the next batch of riders efficiently. These are not trivial problems, and the firms that have invested properly in demand forecasting systems, inventory management tools, and route optimisation software perform consistently better than those that have not — both on delivery reliability and on cost control.

D. The Ten-Minute Delivery Problem

Deloitte (2023) examined the safety implications of extreme delivery time commitments in some detail. The report noted that when delivery targets are set unrealistically tight, the pressure lands on the last person in the chain — the rider navigating city traffic with a time clock running. The result was a documented rise in delivery-related accidents, growing concern among gig worker communities, and public criticism that no amount of press release could easily neutralise. Regulatory discussions in some Indian cities began to focus on whether such delivery guarantees were compatible with basic road safety requirements.

The industry responded, if not always openly. Hard ten-minute guarantees were quietly removed from most platform communications. Speed remained the core selling point, but it was framed differently — more flexible, without a fixed time promise that put workers at legal and physical risk. Most analysts have read this shift positively, as evidence that the sector is willing to trade a marketing advantage for operational sustainability.

E. Impact on Kirana Stores and Research Gap

EY India (2023) and IBEF (2023) both presented data showing that India’s kirana stores remain structurally dominant in grocery retail, accounting for the large majority of total volume. Quick commerce has made inroads in specific urban pockets, but it has not dented the kirana’s overall position in any meaningful way. EY India offered an interesting additional argument: the two models primarily serve different purchasing occasions rather than competing for the same transaction. Quick commerce handles urgency; kiranas handle routine. That distinction, if it holds, makes direct competition less likely than industry commentators often assume.

What is missing from the published literature is an integrated study that addresses safety concerns, profitability challenges, and long-term sustainability as connected problems rather than separate topics. Most available analyses come from consulting firms whose reports serve commercial purposes and may not engage fully with the sector’s structural tensions. This study attempts, modestly, to bring those threads together.

III. RESEARCH METHODOLOGY

A. Research Design

The study follows a descriptive and analytical research design. The descriptive element involves mapping the evolution of India’s retail sector and explaining how quick commerce platforms are structured and operate. The analytical element involves interpreting what available data says about growth patterns, cost pressures, safety developments, and the model’s sustainability over time.

This design was chosen deliberately. The research objective is not to test a statistical hypothesis or measure the opinions of individual consumers. It is to understand a transformation that is happening at the level of an entire industry. For that kind of question, a descriptive-analytical approach grounded in published secondary data is more appropriate than a small-sample primary study would be. The breadth of industry data available allows for cross-source comparison and a reasonably comprehensive view of the sector's key dynamics.

B. Sources of Data

All data used in this study is secondary. Sources were selected based on credibility, relevance to the research questions, and recency. The core references are: Bain & Company (2022), RedSeer Consulting (2023), Boston Consulting Group (2022), PwC India (2023), KPMG (2022), Deloitte (2023), EY India (2023), India Brand Equity Foundation (2023), and Technopak Advisors (2022). These sources represent a range of consulting, institutional, and industry perspectives and together provide reasonable coverage of the sector's growth, operations, and challenges. No surveys, questionnaires, focus groups, or interviews were conducted.

C. Analytical Approach

Data was organised into thematic categories — digital growth drivers, urban consumer behaviour, order economics, dark store viability, delivery safety, kirana store impact, investor dynamics, and environmental concerns. Within each theme, findings from multiple reports were compared to identify areas of agreement and disagreement. Trend analysis was used to track how specific industry practices have evolved — most notably the shift in delivery time commitments. Comparative analysis helped identify structural differences between quick commerce, conventional e-commerce, and traditional retail formats.

IV. DATA ANALYSIS AND FINDINGS

A. Digital Infrastructure as a Growth Enabler

Quick commerce did not build its consumer base from scratch. It inherited one. Bain & Company (2022) documented how India's digitally active consumer population expanded sharply after 2020, driven by a combination of falling mobile data costs, the penetration of affordable smartphones into lower-income brackets, and the broad acceptance of UPI as a payment method. When quick commerce platforms launched and scaled their operations, they were not asking Indian consumers to change their behaviour from physical shopping to digital — that transition had already happened. They were asking existing digital shoppers to extend that behaviour to a new category of purchase: the immediate, small-quantity essential.

This distinction matters for understanding the sector's growth trajectory. Quick commerce did not have to invest heavily in digital literacy or payment infrastructure — those were already in place. Its primary investment was in the physical side: establishing dark stores in the right locations, building rider networks, and developing the technology systems to coordinate between inventory, order management, and last-mile dispatch. The digital consumer base was, in effect, a head start.

B. Urbanisation and the Demand for Speed

The demand quick commerce is tapping into is not abstract — it is rooted in specific changes in how urban Indians live. RedSeer Consulting (2023) identified the time-saving motivation as the dominant driver of quick commerce adoption, noting that urban consumers are increasingly making purchasing decisions on the basis of convenience rather than price. This reflects a real socioeconomic shift. In Indian metros, average commute times are long, working hours have extended with the rise of service-sector employment, and households have become smaller and more nuclear. The result is that nobody in many urban households has the time, energy, or inclination to manage a traditional weekly grocery trip.

The growing participation of women in formal employment has amplified this. In a dual-income household where both adults are working full days, household logistics get compressed into evenings and weekends. Quick commerce addresses this directly — an app that sends milk, vegetables, and cooking oil to your door in twenty minutes is not a luxury for

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these households; it is a practical solution to a real time constraint. This is a different kind of demand from the novelty-driven adoption that characterized early e-commerce in India.

C. Order Economics: The Low-Value, High-Frequency Problem

Technopak Advisors (2022) produced one of the more useful analyses of quick commerce's distinctive consumption pattern. What they found is that quick commerce consumers do not behave like traditional e-commerce shoppers. Rather than placing one large order and waiting for it, they place multiple small orders across the week — a few items at a time, often multiple times in a single day. The average order value (AOV) is materially lower than in conventional e-commerce, because the purchase occasion is different: not planned restocking but immediate need-fulfilment.

The economic implication is significant. Each delivery carries roughly fixed costs — rider time and fuel, packaging, the proportional overhead of the dark store — regardless of whether the order value is three hundred or three thousand rupees. When AOV is low, these fixed costs represent a larger share of revenue, and margins become very thin or negative. Quick commerce platforms can only make the unit economics work if they achieve a high concentration of orders within a small geographic area — enough orders per hour per dark store that the fixed costs are spread across a sufficient number of transactions. This is why order density is the most watched metric in the sector.

D. Dark Store Viability and Technology Dependence

BCG (2022) described dark stores as micro-fulfilment centres engineered entirely around picking speed. The layout, staffing, and inventory selection are all optimised for getting a product from shelf to dispatch bag in the minimum possible time. What BCG also noted is that this optimisation comes with a cost structure that is unforgiving: lease, staff wages, cold storage for perishables, technology systems, and inventory carrying costs are all fixed or semi-fixed expenses that continue regardless of order volume. A dark store in a high-demand neighbourhood is economically viable; the same dark store in an area where orders do not materialise at sufficient density becomes a sustained loss.

KPMG (2022) made the technology argument in concrete terms. A dark store stocking perishables — vegetables, dairy, fruit, fresh meat — needs to forecast demand accurately to avoid waste, but also needs to avoid stock-outs that result in cancelled orders and customer churn. Getting this balance right requires demand forecasting tools that account for time of day, day of week, weather, local events, and seasonal patterns. Route optimisation software determines whether a rider covers four deliveries an hour or two. The platforms that have built strong technology layers perform materially better on both customer satisfaction and cost efficiency.

E. Discounting, Customer Acquisition, and the Profitability Trap

PwC India (2023) highlighted what many in the industry already knew but were reluctant to say publicly: the growth of quick commerce in its early phase was substantially funded by heavy discounting that was never financially sustainable. Platforms offered significant promotional discounts to attract first-time users, zero or subsidised delivery fees on small orders, and loyalty rewards that cost more than they generated. This strategy drove downloads and transaction volumes, but it also trained consumers to expect prices below market rate — and those consumers are the first to leave when promotions end.

Bain & Company (2022) offered a more forward-looking perspective, noting that as quick commerce markets mature, service quality rather than price becomes the primary retention driver. Consumers who continue using a platform because they find it genuinely reliable — products in stock, delivery on time, good app experience — are more valuable and more stable than consumers who were acquired through a discount campaign. The transition from discount-led to quality-led retention is one of the more important strategic inflections points the sector needs to navigate.

F. The Safety Controversy and Industry Recalibration

The ten-minute delivery controversy deserves more than a passing mention because of what it revealed about the structural tensions in quick commerce's operating model. Deloitte (2023) documented a clear link between extreme time targets and rider safety outcomes. The problem is not simply that riders sometimes drive too fast — it is that the incentive structures built into gig delivery platforms create rational reasons for riders to take risks. When pay is tied to the number of deliveries completed per shift, and when time targets are used as performance metrics, the system itself rewards behaviour that increases accident risk.

The industry's response — moving away from hard time guarantees — was necessary but not sufficient. Simply removing a marketing claim does not automatically change the underlying incentive structure. Genuine improvement in rider safety requires redesigning how performance is measured and rewarded, providing adequate insurance coverage, investing in rider training, and accepting that some of these changes will slow delivery times modestly. Platforms that have taken this seriously have found that it improves rider retention, which in turn improves service consistency — a direct business benefit alongside the ethical one.

G. Quick Commerce and the Kirana Question

Whether quick commerce is a threat to India's millions of neighbourhood kirana stores is a question that attracts more anxiety than the data currently supports. IBEF (2023) confirmed that kirana stores continue to account for the dominant share of India's grocery retail by volume, and this share has not declined dramatically in the years since quick commerce platforms began operating at scale. In rural India and smaller cities, the question barely arises — quick commerce infrastructure does not exist there, and the kirana remains unchallenged.

EY India (2023) framed the relationship between quick commerce and kiranas in a way that is both more accurate and more useful. Rather than displacement, the more likely dynamic is differentiation. Quick commerce handles the urgent, unplanned, small-quantity purchase — the two-in-the-morning medicine run, the ingredient you forgot for dinner. Kiranas handle the habitual, relationship-based, credit-extended routine shop. These are genuinely different consumer moments, which means they are not in direct competition for the same transaction. Some analysts have gone further, suggesting that partnership models where kiranas supply inventory to quick commerce platforms, or serve as last-mile delivery agents, could benefit both. These models are early-stage but represent a more constructive framing than the displacement narrative.

H. Investment Trends and Market Consolidation

PwC India (2023) captured a shift in investor attitude that has significant implications for how the sector will evolve. In the first wave of quick commerce investment, venture capital flowed relatively freely to platforms that could demonstrate growth — user numbers, order volumes, geographic coverage. The harder questions about unit economics, dark store-level profitability, and sustainable margin structure were often deferred. That era is ending. Investors are now asking for evidence that a platform can make money on an individual order before they fund expansion to new cities or categories.

The likely result is consolidation. Platforms with strong technology, good unit economics in their core markets, and loyal customer bases will survive and potentially acquire weaker competitors. Platforms that are still burning cash on discounts and have not solved the profitability problem at the dark store level will find it increasingly difficult to raise the capital they need to keep operating. This kind of consolidation is entirely normal in a sector transitioning from its growth phase to its maturity phase, and it is not necessarily bad for the industry overall — a smaller number of better-capitalised, more operationally disciplined companies is likely healthier than a large number of loss-making ones.

V. RECOMMENDATIONS

Based on the analysis, the following recommendations are offered to quick commerce platforms, investors, and policymakers with an interest in the sector's long-term development:

- Replace fixed-time delivery guarantees with zone-based, traffic-adjusted commitments. A reliably met twenty-to-twenty-five-minute window builds more durable customer trust than a ten-minute promise that is broken often or achieved recklessly.
- Establish positive unit economics at the dark store level in existing markets before expanding to new cities. Expansion that spreads costs without solving the profitability problem at the unit level only makes the problem larger.
- Invest in demand forecasting, real-time inventory management, and delivery route optimisation as core operational infrastructure. These tools directly determine whether a dark store is profitable, and platforms that underinvest in them consistently underperform.
- Redesign rider incentive structures so they reward accuracy, reliability, and customer satisfaction rather than raw delivery speed. Pair this with mandatory safety training, speed monitoring, and accident insurance coverage.
- Explore partnership models with kirana stores rather than treating local retailers purely as competition. Using kiranas as inventory sourcing points or last-mile fulfilment agents reduces infrastructure cost, extends geographic reach, and creates a more inclusive retail ecosystem.
- Shift customer retention strategy from discount-based acquisition to service-quality-led loyalty. Subscription models, tiered benefits, and consistent delivery reliability retain the right kind of customers — ones who stay because the product is genuinely good, not because the price is artificially low.
- Put environmental commitments on a defined operational timeline. Electric delivery vehicles, packaging reduction, and consolidation options should have implementation dates, not just policy statements. Companies that act early will be better placed when regulatory requirements arrive.

VI. CONCLUSION

Quick commerce in India is a sector that got a lot right very early, and is now dealing with the consequences of some things it got wrong. The core insight — that urban consumers want speed and are willing to pay modestly for it, especially for daily essentials — has proven accurate. The platforms that acted on this insight early built real businesses and changed real behaviour. Millions of people in Indian cities now reach for an app when they need something urgently, and that habit is not going to disappear even if specific platforms do.

What got wrong, or at least what got rushed, was the unit economics. Building a delivery network that is genuinely fast requires substantial fixed investment, and the attempt to grow that network quickly while simultaneously discounting prices created a financial model that was never sustainable at scale. The ten-minute delivery era compressed this problem: it required the heaviest possible operational overhead while simultaneously pushing delivery costs down to generate consumer excitement. The industry is now correcting course — more realistic time commitments, harder questions about profitability, reduced promotional intensity — and this correction, while painful for some participants, is probably necessary for the sector's long-term health.

The relationship with traditional retail is less fraught than the media coverage sometimes implies. Kirana stores are not under existential threat from quick commerce — they serve different needs, reach different geographies, and operate on a different social logic. The more interesting question is whether the two models can find ways to complement rather than simply coexist. If quick commerce platforms can use kirana relationships to extend their reach and reduce their costs, both can benefit. That possibility is more interesting and more achievable than the displacement narrative that tends to dominate the conversation.

In the end, quick commerce will be judged not by how fast it can deliver in its best-case conditions, but by whether it can build a business that treats its workers fairly, serves its customers reliably, makes financial sense at the operational level, and takes its environmental responsibilities seriously. The platforms that manage all of these things together — not just one or two — will be the ones that are still operating in a decade. India's retail future has room for quick commerce in it. Whether quick commerce earns that room is a question its own decisions will answer.

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