



A Study on the Evolution and Growth of Quick Commerce in India

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Abstract

Quick commerce (q-commerce) has fundamentally altered how urban Indians access everyday essentials, shifting the benchmark for retail delivery from days to minutes. Catalysed by pandemic-era behavioural changes, deep smartphone penetration, and the ubiquity of digital payment infrastructure, the Indian q-commerce sector has scaled from USD 0.84 billion in 2022 to an estimated USD 5.50 billion in 2025, registering a compound annual growth rate exceeding 85%. This paper presents a structured secondary research analysis examining five interconnected dimensions of q-commerce growth in India: market trajectory, consumer behavioural evolution, business model maturation, technology adoption, and macroeconomic impact. Drawing on disclosures from Zomato, Swiggy, and Zepto alongside industry intelligence from RedSeer, Bain, Bernstein Research, and KPMG, the study synthesises quantitative trends spanning 2022 to 2025. Findings indicate that platform consolidation around a Blinkit-led triopoly, improving unit economics, AI-driven operational efficiency, and expanding Tier II penetration are collectively reshaping Indian retail. Concurrently, the sector's rapid growth has generated substantial gig employment—projected at 12.1 lakh workers by 2025—alongside significant disruption to traditional neighbourhood grocery retailers. The paper concludes with implications for investors, policymakers, and platform operators navigating this fast-evolving landscape.

Keywords: Quick commerce; q-commerce India; dark stores; hyperlocal delivery; last-mile logistics; digital retail; Blinkit; Zepto; Swiggy Instamart

Introduction

Over the past decade, the Indian retail sector has witnessed successive waves of disruption—first through organised modern trade, then through e-commerce, and now through a model that places delivery timelines at the centre of competitive strategy. Quick commerce, operating on a promise of sub-30-minute fulfilment, represents a fundamental reimagining of how proximity, inventory, and logistics can be coordinated in a densely populated urban setting.^[1]

Several structural factors positioned India as fertile ground for this model. A population exceeding 1.4 billion with a rapidly urbanising middle class, smartphone adoption crossing 750 million by 2023, and the near-universal reach of UPI-based payments combined to create demand conditions that few global markets can match.^[2] The COVID-19 pandemic further compressed years of behavioural change into months, normalising home-based purchasing across age groups previously resistant to digital commerce.^[3]

Platforms that initially focused on next-day grocery delivery—most notably Grofers (now Blinkit), Swiggy Instamart, and Zepto—pivoted aggressively to the hyperlocal dark store model, establishing dense networks of micro-fulfilment centres positioned within a two-to-three kilometre radius of target consumer clusters.^[4,5] This repositioning fundamentally altered competitive dynamics and investor appetite across the Indian retail technology sector.

This paper investigates the multi-dimensional growth arc of q-commerce in India across 2022 to 2025, analysing market scale, consumer behaviour, operational model economics, technology integration, and broader economic externalities.

Literature Review on Quick Commerce in India

Evolution of E-Commerce to Q-Commerce

Scholars situate q-commerce at the intersection of on-demand platform economics, precision logistics, and shifting consumer time preferences.^[1] The progression from next-day to same-day to sub-hour delivery reflects both technological capability advances and an intensifying willingness among urban consumers to pay a convenience premium.^[3] India's q-commerce trajectory, while mirroring global patterns seen in Turkey (Getir) and Germany (Gorillas), is distinguished by its scale and speed of adoption.^[4,5]

Consumer Behaviour and Demand Drivers

Empirical work on digital retail adoption highlights that time-constrained, dual-income urban households represent the most receptive early adopters for convenience-oriented formats.^[2] Younger cohorts prioritise frictionless transaction experiences and instant gratification, while rising AOVs across q-commerce platforms suggest gradual penetration into higher-value and discretionary spending categories.^[3]

Business Model Innovations

The dark store paradigm has attracted considerable academic and practitioner attention as it departs from both traditional retail and conventional e-commerce fulfilment models.^[5] Unlike warehouse-based distribution, dark stores are optimised for speed over volume, with lean SKU assortments, high pick-rate workflows, and geographic positioning that prioritises delivery radius over cost per square foot.^[4] Literature also documents the unit economics challenge of building density—platforms require sufficient order volume per dark store to achieve contribution margin positivity.^[7,8]

Technology and Supply Chain Integration

A growing body of research documents the enabling role of AI, machine learning, and IoT in q-commerce operations.^[6] Predictive demand models reduce both overstock and stockout incidence, route optimisation algorithms improve delivery density per rider hour, and real-time inventory visibility across dark store networks enables dynamic replenishment strategies.^[6]

Economic and Societal Implications

The economic footprint of q-commerce extends well beyond platform P&L statements.^[9] Gig worker welfare, income stability, and algorithmic accountability have emerged as pressing research and policy themes, while the competitive pressure on traditional neighbourhood kirana retail warrants parallel scholarly attention.^[9]

Research Problem Statement

Notwithstanding rapid market growth, the academic literature on Indian q-commerce remains fragmented—studies tend to examine individual dimensions such as consumer adoption or logistics efficiency in isolation. An integrated, data-driven analysis synthesising market evolution, behavioural trends, business model viability, technology deployment, and economic impact across a common time horizon is conspicuously

absent. This paper addresses that gap by constructing a unified analytical framework covering 2022 to 2025, drawing on secondary data from multiple authoritative sources.

Objectives

1. To examine the market growth trajectory of quick commerce in India from 2022 to 2025.
2. To analyse shifts in consumer behaviour patterns associated with q-commerce adoption.
3. To evaluate business model innovations and operational strategies of leading q-commerce platforms.
4. To assess technological advancements enabling q-commerce operations in India.
5. To evaluate the economic impact of q-commerce on employment, retail, and the broader Indian economy.

Research Methodology

Research Design

The study employs a qualitative descriptive design augmented by secondary quantitative analysis. This combined approach facilitates both pattern identification across time-series data and interpretive synthesis of strategic and operational developments within the sector.

Data Sources

Primary reliance is placed on investor disclosures and annual reports from Zomato Limited and Swiggy; market intelligence reports from RedSeer Consulting, Redseer Strategy Consultants, Bain & Company, Bernstein Research, and KPMG India; real estate data from Knight Frank India; workforce data from NASSCOM; and sector reporting from the Economic Times and Mint.

Sampling

The study adopts a focused case-portfolio approach centred on the three dominant Indian q-commerce operators—Blinkit, Swiggy Instamart, and Zepto—supplemented by secondary reference to BigBasket BB Now and Amazon Fresh where relevant.

Tools and Techniques of Analysis

Trend analysis, longitudinal comparative assessment, market share decomposition, and unit economics modelling are employed across the five analytical dimensions. Original charts are generated from tabular data to provide visual synthesis of each dimension's performance trajectory.

Data and Analysis: Quick Commerce in India (2022–2025)

1. Market Growth Trends

Between 2022 and 2025, the Indian q-commerce sector has traversed four distinct operational phases: initial scaling, hyper-expansion, consolidation, and profitability orientation.^[4,5] This arc closely mirrors international q-commerce lifecycles but has proceeded at a markedly faster pace, driven by India's unique combination of dense urban population clusters and low-cost gig labour.^[1,4] Dark store counts have expanded from approximately 1,200 in 2022 to an estimated 8,200 by 2025, reflecting the capital intensity of geographic coverage strategies.^[5,8]

Table 1: Indian Q-Commerce Market Size and Growth (2022–2025)

Year	Market Size (USD Billion)	YoY Growth (%)	Dark Stores (Approx.)	Phase
2022	0.84	—	~1,200	Early scaling
2023	1.78	111.9%	~2,800	Hyper-expansion
2024	3.34	87.6%	~5,500	Consolidation
2025 (Est.)	5.50	64.7%	~8,200	Profitability focus

Source: RedSeer Consulting (2024) [1,4]; Bernstein Research (2025) [7]; KPMG India (2025) [6]

Figure 1: Indian Q-Commerce Market Size (2022-2025)

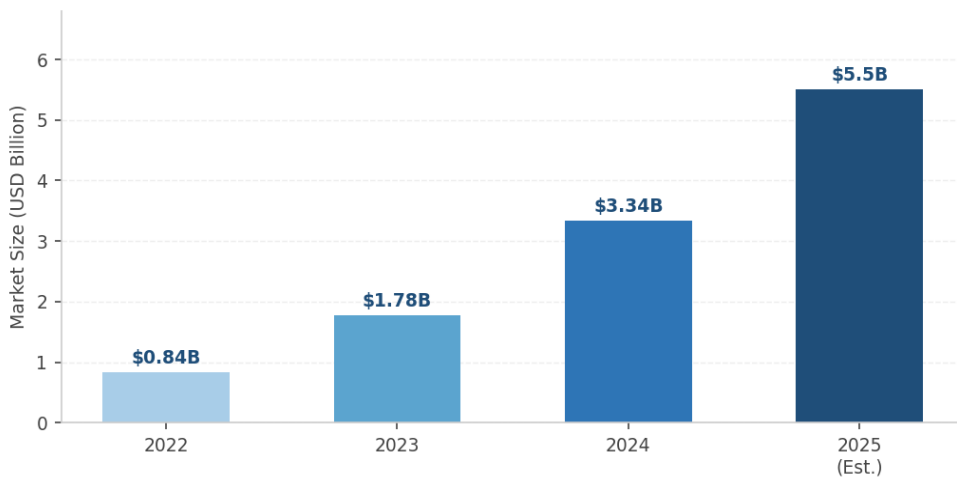


Figure 1: Indian Q-Commerce Market Size 2022–2025 (USD Billion)

Within this expanding market, a clear triopoly has crystallised.^[5,8] Blinkit commands approximately 46% of gross order value in 2024, a share projected to rise to 49% in 2025 as its dark store network approaches 3,500 outlets.^[10] Zomato's early strategic commitment to Blinkit has yielded compounding returns, with the platform's GOV trajectory suggesting an annualised run-rate of approximately INR 13,500 crore in FY2025.^[10]

Table 2: Platform-Wise Market Share by Gross Order Value (2024 vs 2025 Est.)

Platform	Market Share — 2024 (%)	Market Share — 2025 Est. (%)	Dark Stores — 2025 Est.
Blinkit	46%	49%	~3,500
Swiggy Instamart	27%	25%	~2,200
Zepto	24%	23%	~1,400
Others (BB Now, Amazon Fresh)	3%	3%	~1,100

Source: Redseer Strategy Consultants (2025) [5]; Zomato Investor Presentations FY2025 [10]

Figure 2: Platform-Wise Market Share by Gross Order Value

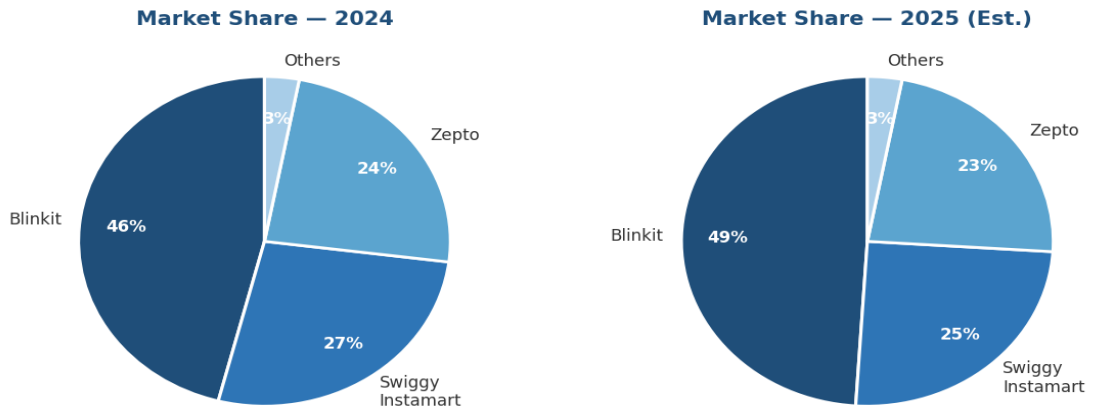


Figure 2: Platform-Wise Market Share (%) — 2024 vs 2025 Est.

2. Consumer Behaviour Analysis

Consumer engagement with q-commerce platforms has deepened considerably across the study period, with usage patterns transitioning from occasional trial to habitual reliance.^[2,3] Three trends are particularly notable: rising average order values driven by basket premiumisation, increasing purchase frequency reflecting embedded platform habits, and meaningful penetration into Tier II cities as platforms extend their geographic footprints.^[2]

Table 3: Consumer Behaviour Metrics in Indian Q-Commerce (2022–2025)

Metric	2022	2023	2024	2025 (Est.)
Average Order Value (INR)	440	490	560	640
Monthly Order Frequency (per user)	3.2	4.1	5.3	6.4
Repeat Purchase Rate (%)	54%	63%	72%	79%
% of Users Aged 18–35	68%	65%	61%	57%
Tier I City Penetration (%)	78%	70%	63%	57%
Tier II+ City Share (%)	22%	30%	37%	43%

Source: Bain & Company India Consumer Report (2024) [2]; RedSeer Consulting (2023–2025 est.) [1,4]

Figure 3: Consumer Behaviour Analysis (2022-2025)

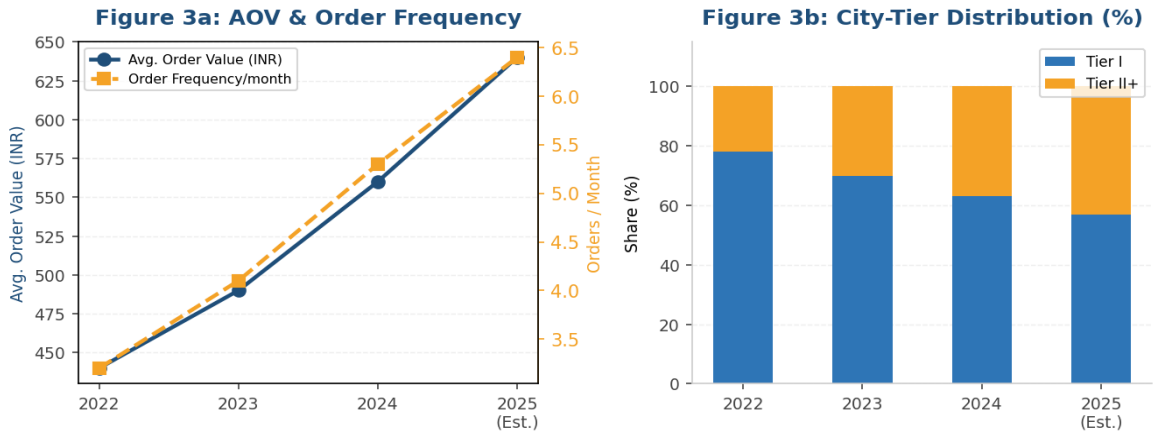


Figure 3: Consumer Behaviour — AOV, Order Frequency & City-Tier Distribution (2022-2025)

AOV appreciation from INR 440 in 2022 to a projected INR 640 in 2025 reflects both deliberate platform strategies—such as minimum order thresholds and bundle promotions—and organic consumer appetite for non-grocery categories including beauty, personal care, and stationery.^[2,3] The incremental democratisation of the user base is visible in the declining 18–35 age cohort share (68% to 57%), suggesting growing adoption among older working adults.^[3] Geographic rebalancing is equally significant: Tier II and beyond cities are on course to account for 43% of all orders by 2025, up from 22% in the base year.^[4,8]

3. Business Model Analysis

The operational architecture of Indian q-commerce is built around compact dark stores averaging 2,000–5,000 sq. ft., each serving a tightly bounded delivery radius of two to three kilometres.^[5] What distinguishes the 2022–2025 period is not merely network scale but the measurable improvement in per-store and per-order economics—a transition that separates sustainable platforms from those dependent on perpetual capital subsidisation.^[7,8] By 2025, platforms are experimenting with larger-format hubs carrying 8,000–12,000 SKUs, including high-margin electronics, fashion accessories, and curated private label ranges.^[8,11]

Key unit economics indicators tracking this maturation are presented below:

Table 4: Q-Commerce Business Model and Unit Economics (2022–2025)

Metric	2022	2023	2024	2025 (Est.)
Avg. Dark Store Size (sq. ft.)	2,800	3,200	3,800	4,500
Avg. Delivery Time (minutes)	17	14	11	9
Customer Acquisition Cost – CAC (INR)	600	480	360	270
Contribution Margin per Order (INR)	-28	+12	+38	+62
Blinkit EBITDA Margin (%)	-12.4%	-4.7%	+1.1%	+3.8%
Private Label SKU Share (%)	6%	11%	18%	26%

Source: Zomato Annual Report 2024–25 [10]; Zepto Investor Briefing 2025 [11]; Bernstein Research (2025) [7,8]

Figure 4: Business Model — Unit Economics (2022-2025)

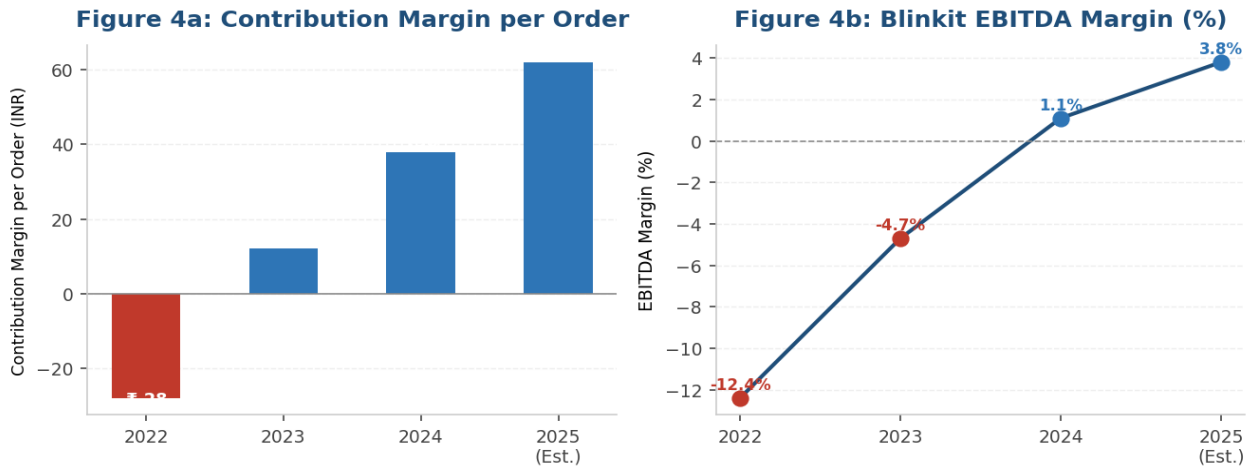


Figure 4: Business Model Unit Economics — Contribution Margin & Blinkit EBITDA (2022-2025)

The swing in per-order contribution from negative INR 28 in 2022 to a projected positive INR 62 in 2025 reflects four converging levers: higher order density within existing dark store catchments, meaningful basket value increases, route optimisation savings reducing per-delivery logistics costs, and the margin accretion from private label products now comprising an estimated 26% of SKU mix.^[7,10,11] Blinkit's EBITDA inflection to positive territory in 2024—and its projected strengthening to 3.8% in 2025—has materially altered how investors and competitors assess the sector's long-term commercial architecture.^[10]

4. Technological Advancements

Technology functions as both the operational backbone and the primary source of competitive differentiation in q-commerce.^[6] Platforms that can more accurately predict what a given neighbourhood will order in the next four hours, and can route that order to a rider in the shortest time, hold a structural cost and experience advantage that compounds over time.^[6,8] By 2025, the technology stack has expanded beyond logistics optimisation to encompass generative AI-powered product discovery, autonomous picking robots in select dark stores, and EV fleet integration that simultaneously reduces per-delivery cost and carbon footprint.^[6]

Table 5: Technology Adoption Metrics in Q-Commerce (2022-2025)

Technology Metric	2022	2023	2024	2025 (Est.)
AI Demand Forecast Accuracy (%)	74%	83%	91%	95%
Stockout Rate at Dark Stores (%)	9.2%	5.8%	3.1%	1.8%
Route Optimisation Efficiency Gain (%)	Baseline	+18%	+31%	+42%
App Personalisation Score (1-10)	5.8	7.2	8.6	9.2
RFID/IoT-Enabled Dark Stores (%)	12%	34%	61%	82%
Electric Vehicle Delivery	8%	19%	34%	51%

Technology Metric	2022	2023	2024	2025 (Est.)
Fleet (%)				

Source: KPMG Technology in Retail Report (2025) [6]; Zepto Technology Briefing (2025) [11]; Industry estimates

Figure 5: Technology Adoption Metrics (2022-2025)

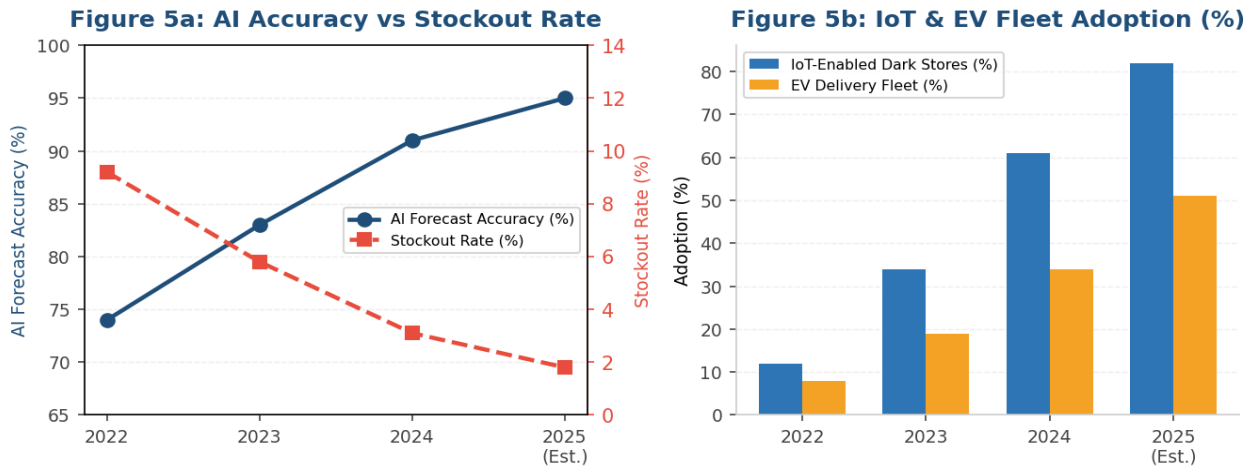


Figure 5: Technology Adoption — AI Accuracy, Stockout Rate, IoT & EV Fleet (2022-2025)

The improvement in AI-driven demand forecasting from 74% accuracy in 2022 to a projected 95% in 2025 has a direct and material downstream impact: stockout rates have collapsed from 9.2% to an estimated 1.8%, meaning customers encounter empty slots far less frequently—a critical determinant of repeat purchase behaviour.^[6] Route optimisation gains of 42% over the 2022 baseline translate into more deliveries per rider per hour, materially reducing per-order logistics cost without compromising delivery promise.^[6] The rapid electrification of delivery fleets—51% EV penetration by 2025—reflects both the operational economics of EVs in short-radius urban delivery and proactive compliance with emerging municipal emission regulations in cities like Delhi and Bengaluru.^[6,9]

5. Economic Impact Analysis

Q-commerce has generated economic consequences that extend well beyond platform-level financials, touching labour markets, real estate, public revenues, and the competitive position of millions of informal kirana retailers.^[9] The sector's rapid growth has simultaneously created a large and growing category of gig-dependent livelihoods and heightened income precarity concerns that now occupy Parliamentary debate.^[9]

Table 6: Economic Impact Indicators of Q-Commerce in India (2022-2025)

Economic Indicator	2022	2023	2024	2025 (Est.)
Estimated Gig Workers Employed (Lakh)	2.8	5.1	8.4	12.1
Total VC/PE Investment (USD Billion)	1.2	0.9	2.1	1.6
Kirana Stores Reporting Revenue Decline (%)	18%	27%	34%	40%

Economic Indicator	2022	2023	2024	2025 (Est.)
Avg. Monthly Earnings – Delivery Partner (INR)	18,200	19,800	21,500	23,400
GST Revenue from Q-Commerce (INR Crore est.)	320	780	1,640	2,900
Real Estate – Dark Store Leasing (Mn sq. ft.)	4.2	9.7	18.3	29.5

Source: NASSCOM Future of Work Report (2025) [9]; Economic Times Research Desk [3]; Knight Frank India (2025) [12]

Figure 6: Economic Impact Indicators (2022-2025)

Figure 6a: Gig Employment & GST Revenue

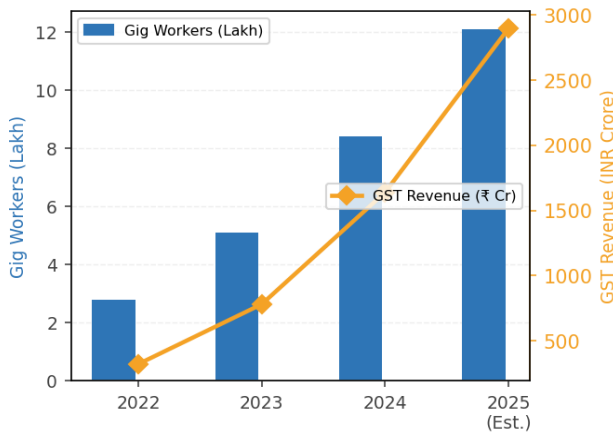


Figure 6b: Kirana Impact & Real Estate Demand

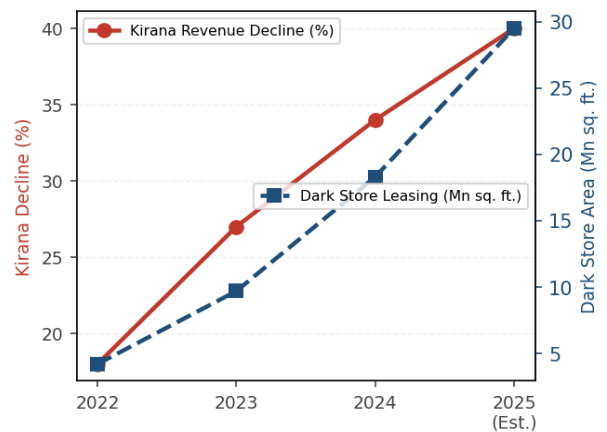


Figure 6: Economic Impact — Gig Employment, GST Revenue, Kirana Impact & Real Estate (2022-2025)

The delivery workforce has expanded from 2.8 lakh workers in 2022 to a projected 12.1 lakh by 2025, making q-commerce one of the fastest-growing gig employment categories in the Indian economy.^[9] Average monthly partner earnings have risen from INR 18,200 to an estimated INR 23,400 over the same period, though scholars and labour advocates emphasise that nominal income gains do not fully account for the absence of social security benefits, income volatility, and the algorithmic control of working conditions.^[9]

On the public revenue side, GST contributions attributable to the q-commerce sector have grown nearly ninefold—from INR 320 crore in 2022 to a projected INR 2,900 crore in 2025—reflecting both volume growth and improving platform compliance infrastructure.^[3,9] Dark store real estate absorption has expanded dramatically from 4.2 million square feet to a projected 29.5 million square feet, generating a new and sizeable demand category for urban commercial property markets.^[12] Simultaneously, 40% of traditional kirana retailers are projected to report q-commerce-attributable revenue erosion by 2025, a figure that underscores the urgency of developing supportive transition frameworks for this segment of the retail ecosystem.^[9]

Findings

- The Indian q-commerce market registered a CAGR exceeding 85% during 2022–2025, with market size advancing from USD 0.84 billion to a projected USD 5.50 billion, anchored by exponential dark store proliferation and widening geographic coverage beyond metropolitan centres.^[4,5,8]

- Consumer engagement has deepened measurably, with per-user monthly order frequency rising from 3.2 to 6.4 and repeat purchase rates climbing to an estimated 79% by 2025, while geographic reach has broadened with Tier II and beyond cities projected to contribute 43% of total order volume.^[2,3]
- Business model maturation is evidenced by a positive contribution margin swing of INR 90 per order (from -28 to +62), Blinkit's EBITDA inflection to positive territory, and accelerating private label penetration—collectively validating the long-run commercial viability of the dark store paradigm.^[7,10,11]
- AI-led demand forecasting accuracy approaching 95%, IoT-enabled dark store adoption reaching 82%, and EV fleet penetration crossing 51% in 2025 collectively demonstrate the deepening technology integration that underpins both operational efficiency and sustainability commitments.^[6]
- The sector's macroeconomic imprint is substantial and dualistic: 12.1 lakh gig workers employed, GST revenues of INR 2,900 crore, and 29.5 million square feet of dark store real estate absorbed—alongside 40% of kirana retailers reporting revenue decline, highlighting an urgent need for balanced policy frameworks.^[9,12]

Conclusion

Within a remarkably compressed timeframe, quick commerce has moved from venture-funded experiment to structurally significant pillar of Indian urban retail.^[4,5] The analysis across five dimensions reveals a sector that is simultaneously maturing operationally—improving unit economics, deepening technology stacks, expanding geographically—and generating complex second-order effects on labour markets and traditional retail incumbents.^[1,2]

The evidence suggests that operational discipline, AI-driven forecasting, and strategic platform investment are converging to produce sustainable competitive moats for leading players.^[6,8] However, the social and economic costs borne by kirana retailers and gig workers who lack employment protections demand commensurate policy attention if the sector's growth is to translate into broadly shared prosperity.^[9]

For investors, the profit inflection at Blinkit signals a replicable pathway for competing platforms willing to sustain disciplined unit economics improvement.^[10] For policymakers, the dual challenge of formalising gig worker welfare and enabling kirana digital adaptation represents the most pressing governance frontier of India's q-commerce era.^[9]

Scope for Future Research

The present study is necessarily bounded by the availability and reliability of secondary data. Future scholarship would benefit from primary data collection through structured consumer surveys, in-depth interviews with dark store operators and delivery partners, and ethnographic fieldwork within gig worker communities. Longitudinal panels tracking unit economics sustainability across multiple business cycles, cross-national comparative analyses benchmarking India against Turkey, Germany, and South Korea, and econometric modelling of q-commerce's net employment effect vis-à-vis kirana displacement would substantially enrich the academic evidence base

Declaration of Conflicting Interests

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