Research Report: Indian Quickcommerce sector

*Generated on: 2025-03-03 08:22:33*

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# Overview of the Indian Quick Commerce Sector

## Quick Commerce Market in India Overview:

## Market Growth:

- India's quick commerce market projected to reach US$5 billion by 2025 and US$9.94 billion by 2029.  
- Average order value (AOV) increased from INR 250 to INR 500; Zomato's Blinkit currently at INR 625 AOV.

## Key Players:

1. Zepto: Leads app downloads with 11 million; operates 200-250 dark stores.  
2. Blinkit (formerly Grofers): 46% market share; quick delivery of essentials.  
3. Swiggy Instamart: 27% market share; collaborates with dark stores for 45 minutes delivery.  
4. Dunzo: Delivers in 35-40 minutes; uses AI for logistics.  
5. BigBasket: Expanding quick commerce offerings with BB Now.  
  
Market Share Estimates:   
- Blinkit: 46%  
- Instamart: 27%  
- Zepto: 21%  
- BB Now: 7%

## Market Penetration:

- E-commerce market share in retail: 4.8% in 2023; projected to rise to 17-30% by 2028.  
  
Dark Stores:   
- Specialized warehouses for online orders; not open to public.  
- Operate 24/7, use GPS, and data analytics.  
- Rental rates range from INR 35 to 250 per sq. ft. across various cities.

## Key Growth Drivers:

- Changing consumer expectations for rapid delivery.  
- Advancements in technology, including AI and robotics.  
- Impact of COVID-19 catalyzing demand for online commerce.  
  
Challenges:   
- Profitability concerns due to high operational costs and competition.  
- Companies are focusing on optimizing dark store usage and diversifying offerings.  
  
Future Outlook:   
- Continued expansion into untapped markets and higher-value categories.The Rise of Quick Commerce in India: Revolutionising Retail and Last-Mile Delivery   
Quick commerce has transformed the Indian retail and last-mile delivery landscape, driven by increasing mobile internet access and e-commerce growth. COVID-19 accelerated online purchases, especially for essentials, resulting in a gross merchandise value (GMV) of US$ 2.3 billion in 2023, a 70% increase from the previous year. The industry is projected to grow at a CAGR of 27.9% from FY22 to FY27, reaching US$ 5.5 billion by 2025, with market share in online groceries expected to rise from 10% to approximately 45%.   
Significant players include Blinkit, Swiggy Instamart, Dunzo Daily, and new entrants like Zepto. Advanced technology such as algorithms, data analytics, route optimization, and automation is crucial for operational efficiency. The shift from central warehouses to micro-warehouses or dark stores facilitates quicker deliveries (10-20 minutes).   
Retailers benefit from increased competition, customer loyalty, and valuable consumer data insights. Factors driving growth include new user adoption, event-driven sales, and category diversification beyond groceries to beauty, electronics, and more. Government initiatives such as Digital India, Start-up India, Skill India, and UPI support the expansion of quick commerce and enhance digital accessibility. However, future challenges involve managing delivery infrastructure costs and addressing sustainability issues in a price-sensitive market.Revenue in the Quick Commerce market in India is projected to reach US$5.38 billion in 2025, with an annual growth rate (CAGR 2025-2029) of 16.60%, leading to a projected market volume of US$9.95 billion by 2029. The number of users is expected to grow to 60.6 million by 2029, with user penetration increasing from 2.7% in 2025 to 4.0% by 2029. The average revenue per user (ARPU) is anticipated to be US$137.20.  
  
In comparison, China will generate the highest revenue (US$92.68 billion in 2025) with a user penetration rate of 23.9%.  
  
Definition: The Quick Commerce market includes online grocery delivery services that provide last-mile delivery or operate ghost stores with limited product selection for faster delivery, often delivering groceries in under 3 hours, with many advertising delivery in under 30 minutes.  
  
In-scope includes online grocery orders with fast delivery and companies operating small stores (dark/cloud stores). Out-of-scope excludes local supermarkets that do not offer quick delivery, meal kit services, and ready-to-eat meal delivery services.  
  
Key factors driving the Quick Commerce market in India include increasing demand for on-demand delivery, smartphone penetration, and changes in consumer behavior due to the COVID-19 pandemic. However, challenges such as infrastructure limitations and regulatory concerns persist.

## Sources

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# Key Players in the Indian Quick Commerce Market

Quick commerce in India is revolutionizing e-commerce with ultra-fast delivery (10-30 minutes) for groceries and personal care items. It is expected to reach US$5 billion by 2025 and US$9.94 billion by 2029. Key drivers include changing consumer preferences and millennial demand for convenience. The average order value (AOV) has increased to INR 500, with Zomato's Blinkit leading at INR 625.

## Key players include:

1. Zepto: Founded in 2021, offers 8-10 minute delivery through 100 micro-warehouses.  
2. Blinkit: Formerly Grofers, has a 46% market share with 250 warehouses, delivering in 10-20 minutes.  
3. Swiggy Instamart: Uses Swiggy's infrastructure for 45-minute deliveries; holds a 27% market share.  
4. Dunzo: Delivers in 35-40 minutes, focusing on groceries and household items using AI logistics.  
5. BigBasket: Combines quick commerce with dark store partnerships for efficient delivery.  
  
The market saw sales growth of over 280% in two years, with a rise in GMV from US$500 million in FY 2021-22 to US$3.34 billion in FY 2023-24. Major challenges include high operating costs and competition, but quick commerce's integration with traditional businesses and the on-demand economy offers significant growth opportunities. Dark stores, operating as logistics hubs, play a crucial role in this ecosystem, with rental costs varying by city.India Quick Commerce Market Overview  
- Study Period: 2020 - 2030  
- Base Year for Estimation: 2024  
- Forecast Period: 2025 - 2030  
- Market Size (2025): USD 3.49 Billion  
- Market Size (2030): USD 4.35 Billion  
- CAGR (2025 - 2030): 4.50%  
- Market Concentration: Medium  
  
Market Drivers:   
- Increased demand for fast and convenient delivery.   
- Rising urbanization and online shopping trends.   
- Growth during COVID-19 and a shift in consumer purchasing habits.  
  
Key Players:   
- Swiggy Instamart, Blinkit, Dunzo, Big Basket, Zepto.   
- Leading companies hold over 80% market share.  
  
Trends:   
- Increased entry of startups like Swiggy and Zepto targeting quick delivery.   
- Technological advancements and geographic mapping technologies aiding delivery services.  
  
Market Segmentation:   
- By Product Type: Groceries, Personal Care, Fresh Food, Other Products.   
- By Company Type: Pureplay, Non-pureplay.   
- By Region: East, West, North, South.  
  
Recent Developments:   
- February 2023: Zomato launched Zomato Instant for home-style food delivery.   
- December 2023: Walmart acquired Flipkart and launched quick commerce services in 20 cities.Top 10 Quick Commerce Companies in India   
1. Blinkit: Founded in 2013, offers 10-minute grocery delivery in 12 cities. Acquired by Zomato in 2022 with 400 dark stores.   
2. Zepto: Launched in 2021, focuses on grocery delivery from dark stores, operating over 250 across India.   
3. Swiggy InstaMart: A subsidiary of Swiggy, started in 2020, with 150 dark stores in 18 cities; aiming to expand further.   
4. BigBasket Now: Launched in 2021 under BigBasket, it has 500-600 dark stores in 35 cities, providing a wide range of groceries.   
5. Flipkart Minutes: Rapid delivery service launched in 2024, delivering a variety of products within 10 minutes in select urban areas.   
6. Dunzo Daily: Established in 2015, offers fast delivery for essentials and has expanded the business model to support local businesses.   
7. Amazon Fresh: Provides two-hour grocery deliveries since 2019, operational in over 300 cities in India.   
8. M-Now (Myntra): Launched in November 2024, offering two-hour delivery for selected apparel in Bangalore.   
9. Slikk: Targets Gen Z with 60-minute delivery in Bangalore, launched in August 2024.   
10. FreshToHome: Since 2015, delivers non-veg & seafood with over 100 hubs across India and Dubai.   
  
Key Benefits of Quick Commerce:   
- Increased sales and revenue through instant delivery.   
- Enhanced customer satisfaction and loyalty.   
- Competitive advantage and better visibility in crowded markets.   
- Opportunities for market expansion across India.   
- Reduced storage costs via outsourced warehousing.   
- Improved reliability and sustainability in delivery practices.Key players in the Indian Quick Commerce Market include leading companies that offer rapid delivery services for groceries and daily essentials.

## Notable companies include:

1. Zomato Instant - A division of Zomato focused on quick deliveries, capitalizing on its extensive restaurant network.  
2. Swiggy Genie - Leveraging its existing delivery infrastructure to provide quick commerce services, Swiggy intends to broaden its market presence.  
3. Blinkit (formerly Grofers) - Specializing in 10-minute delivery for groceries, Blinkit has positioned itself as a strong competitor in this market.  
4. Dunzo - Offering hyperlocal delivery services, Dunzo helps customers procure essentials swiftly from local stores.  
5. BigBasket - While primarily a grocery store, BigBasket has expanded its services to include faster delivery options to compete in the quick commerce arena.  
  
These players are redefining customer expectations around delivery times, pushing for operational efficiency and technological innovation in logistics.Overview: The quick commerce sector in India is rapidly evolving, focusing on fast delivery of goods to consumers within 30 minutes to a few hours. The market is projected to reach $5.5 billion by 2025, driven by urbanization, smartphone penetration, and changing consumer behaviors post-pandemic.

## Key Players:

1. Zomato: Grocery delivery via Zomato Market.  
2. Swiggy Instamart: Delivers groceries within 15-30 minutes.  
3. Blinkit (formerly Grofers): Focuses on 10-20 minute deliveries.  
4. BigBasket (BB Now): Grocery delivery within 60 minutes.  
5. Zepto: 10-minute deliveries in major urban centers.  
6. Flipkart Minutes: Launched in 2024 for 10-minute product delivery.  
7. Dunzo Daily: Offers a comprehensive range of deliveries, including groceries and medicines.  
8. Amazon Fresh: 2-hour grocery delivery in 300+ cities.  
9. M-Now (Myntra): 2-hour delivery for fashion items.  
10. Slikk: 60-minute delivery for fashion, focusing on Gen Z.  
11. FreshToHome: Specializes in fresh and seafood deliveries.  
  
Market Dynamics: The quick commerce sector emphasizes speed and convenience, utilizing micro-fulfillment centers and technology to enhance customer experience. The competition is intensifying, driven by consumer demand for faster service, with various market players adopting innovative solutions to maintain their edge.  
  
Challenges and Solutions: Challenges include inventory management, last-mile delivery efficiency, and high operational costs. Solutions involve AI-driven inventory systems, strategically located fulfillment centers, and real-time tracking technologies.  
  
Conclusion: Quick commerce is poised for significant growth in India, reshaping traditional retail dynamics. Companies must leverage technology and strategic partnerships to enhance service delivery and meet evolving consumer expectations. WareIQ is highlighted as a key player facilitating inventory management for quick commerce companies.

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