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MARC Insights

Impact of Q-commerce on FMCG Sales in India

May 2025



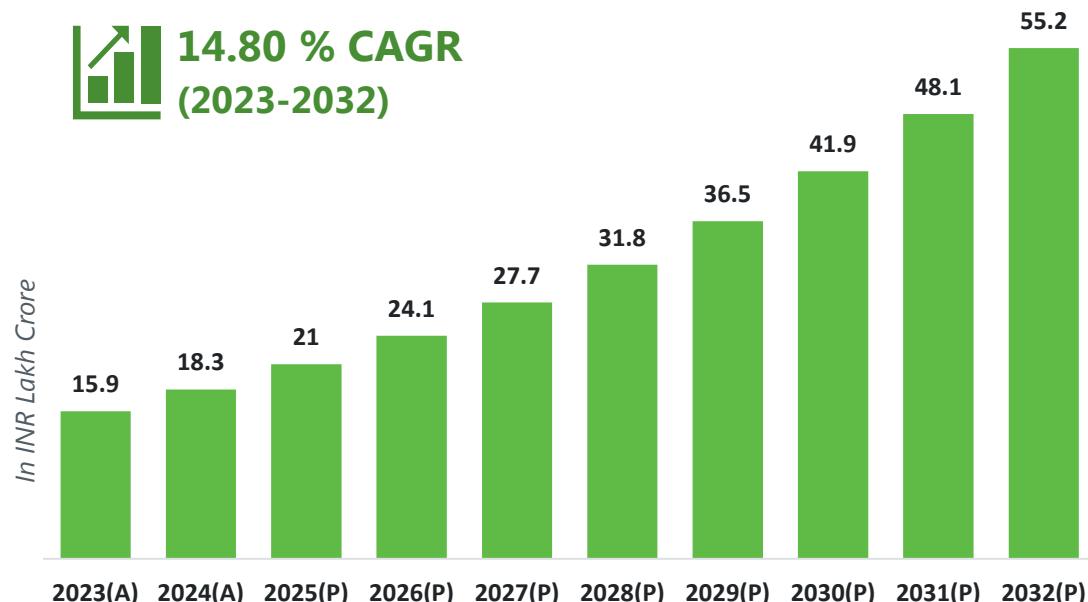
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Overview of FMCG Sector in India

Fast-Moving Consumer Goods (FMCG) sector consists of products that are sold quickly and at relatively low prices. These items include essential everyday products such as food and beverages, toiletries, cleaning supplies, and other affordable household goods.

Growth of FMCG Market In India



Source: [Zion market research](#), [Livemint](#), [Bajaj FinServ](#), [FDIInvest](#), [India briefing](#), [Bank bazaar](#)

Key Growth Drivers

Rising income Levels: FMCG spends per household is expected to touch ₹20,000 by the end of 2025, as consumers spend more on a range of categories like household care, and packaged food.

Urbanization: Urban areas drive about 55% of India's FMCG revenue, highlighting their key role in sector growth.

E-commerce and digital adoption: E-commerce's FMCG share grew from 2–3% pre-COVID to 4.5% post-COVID, projected to hit 11% by 2030.

Government initiatives



PLI scheme: Government approved INR 10,900 crore PLI scheme for food processing; incentives spread over 6 years, from starting in March 2021 till 2026–27.



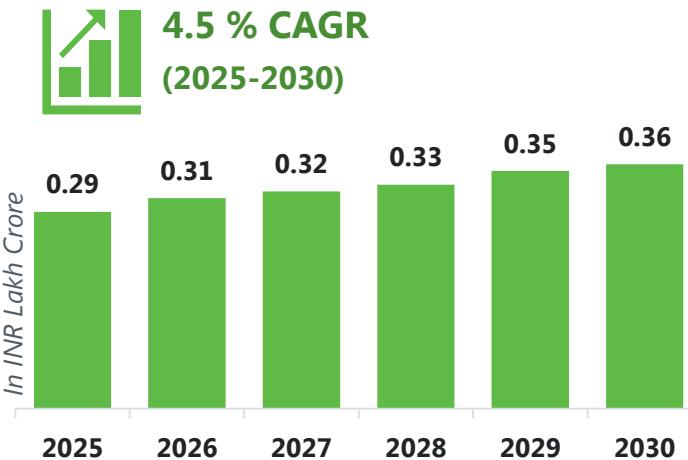
SETU scheme: Launched in 2015, SETU initially allocated INR 1,000 crore to NITI Aayog to support startups via incubation, entrepreneurship, and skill development.



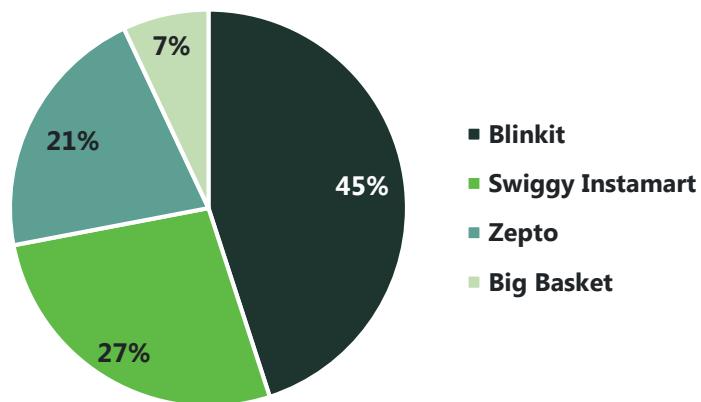
FDI in organized retail: 100% FDI in cash-and-carry and single-brand retail, plus 51% in multi-brand, has boosted FMCG jobs, supply chains, and brand visibility.

Overview of Quick Commerce in India

Quick commerce is a new-age retail model focused on ultra-fast delivery, typically within 10–30 minutes. While it often caters to small, urgent orders, it is also equipped to handle larger quantities, aiming to meet the rising consumer demand for speed and convenience.



Market Share estimates for Quick commerce market in India 2024



Source: IBEE, India briefing, Chief magazine, Mordor intelligence

Key Growth Drivers



Evolving Consumer Expectations Millennials & Gen Z seek convenience and instant gratification.



Technological Advancements: AI inventory management, route optimization, and dark stores speed up deliveries.



Rising Smartphone Penetration: 700+ million users boost app-based commerce growth.

Government initiatives



Digital India: Boosted digital access & e-services



Start-up India: Supported innovation & start-ups.



UPI & Ru Pay: Fast, easy digital payments ((launched by NPCI in 2016)



Bharat Net: Improved broadband access in rural areas



ONDC: Fair access for small sellers



FDI in B2B: 100% FDI attracted investors

Key Players of Q-commerce- FY 25



Founded in	2011	2013	2014	2020	2021
Geographical Presence	Pan India	Pan India	Major metros	Pan India	10+ major metros
Delivery Time	10-20 min	10-20 min	35-40 min	10 min	8-10 min
AOV	₹700 (FY 24)	₹660 (FY 24)	₹300-400 (FY 22)	₹499 (FY 24)	₹430-₹470 (Q1FY25)
No. of dark store	400	791	120	609	350
Platform fee/Charges	₹6	₹4	NA	₹5	₹2-5
No. of Daily orders	5.4 Lakhs	10 Lakhs	NA	8-10 Lakhs	7-7.5 Lakhs
No. of SKU	6,000+	7,000+	3,000-4,000	12,000+	10,000+
Subscription Model	BB Star	Blinkit Prime	None	Swiggy one	Zepto Pass
Benefits from Subscription	Priority delivery, exclusive offers, cashback, free shipping, reserved slots	INR 4,000+ orders get free delivery, special discounts, and early access	None	Free delivery, added discounts, expanded perks, and partner benefits	Free deliveries above minimum spend and exclusive discounts
Ratings on Google play/ App store	4.6	4.5	4.7	4.6	4.6

Source: IBEF, India Retailing, NDTV, Financial express, State of quick commerce, BB, White label, Swiggy, Financial Express

NA: Not Available

Key Profitability Levers for Q-commerce Players

Q-commerce players have tapped three key profitability levers:

Basket size increase



~40%

AOV increase (FY25 vs FY23)

Category expansion beyond grocery;
more stock-up missions;
higher free delivery threshold.

Gross margin uptick



3-4pps

Gross margin increase (FY25 vs FY23)

Product margins: Growing FMCG share,
direct F&V sourcing, higher commissions;
Monetization: 2.5x YoY ads
income; platform fees.

Operational improvement



~30%

Lower cost per shipment (FY25 vs FY23)

Demand: High order density;
Supply: High dark store density
reducing delivery radius.

Source: [Bain & Company](#)

Note: F&V – Fruits and vegetables, pps – percentage points

Challenges & Opportunities in Q-commerce for FMCG

CHALLENGES



Fast deliveries: Meeting ultra-fast delivery expectations poses logistical and operational challenges for retailers.



Digital infrastructure: Switching to quick commerce requires major investment in new technologies and smart infrastructure, which can strain finances.



Real-time stock accuracy: FMCG companies need to track stock in real time to avoid running out of products on quick commerce platforms.



Efficient delivery networks: Quick commerce demands rapid deliveries, straining inventory, order processing, and delivery systems.



Low margins: India's quick commerce struggles with high costs and low delivery fee acceptance, hurting profits.

OPPORTUNITIES



Hyper-local Facilities: Partnering with local stores to set up dark warehouses and micro-fulfilment centers enables ultra-fast, hyper-local deliveries.



AI and Automation: Use cloud-based AI and SaaS logistics with subscription pricing to cut upfront costs while gaining real-time tracking and predictive analytics for supply chain optimization.



Inventory Management Systems: Implement integrated real-time inventory management systems synced with sales data to enhance stock accuracy and prevent stockouts.



Partnerships: Collaborate with last-mile delivery startups and use route optimization tools to handle high order volumes efficiently and improve delivery speed.



Cost-Efficient: Adopt crowd-sourced or shared delivery models and subscription plans to reduce delivery costs and improve profit margins.

Source : [Falcon Gallant](#), [store hippo](#), [Economic Times](#), [ZYPP](#), [Packagex](#), [Vusion Group](#), [Click Post](#)

Impact of Q-commerce on FMCG Sales

Quick Commerce's Emerging Role in FMCG

In FY25, India's FMCG sector saw **50–100%** YoY growth on quick commerce platforms like Blinkit, Zepto, Swiggy Instamart, and BigBasket, led by strong demand in the top 8–10 urban centers.

Product Category Performance in FMCG via Q-commerce

Packaged Food

60% of Nestlé India's domestic e-commerce sales during September 2024; top products: KitKat, Nescafé, Maggi, Milkmaid.

Cooking Essential

Adani Wilmar noted bulk buyers of 5L oil & 5kg atta packs.

Dairy Products

Strong festival sales of curd, paneer, UHT milk (Mother Dairy).

Personal Care

Kenvue's 1/3rd digital sales through Q-commerce; products like Stayfree, Neutrogena, Listerine.

The Rise of Q-Commerce in FMCG: FY25 Outlook

The six largest FMCG companies—Hindustan Unilever (HUL), Britannia, Dabur, Marico, Tata Consumer Products, and AWL Agri Business (formerly Adani Wilmar) reported a combined **quick commerce revenue of over INR 4,400 crore in FY25**.

Company	Revenue (INR Cr)	% of Sales
HUL	INR 1,214	2%
Britannia	INR 675	4%
*Tata Consumer	INR 900	7%
Marico	INR 244	3%
Dabur	INR 500	4%

*Tata's 7% is of **domestic revenue only**
AWL Agri Business accounts for the remaining INR 4,400 crore in quick commerce revenue for FY25.

Source: [Times Now News](#), [Outlook business](#), [Economic Times](#), [Times of India](#)

Major Categories Impacted/Benefited

Food & Beverages

- ✓ In 2024, about **18%** of consumers prefer purchasing food and beverage items from Q-commerce channels.
- ✓ Q-commerce is reshaping buying habits for **impulse-driven categories** like snacks, chocolates, soft drinks, etc.
- ✓ Chocolates (**+30%**) and biscuits (**+8%**) showed strong YoY growth in 2024 due to instant availability.
- ✓ Soft drinks also saw a **19%** YoY rise in sales in 2024, particularly during hot seasons.
- ✓ Health supplements are emerging as the **fastest growing category** supported by quick delivery.

Grocery

- ✓ Q-commerce has become the dominant channel for e-grocery.
- ✓ **Over 70-75% of e-grocery orders** in 2024 happened via Q-commerce.

Home, Beauty & Personal Care (HBPC)

- ✓ Home care products (e.g., fabric softeners, washing liquids) saw a strong recovery. Fabric softeners now reach 1 in 4 households.
- ✓ In 2025, Q-commerce lists **40–45% BPC SKUs** among non-food items.
- ✓ E-commerce (and increasingly Q-commerce) is preferred for beauty and personal care, especially **premium products**.

Additional Categories Emerging in Q-commerce - FY25



5-7%

SKU mix in Q-commerce consists of electronics.



3-5%

SKUs listed on Q-commerce platforms are from the fashion category.

Source: [Deloitte, Bain & Company](#)

Quick Commerce – The New Battleground for FMCG Brands

Why is Q-commerce next big thing for FMCG Brands?	
	Rapid market expansion
	<ul style="list-style-type: none">✓ The Q-commerce segment has witnessed a phenomenal 230% growth between 2021 and 2023 and is expected to grow by 75-85% in 2025, reaching a gross merchandise value (GMV) of INR 430.3 billion.✓ Major players dominate by leveraging hyperlocal delivery models and strategically located dark stores to meet ultra-fast delivery demands.
	Significant Revenue Contribution
	<ul style="list-style-type: none">✓ Quick commerce has become crucial for FMCG companies in India, accounting for approximately 35% of the e-commerce revenue in 2025.✓ Key growth channel for major Brands.
	Shift in Consumer Purchasing Behavior
	<ul style="list-style-type: none">✓ In 2024, 31% of urban Indians use Q-commerce for primary grocery shopping; 39% use it for regular top-ups.✓ Shift from bulk buying to smaller, frequent purchases changing product demand dynamics.
	Transformation in FMCG Sales Dynamics
	<ul style="list-style-type: none">✓ Over 18% of consumers are purchasing food and beverage items through Q-commerce platforms in 2024.✓ In 2024, more than 50% of FMCG sales are now driven by Q-commerce platforms.
	Product Strategy Shift
	<ul style="list-style-type: none">✓ The preference for smaller, more frequent purchases has led brands to rethink their product offerings.✓ Traditional larger packs are being replaced with smaller, more convenient sizes that align with the quick-commerce model.
	Strategic Collaborations with Q-Commerce Platforms
	<ul style="list-style-type: none">✓ These collaborations aim to enhance product visibility, ensure faster delivery, and tap into the growing consumer base seeking convenience.

Source: [India Today](#), [Economic Times](#), [Media News](#), [Business Standards](#)

Impact of Q-commerce on FMCG Sales

New Revenue Streams for FMCGs

Q-commerce offers FMCG brands new revenue via in-app ads. By investing **3-4%** of order value in campaigns boosts visibility, influences buying, and drives sales.

Profitability Enhancement for FMCG Brands

Traditional FMCG channels take **25%** margins, while Q-commerce retains only **10-15%**, reducing costs, increasing profits, and enhancing direct consumer engagement.



Expanded Market Reach and Product Accessibility

Q-commerce now meets full grocery needs for **58%** of users, letting FMCG brands offer more variety. Hyper-local hubs boost timely access, satisfaction, and sales.

Higher Average Order Value (AOV)

A higher AOV shows consumers buy more per order, with **67%** of buyers spending over **INR 400** and Mumbai averaging **INR 541**. This boosts FMCG basket sizes and overall sales.

Increased Impulse and Unplanned Purchases

75% of online shoppers make more impulse buys due to quick delivery, boosting FMCG sales—especially for everyday items like chips, soft drinks, and dairy.

Source: [State of Quick Commerce](#)

Conclusion



Cost Reduction: Traditional intermediaries' margins 25% to 10–15%, Marketing 3–4%

Q-commerce removes traditional intermediaries, cutting margins from 25% to **10–15%** via direct platform deals. FMCG brands save on marketing with in-app promotions costing just 3–4% of order value, boosting profitability and efficiency.



Enhanced Supply Chain Agility

Quick Commerce platforms help FMCG brands quickly adapt to changing demand using real-time data and analytics. This reduces stockouts, lowers excess inventory, and cuts costs. Companies like Nestle and Coca-Cola are already using these strategies to improve supply on Q-commerce platforms.



Expanded Market Reach

Using hyper-local delivery hubs, FMCG brands bring products closer to consumers, **boosting availability**, accessibility, and faster reach to more customers.



Enhanced Customer Loyalty Through Direct Engagement

With 62% of users showing strong loyalty, Q-commerce enables FMCG brands to use direct channels for personalized offers and loyalty programs, cutting acquisition costs and increasing repeat purchases.



AI-Driven Acceleration

AI in Q-commerce helps FMCG brands grow through real-time demand forecasting, smart inventory, personalized targeting, and dynamic pricing, improving supply chain agility, reducing stockouts, and boosting sales and market reach.

Source: *State of Quick Commerce, Business Standards*



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