Beyond Instant Delivery: Industry Challenges, Market Gaps, and the Future of Quick Commerce

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ABSTRACT

Quick Commerce has become a game-changing wave for the Indian retail sector, propelled by shifting consumer demands, digitalization, and rising speed and convenience expectations. But under the glow of instant delivery, the industry has some serious issues that compromise its long-term viability. Three problems vital to the growth and sustainability of Quick Commerce are discussed in this study: sustainability, rural market penetration, and changing consumer behaviour. By a secondary research approach, the paper analyses these key issues based on industry reports, market trends, and literature available. The research scrutinizes Quick Commerce sustainability through economic feasibility, environmental sustainability, and social concerns such as worker welfare and profitability issues. Second, it delves into rural markets' potential with emphasis on infrastructure constraints, digital literacy issues, and trust issues that impede QC's expansion beyond cities. Lastly, the paper examines consumer behaviour and how it analyses the movement towards instant gratification, impulse purchases, and how technology shapes consumer purchasing habits. Results show that although QC has great growth potential, its sustainability issues, rural market entry barriers, and consumer preference adaptation are key to long-term success. The study offers strategic recommendations for how industry players can fill market gaps, improve operational effectiveness, and stimulate innovation to make Quick Commerce continue evolving in India.

Keywords: *Quick Commerce, consumer demands, digitalization, convenience expectations, instant delivery, long-term viability, growth and sustainability, consumer behaviour, economic feasibility, environmental sustainability, impulse purchases, digital literacy, consumer purchasing habits, rural market, worker welfare, operational effectiveness.*

1. Introduction

By most accounts, the retail industry in India contributes significantly to the country's economy. Per India Brand Equity Foundation(IBEF), It is dynamic and

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fast-growing, contributing significantly to the nation's economy. It contributes over 10% to the nation's GDP and around 8% to employment.[1] Retail industry in India As the world's fifth-largest retail destination and ranked 63rd in the World Bank's Doing Business 2023, analysts believe India presents immense opportunities for domestic and international players.[2] The sector is characterized by a diverse landscape, with unorganized retail, comprising traditional Kirana stores and small-scale vendors, still dominating the market, accounting for approximately 80% of the market share, according to a survey by A.T. Kearney.[3] Yet, with the growth in organized retailing, e-commerce, and quick commerce, the retail environment is changing fast. The Indian retail sector is slated for strong expansion, with growth expected to have a 9% CAGR from $779 billion in 2019 to $1.8 trillion in 2030, as seen in Kearney's study. The retail growth is added by quick urbanization, rising disposable incomes, and changing consumer behaviour.[4]

The rise of organised retail is acting as a catalyst. This is also being driven by the growth of organized retail, such as modern trade forms, which are growing at a rapid pace. Quick Commerce provides ultra-fast grocery and daily essentials delivery in 10-15 minutes, players such as Blinkit, Zepto, and Dunzo are picking up steam, especially in urban pockets. This rapid growth of quick commerce, coupled with the expanding e-commerce market in India and the increasing demand for convenience and speed among urban consumers, is expected to contribute significantly to the $350 billion GMV of India's e-commerce market by 2030. A study available on ResearchGate underscores the importance of trust and proximity in fostering consumer loyalty towards unorganized retailers, particularly in rural areas. Trust and proximity in fostering consumer loyalty towards unorganized retailers.[5] Nonetheless, the deployment of digital technologies is empowering such legacy players. By adopting digital adoption and alliances with fast-commerce platforms, unorganized retailers are in a position to seamlessly integrate with contemporary retail ecosystems. This is also shown by the increased volumes of orders made through e-commerce, registering a 36.8% YoY in 2022. This growth is set to continue, with estimates showing increased numbers of online

[1] India Brand Equity Foundation (IBEF). *Retail industry in India*.

[2] World Bank. (2023). *Doing Business 2023 rankings*.

[3] A.T. Kearney. *Indian retail: A fascinating transformation*.

[4] IBID

[5] ResearchGate. *Trust and proximity in fostering consumer loyalty towards unorganized retailers*.

consumers, from 150 million in 2020 to 500 million by 2030[6]. Infrastructure investment, including plans for the building of 60 new shopping malls spanning 23.25 million sq. ft. by 2025, further highlight the enormous potential of the retail industry. Organized food and grocery retailers are poised for substantial growth, with projections indicating a 14-15% growth rate by FY25, according to CRISIL.[7] Growth forecasts for organized food and grocery retail.

Besides, government efforts encouraging foreign investment and de-regulation are ongoing, drawing in international players into the Indian market. At the same time, the unorganized sector is evolving with the digital transformation, keeping itself relevant in the changing retail scenario.

The retail landscape is transforming in real time with Quick Commerce, E-commerce, and Physical Retail Stores each targeting specific consumer demands with different operation models, speeds of delivery, and target bases. Quick Commerce, defined by its ultra-rapid delivery and narrowed product scope, is the preserve of mainly urban consumers interested in having fast access to goods. On the other hand, E-commerce sites offer vast product options with delayed gratification, while retail stores give instantaneous satisfaction via shop-on-site offerings. Both types of platforms are driven by convenience, product array, and pricing, reflecting diverse needs of the modern-day shopper. One needs to acknowledge differences between these kinds of models so that their position in the retail future can be evaluated.

Insights from industry reports and academic research, such as KPMG's report on E-commerce in India: Trends, Challenges, and Opportunities (2022) and PwC's[8] The State of Retail 2023, highlights the operational and growth dynamics of these formats.[9] Reports like McKinsey & Company's Consumer Behaviour in the Digital Age (2021) emphasize the growing consumer preference for convenience, which has fueled the rise of Quick Commerce platforms. McKinsey & Company. (2021).[10] Such websites bank on futuristic models such as micro-fulfilment centers and centralised warehouses to support the immediacy and swiftness consumers in cities now expect, seen in

[6] CRISIL. (2022). *Growth forecasts for organized food and grocery retail*.
[7] CRISIL. *Growth projections for organized food and grocery retail*.
[8] PwC. (2023). *The state of retail 2023.*
[9] KPMG. (2022). *The evolution of e-commerce in India: Trends, challenges, and opportunities.*
[10] McKinsey & Company. (2021). *Consumer behaviour in the digital age.*

Redseer Consulting's Quick Commerce in India (2023). In addition, scholarly research like Liu and Li's Retail in the Digital Age: Shifting Trends and Behaviours (2020) and Srinivasan & Shankar's Consumer Decision-Making and Quick Commerce (2022) explore the influence of convenience and speed in transforming consumer expectations and retail dynamics. Collectively, these sources offer an in-depth analysis of how Quick Commerce, E-commerce, and Physical Retail Stores are revolutionizing the global retail landscape.

Aspect	Quick Commerce	E-commerce	Physical Retail Stores
Delivery Speed	As the name suggests, ultra-fast(10-30 minutes)	It's orthodox approach with delivery timings ranging from few hours to days)	Immediate (take items home after purchase)
Product Range	Limited essentials (groceries, daily needs) Neither have breadth but have some depth in certain limited categories	Extensive – ability to store infinite inventory so as to speak (electronics, clothing, groceries, etc.)	Limited to store inventory
Shopping Channel	Mobile apps are the key channel	Primarily driven by websites, though apps are also used extensively	In-person
Convenience	Instant delivery at doorstep thus very convenient	Moderate convenience given that it's delivered at doorstep but with a wait time	Low: Requires physical travel to the store
Target Audience	Urban consumers with busy lifestyles needing instant access	General consumers seeking variety and cost savings	Local shoppers who prefer immediate availability
Cost	Pricing is competitive but	Prices are low, discounts are	Standard retail pricing

	often offset by high delivery fees	common, delivery fees are low to nil	
Operational Model	Dark stores located across the cities and near to the customer	Centralized warehouses and distribution networks, at times hub and spoke models	Localized inventory
Experience	No in-store experience, relies on speed	Online shopping with delivery	Physical touch-and-feel shopping

Table 1. Compiled by the authors from various sources[11][12]

2. Research Methodology

This research adopts a secondary data analysis approach to examine the challenges and future opportunities within India's Quick Commerce sector, with a particular emphasis on sustainability, rural penetration, and shifting consumer behaviours. The study draws upon a wide array of sources, including industry analyses, academic publications, consulting firm reports, and company case studies involving major players such as Blinkit, Zepto, and Swiggy Instamart. Several theoretical models underpin the analysis, such as the Three Pillars of Sustainability framework (IUCN, 2006) to evaluate economic, social, and environmental dimensions; the Resource-Based View (RBV) model (Barney, 1991) for assessing competitive advantage; and consumer behaviour frameworks like the Impulse Buying Model, Technology Acceptance Model (TAM), and SERVQUAL. To ensure a well-rounded and reliable evaluation, information was synthesized from reputable sources including McKinsey & Company, Redseer Consulting, KPMG, PwC, Deloitte, Fairwork India, and NASSCOM. The study does not include any primary data collection; rather, it relies exclusively on verified secondary data to maintain

[11] Dirox. (2023, July 13). *E-commerce vs. brick-and-mortar: A comprehensive comparison*.
[12] India Brand Equity Foundation. (2022) *Retail industry in India*.

3. Literature Review

The increasing use of digital technologies has significantly transformed the way businesses operate and create value. It has redefined interactions between companies and their customers, partners, and other key stakeholders. Scholars such as Hanelt et al. (2021) and Verhoef et al. (2021) describe digital transformation as a profound organizational change driven by the integration of digital tools, with the goal of developing innovative business models that improve value creation and capture. This transformation also fosters enhanced collaboration across the business ecosystem, enabling customers, competitors, and suppliers to participate in co-creating new products and services. In their research, Cappa et al. (2021) explored the impact of big data analytics on organizational performance, underscoring how mobile applications can be leveraged to collect consumer data. They stress the need for data to be both accurate and complete in order to generate actionable insights. However, businesses must also contend with challenges such as high data management costs and potential cybersecurity threats. Effectively addressing these obstacles is essential for the successful execution of digital transformation initiatives.[13]

Huang and Yen (2021) highlight that the key difference between e-commerce and quick commerce lies in delivery time, mode of delivery, target customers, consumer preferences, and store presence. While e-commerce typically involves delivery times ranging from a few hours to several days, quick commerce is built on the promise of delivering within an hour, often in as little as 10-15 minutes. E-commerce is symbolized by delivery trucks, whereas quick commerce relies on two-wheelers for faster service. E-commerce primarily targets households with three or more people, while quick commerce is more suited to single-person households. E-commerce customers tend to be price-sensitive and responsive to discounts, while quick commerce customers prioritize speed over price. Additionally, quick commerce operates through small, scattered dark stores in densely populated areas to fulfil orders quickly,

[13] Hanelt, A., Bohnsack, R., Marz, D., & Antunes Marante, C. (2021). A Systematic Review of the Literature on Digital Transformation: Insights and Implications for Strategy and Organizational Change. *Journal of Management Studies*.

contrasting with e-commerce's use of large, centralized warehouses. Dark stores function as micro-warehouses located in local neighbourhoods, enabling rapid delivery of products.[14]

To Potdukhe et al. (2022), the instant delivery model centred around the notions of technology, dark stores, and delivery partners. FIrstlym the customer experiences are initiated through websites and mobile apps, thus the commencement of technological interventions. The customer orders are relayed to the dark stores who get barely minutes to prepare the order and begin the process of delivery. The third limb of the delivery partners emerge at this instant to pick the orders and deliver within the said time closing the order.[15]

The COVID-19 pandemic triggered a dramatic surge in consumer demand for fast delivery of grocery items. A McKinsey study titled *"How European shoppers will buy groceries in the next normal" (2020)*, which surveyed consumers in Germany, France, Spain, Italy, and the UK, revealed a consistent increase in the preference for online grocery shopping during this period. The research showed that around 15% of respondents had tried purchasing groceries from a new online platform for the first time. Among these new users, most expressed their intention to continue using online services to meet at least some of their grocery needs. Additionally, about 12% of consumers switched to grocery providers that offered either home delivery or pickup options.[16]

Quick commerce also faces several operational and logistical challenges. Villa and Monzon (2021) identified factors such as smaller order sizes, numerous delivery destinations, the need for immediate fulfillment, frequent restocking, and less efficient use of delivery vehicle capacity as major hurdles. These issues contribute to a heavier burden on already congested urban transportation networks. To address these concerns, solutions like mobile

[14] Verhoef, P. C., Broekhuizen, T., Bart, Y., Bhattacharya, A., Qi Dong, J., Fabian, N., & Haenlein, M. (2021). Digital transformation: A multidisciplinary reflection and research agenda. *Journal of Business Research*.

[15] Potdukhe, D., Bhowmick, S., & Bhattacharyya, S. S. (2022). Last-mile logistics and sustainability: Role of micro-fulfilment centres in quick commerce. *International Journal of Logistics Management*.

[16] McKinsey & Company. (2020). How European shoppers will buy groceries in the next normal.

warehouses, designated collection points, and secure lockers have been suggested. Looking ahead, Stojanov (2022) anticipates that advancements in technology—particularly the integration of drones, artificial intelligence, and robotics—will play a key role in enhancing the efficiency and scalability of quick commerce.[17]

Leng (2021) projected that the global quick commerce market could grow to approximately EUR 448 billion by 2030, highlighting its significant potential for future growth. This anticipated expansion underscores the importance of conducting more in-depth research into quick commerce business models. In particular, exploring how automation technologies can enhance operational efficiency within these models is becoming increasingly relevant.[18]

Rise of quick commerce in India

Quick commerce has proven to be one of the dominant trends in India's retail environment, fueled by growing mobile internet penetration, changing consumer behaviour, and changes with the pandemic fast-tracking them. Focused on ultra-speedy deliveries in as little as 10-20 minutes (as seen by research by the likes of Redseer Consulting and Mordor Intelligence and reports by operators such as Zepto and Blinkit), quick commerce platforms are growing at warp speed[19].

In 2023, the industry's GMV stood at $2.3 billion, showcasing a stunning 70% y-o-y growth. The trend is set to continue, with estimates putting the CAGR for FY22 to FY27 at 27.9% (as per research studies by Redseer Consulting, Mordor Intelligence, and publications such as TechCrunch and YourStory)[20]. Major players such as Blinkit, Swiggy Instamart, Dunzo, and Zepto are spearheading this growth, catering to consumer needs for convenience and speed through on-demand delivery of everyday essentials. To enable this quick delivery, platforms have strategically moved away from central warehouses to micro-fulfilment centers or "dark stores" within a 2 km radius of delivery points (as seen in industry reports by Redseer Consulting, Mordor

[17] Stojanov, A. (2022). Drones and robotics: Accelerators of quick commerce evolution. *Journal of Retailing and Consumer Services.*

[18] Leng, H. K. (2021). Quick commerce: The next frontier in e-commerce logistics. *Journal of Retailing and Consumer Services*.

[19] Redseer Consulting. *Unveiling India's Q-commerce revolution.*

[20] Redseer Consulting. (2023). *India's Q-commerce ascent: A new era in shopping.*

Intelligence, and company case studies of Zepto and Blinkit)[21]. These strategically located stores carry high-demand items, allowing ultra-fast deliveries and improving the overall customer experience. This expansion is fueled by a number of factors, with convenience, urbanization, and fast-paced lifestyles likely being key drivers. Millennials and Gen Z are seen to be leading adopters in metro cities, in line with their affinity for on-demand services and digital-first lifestyles. Occasion-driven promotions at times like Diwali or sports events drive sales, and category expansion widens scope beyond grocery to beauty, electronics, and home decor. Platforms for quick commerce deepen customer loyalty through better service (Ultra-fast Delivery, Wide Product Selection etc.)[22] and generating useful data to anticipate purchasing habits (Personalized Experiences, Improved Logistics) and optimize strategies. Conventional trade in India is confronted with issues like rising competition from new trade and e-commerce, as indicated by reports from institutions such as CRISIL[23] and Redseer Consulting.

This is also exacerbated by slower digital trend adaptation. Traditional trade can, however, utilize its large rural reach by adopting technology, such as the use of digital payment systems and inventory management systems, as suggested by FICCI and NASSCOM[24] studies. Collaborating with delivery platforms such as Dunzo and Swiggy, as indicated by case studies and reports from industry journals such as YourStory and Indian Retailer, can greatly increase their reach and provide customers in outlying areas with convenient delivery options. This strategy, backed by evidence from industry studies and case studies, can help traditional trade evolve to meet the changing market and survive despite growing competition. The robust performance of modern trade, echoing its attractiveness to middle-income and urban consumers as underpinned by studies from entities such as Kantar[25]offers avenues for growth in tier-2 and tier-3 cities and omni channel integration. The explosive rise of quick commerce underlines speed-oriented consumption's growth, but its profitability issues and dependence on urban centers call for prudence in expansion plans. In order to stay competitive, stakeholders need to

[21] Mordor Intelligence. *India quick commerce market - Growth, trends, and forecasts (2022-2027).*

[22] Financial Times. *Quick commerce: The rise of ultra-fast delivery in India.*

[23] CRISIL. *Challenges and growth opportunities for traditional trade in India*.

[24] FICCI & NASSCOM. (2023). *Digital transformation in traditional retail: Opportunities and challenges.*

[25] Kantar. (2023). *Consumer behavior and modern trade growth in India.*

concentrate on innovation, digitization, and customized strategies to leverage the unique strengths of each retail segment in a fast-changing market.

3.1. Five Forces Analysis of the Indian Retail Industry

The Indian retail market, which includes Quick Commerce (QC), Modern Trade, and General Trade, has special competitive issues in urban and rural markets. While QC is buoyed by convenience and speed in cities, it is challenged by profitability and competition. Modern Trade is growing but is confronted by supply chain complications, while General Trade is dominant because of established local trust. This Five Forces Analysis identifies main market forces, providing insights into India's changing retail environment.

Table 2: Industry Analysis of the Indian Retail Industry

Forces	**Quick Commerce (QC) – Urban**	**Modern Trade – Urban**	**General Trade – Urban**	**Quick Commerce (QC) – Rural**	**Modern Trade – Rural**	**General Trade – Rural**
Threat of New Entrants	High – Low entry barriers, rising demand, but requires high investment in logistics and inventory (Redseer Consulting, 2023).[26]	Moderate – Requires significant capital and supply chain expertise (KPMG, 2022).	Low – Kirana stores dominate and have an entrenched presence (KPMG, 2022).	Moderate – Limited infrastructure and digital penetration create challenges (Redseer Consulting, 2023).	Low – Limited presence and market expansion in rural areas (KPMG, 2022).	Very Low – Strong local trust and minimal competition from new players (KPMG, 2022).

[26] Redseer Consulting. (2023). *Quick commerce in India: Insights and trends*

Bargaining Power of Suppliers	Moderate – Balanced relationships, high-frequency sales, but reliance on major suppliers (Deloitte, 2022).[27]	High – FMCG giants control pricing and distribution (Deloitte, 2022).	Low – Kirana stores depend on fixed-price wholesalers (Deloitte, 2022).	High – Dependent on local suppliers due to logistical constraints (Deloitte, 2022).	Moderate – Benefits from partnerships with local suppliers (Deloitte, 2022).	Low – Strong distributor relationships and direct supplier engagement (Deloitte, 2022).
Bargaining Power of Consumers	High – 31% of urban Indians rely on QC for grocery shopping, with fast delivery and competitive pricing (Statista, 2023)[28].	Moderate – Loyalty programs and discounts increase consumer power (Statista, 2023).	Low – Consumers rely on proximity and relationships with store owners (Statista, 2023).	Moderate – Fewer alternatives for QC platforms (Statista, 2023).	Low – Consumers have limited modern trade options (Statista, 2023).	Very Low – Trust in local kirana stores keeps bargaining power minimal (Statista, 2023).

[27] Deloitte. (2022). *Indian retail market: Emerging trends and dynamics*

[28] Statista. (2023). *Internet connectivity and e-commerce trends in rural India*.

Threat of Substitutes	High – E-commerce giants like Amazon and Flipkart offer broader product ranges (PwC, 2023).[29]	Moderate – Faces competition from QC and e-commerce (PwC, 2023).	High – Consumers shifting towards convenience-driven options like QC and e-commerce (PwC, 2023).	Low – Fewer alternatives due to lack of e-commerce penetration (PwC, 2023).	Low – Limited alternative retail formats in rural areas (PwC, 2023).	Moderate – Growing rural e-commerce adoption poses a future threat (PwC, 2023).
Industry Rivalry	Very High – Strong competition among Blinkit, Zepto, and Swiggy Instamart (NASSCOM, 2023).[30]	High – Competition among D-Mart, Reliance Fresh, and other organized retail chains (NASSCOM, 2023).	Moderate – Competition exists but is less aggressive due to local loyalty (NASSCOM, 2023).	Moderate – Few competitors, but expansion is ongoing (NASSCOM, 2023).	Low – Limited market presence of modern trade in rural India (NASSCOM, 2023).	High – Intense rivalry among kirana stores in rural areas (NASSCOM, 2023).

4. Four Major Factors Driving the Rapid Growth of Quick Commerce

The four main drivers of the fast expansion of quick commerce are consumer demand for convenience, which has accelerated with urban consumers increasingly valuing instant deliveries over conventional retail experiences, as noted by McKinsey's last-mile delivery research (McKinsey & Company,

[29] PwC. (2023). *The state of retail 2023: Competitive dynamics and future outlook*.
[30] NASSCOM. (2023). *Rural e-commerce: Market potential and roadblocks*.

2023)[31]. Moreover, increasing digital adoption, powered by smartphone penetration and mobile internet connectivity, has made quick commerce accessible, especially in emerging markets (Deloitte, 2023)[32]. The revolution in logistics and the development of dark store ideas have been pivotal, with businesses such as Gorillas utilizing micro-fulfilment centers to achieve delivery goals (CBRE, 2023)[33]. Lastly, lifestyle changes and urbanization have played a large role, as millennials and Gen Z fuel demand in cities, since the United Nations (2018)[34] estimates that 68% of the world's population will be living in cities by the year 2050. All these combine to be a strong foundation for the speedy commerce sector to flourish.

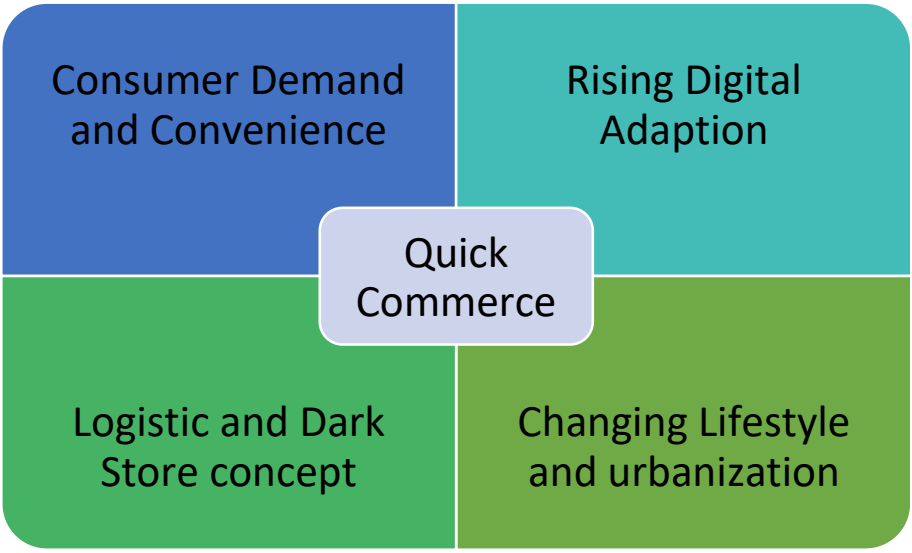

Figure 1. Factors Driving the Growth of Quick Commerce[35]

4.1. Consumer Demand for Convenience

[31] McKinsey & Company. (2023). *The future of last-mile delivery: Meeting consumer demand for instant gratification*.
[32] Deloitte. (2023). *Digital commerce trends: The impact of mobile penetration on e-commerce growth*.
[33] CBRE. (2023). *The rise of dark stores: How micro-fulfilment centers are shaping quick commerce*.
[34] United Nations. (2018). *World urbanization prospects: The 2018 revision*. Department of Economic and Social Affairs, Population Division.
[35] International Journal of Financial Management & Research (IJFMR). (2024). *Factors Driving the Growth of Quick Commerce*.

Today's consumers are increasingly seeking convenience in shopping. In cities, the fast life and need for instant solutions have created instant delivery as a strong demand factor. Platforms for quick commerce like Blinkit and Zepto have cashed in on this by promising delivery times as low as 10-15 minutes for instant needs such as groceries, snacks, or essential household items in a hurry. For example, in a 2023 survey conducted by Redseer, 70% of quick commerce users wanted to use it for impulse buys, and that the option to buy at home and not have to go to a shop still drives its popularity.[36]

Switching costs are the time or expense a customer incurs to switch from one service to another. Switching cost for consumers in Quick Commerce is zero because of the commoditized nature of products, low platform differentiation, and convenience-oriented mindset.[37] Platforms such as Blinkit, Zepto, and Swiggy Instamart have comparable prices, quality, and delivery speed, and consumers have no allegiance to a particular service.[38] With little effort to change apps and regular discounts or free delivery promotions, users simply pick whatever platform provides the best deal or quickest service at the time.[39] This low switching cost highlights the extremely competitive QC market, where customer retention involves continuous innovation and value provision. In fast-paced metro cities, where life is fast, Quick Commerce (QC) has gained huge popularity. QC brings groceries and other essentials directly to individuals' homes in minutes, usually for the same cost as they'd pay in a store. For most, this eliminates the inconvenience of having to contend with traffic, standing in lines, and wasting time going to a store. As long as what is delivered is equal to the quality and price of what is available in the store, naturally, individuals want the convenience of home delivery. This is the reason why QC has become the favourite shopping approach among busy city dwellers, altering the way they acquire their day-to-day necessities.[40]

4.2. Rising Digital Adoption

[36] Redseer. (2023). *Online alters grocery buying behaviour*.
[37] Flxpoint. (2024). *What is quick commerce – Revolutionizing retail and consumer habits*.
[38] Fortune India. (2024). *Q-comm boom: How Zepto, Swiggy, and Zomato are driving disruption*
[39] NielsenIQ. (2024). *Everything you need to know about US quick commerce*.
[40] Redseer. (2025). *Fast to faster: Exploring India's Q-commerce boom*.

The surge in digital adoption in India, which has greatly driven Quick Commerce (QC) growth, is caused by the prevalence of affordable smartphones, better internet infrastructure, and the advancement of digital payment systems. As of 2023, India has 850 million internet users, and with the increase in smartphone accessibility, a huge user base for digital platforms has grown.[41] Reports such as India Internet Trends (IAMAI, 2022) and Digital India: Transforming Connectivity (MeitY, 2021) point to how technological innovations have made it easier for there to be more internet penetration.[42] This has helped increase online consumers, with 500 million individuals shopping online in 2022, a figure that is likely to grow at a very fast rate as digital literacy and confidence in online platforms keep on growing (Kshetri, 2020).[43] In addition, the growth of the Unified Payments Interface (UPI) has changed the payment ecosystem by diminishing dependence on cash and facilitating quicker transactions, thus propelling digital commerce adoption (Raghavan & Mishra, 2021).[44] QC sites such as Swiggy Instamart take advantage of these trends by promoting sophisticated app interfaces, bespoke recommendations, and hassle-free payment methods that are attractive to digital-native customers. Smith and Chandra (2019) have stressed the user experience of apps in driving customer engagement and adoption, which captures the key contribution of digital infrastructure in driving quick commerce growth and success in India.

4.3. Logistics and Dark Stores Concept

Dark stores function according to parameters set by supply chain best practice, urban logistics considerations, and research in supply chain optimization. Their standard size of between 2,500 and 4,000 square feet is designed to maximize operational efficiency against the capacity to carry high-demand products at reasonable real estate costs. Research on urban warehousing, for example, Morlok et al. (2020), emphasizes the need to maximize warehouse size in high-density areas to reduce costs and enhance delivery time.[45] Location choice is informed by parameters such as population

[41] Internet and Mobile Association of India. (2023). *Internet in India.*

[42] Ministry of Electronics and Information Technology. (2021). *Achievements made under Digital India Programme*.

[43] Internet and Mobile Association of India. (2023). *Internet in India*

[44] Press Information Bureau. (2022). *Year End Review 2022: Ministry of Electronics and Information Technology*

[45] Sakai, T., Kawamura, K., & Hyodo, T. (2020). Changes in warehouse spatial patterns and rental prices

density, order frequency, and accessibility to maximize proximity to residential and commercial centers for quick deliveries within a 2-kilometer radius. A study by Taniguchi and Thompson (2018) highlights the importance of location optimization in urban logistics to satisfy same-day delivery requirements efficiently.[46] Inventory control in dark stores is data-driven, where products of high demand are determined by local demographic preferences and past buying habits. Sophisticated systems such as Inventory Management Systems (IMS) are employed to reduce stock outs and overstocking, as noted in Fildes et al. (2019), who discuss demand forecasting and inventory optimization for e-commerce.[47]

Technology is a key component in the functioning of dark stores. Technologies such as IMS, Order Management Systems (OMS), and pick-to-light systems increase order accuracy and speed of processing. Research on last-mile logistics, for example, by Esper and Ellinger (2020), outlines the function of technology in streamlining warehouse operations and delivery schedules. Delivery models integrate in-house staff and external partners for scalability, backed by route optimization software to minimize delivery time and expenses. A study by Boysen et al. (2021) on last-mile delivery optimization emphasizes the role of route algorithms in enhancing delivery efficiency in cities.[48] Sustainability is also a key consideration, with dark stores embracing practices such as electric vehicle fleets, minimized packaging waste, and optimized routes to minimize emissions. Sarkis et al. (2019) highlight that green logistics and sustainable supply chain management can enhance efficiency while satisfying environmental objectives.[49] Both of these parameters represent the combination of industry requirements, technology, and sustainability practices, facilitating dark stores to redefine urban quick commerce operations successfully.

4.4. Changing Lifestyles and Urbanization

[46] Taniguchi, E., & Thompson, R. G. (2018). *City logistics 2: Modelling and planning initiatives*. John Wiley & Sons.

[47] Esper, T. L., & Ellinger, A. E. (2020). Improving the last mile in omnichannel retailing: A strategic framework.

[48] Boysen, N., de Koster, R., & Weidinger, F. (2021). Warehousing in the e-commerce era

[49] Sarkis, J., Zhu, Q., & Lai, K. H. (2019). An organizational theoretic review of green supply chain management literature.

The factors driving shifting lifestyles and urbanization, including growth in urban populations, nuclear family arrangements, increased disposable incomes, and changing work patterns, are defined by demographic research, consumer behaviour analysis, and urban development reports. Indian urbanization, which is estimated to reach 600 million by 2031, has provided a platform for services such as Quick Commerce (QC) to flourish in populous cities by adopting effective last-mile delivery mechanisms (United Nations, 2018).[50] The rise of nuclear family configurations has tilted consumption patterns toward lower, convenience-led purchases, whereas increasing disposable incomes have enabled people to be willing to pay more for time-saving services (Ghosh, 2020).[51]

Further, evolving work trends, such as long working hours, work from home, and dual-income households, have amplified the need for time-saving platforms and instant availability of essentials (Kashyap & Gupta, 2019).[52] In addition, the emphasis on immediate gratification has prompted QC platforms such as Zepto and Blinkit to broaden their products, ranging from ready-to-eat food to personal care items and pet food, making them essentials for city living. Consumer behaviour studies highlight that speed, convenience, and variety are essential parameters for city consumers (Patel & Sharma, 2021).[53] In aggregate, these figures illustrate the extent to which urbanization and changing lifestyles have stimulated the swift development of QC services in India.

5. Major Issues in Quick Commerce

Though it has been growing rapidly and gaining more consumers, Quick Commerce (QC) in India has critical issues threatening its long-term sustainability. Three issues—sustainability, rural market opportunities, and changing consumer behaviour—are framing the industry's future. The issue of sustainability comes from QC's dependency on deep discounts, zero-delivery costs, and high-speed deliveries, which test profitability, workers' well-being, and environmental sustainability. Furthermore, rural market penetration is an issue because of poor infrastructure, patchy internet connectivity, and poor

[50] United Nations, Department of Economic and Social Affairs, Population Division. (2018).

[51] Rashid, Z. A., & Saad, N. M. (2020). Income differences and household expenditure. *Int. J. Innov. Creat. Change, 12*(12), 299-312.

[52] Rashid, Z. A., & Saad, N. M. (2020). Income differences and household expenditure. *Int. J. Innov. Creat. Change, 12*(12), 299-312.

[53] Rashid, Z. A., & Saad, N. M. (2020). Income differences and household expenditure. *Int. J. Innov. Creat. Change, 12*(12), 299-312.

digital literacy, which discourages QC platforms from reaching deeper than urban areas. In the meantime, consumption patterns are shifting with a desire for instant satisfaction, impulse purchase, and convenience shopping. Despite this, there is low brand loyalty and a high rate of switching, complicating the situation for QC companies to hold onto customers in a competitive environment. These challenges call for a well-balanced approach strengthening profitability, tapping into unserved rural markets, and changing along with changing consumers' needs at the cost of long-term viability.

5.1. Sustainability of Quick Commerce in the Retail Market

This study adopts the three pillars of sustainability framework—economic, social, and environmental—as proposed by the International Union for Conservation of Nature (IUCN, 2006)[54] to evaluate the long-term viability of Quick Commerce (QC) within India's retail sector. The research approach emphasizes economic sustainability by analysing the financial performance, market dynamics, and operational challenges faced by QC companies. Social sustainability is assessed by investigating the impact of QC on delivery personnel and other stakeholders, with a focus on aspects such as employee well-being, safety, and occupational stress. Environmental sustainability is evaluated by examining factors like carbon emissions, fuel consumption, and the adoption of eco-friendly innovations, including electric vehicles and drones. By integrating market data, industry insights, and real-world case studies, this methodology provides a comprehensive evaluation of QC's sustainability in the Indian retail ecosystem.

Quick commerce has rapidly expanded in India, fueled by the pandemic that changed consumer buying behaviour towards digital shopping (Redseer Consulting, 2023). The ease of access to more affordable financing with monetary easing further aided the sector's growth (Reserve Bank of India, 2022)[55]. Still, the survival of QC enterprises in the Indian retail sector continues to be an important issue of concern. Applying the three pillars of sustainability model offered by the World Conservation Union (IUCN, 2006) economic,

[54] International Union for Conservation of Nature. (2006). *The future of sustainability: Re-thinking environment and development in the twenty-first century*.
[55] Reserve Bank of India. (2022). *Monetary policy report*.

social, and environmental—this analysis analyses QC's sustainability in the long term within India's retail landscape[56].

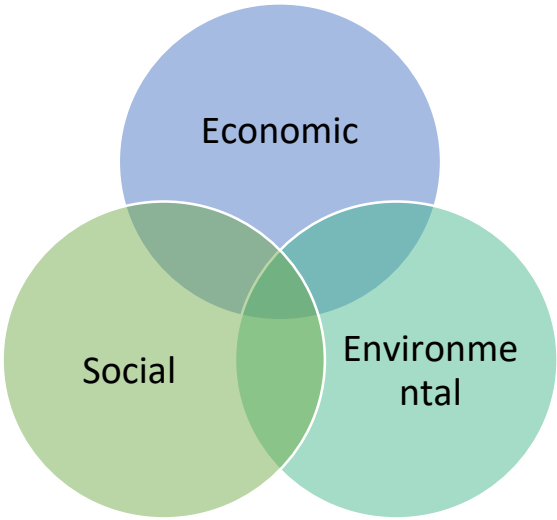

Figure 2. Three Pillar of Sustainability[57]

5.1.1. Economic Sustainability

In the Indian quick commerce industry, firms such as Zepto and Blinkit have pursued growth at all costs to entice customers, with deep discounts and free delivery being common. Zepto, which is a market leader, posted an average order value (AOV) of ₹450 in mid-2024 and was expected to take it to ₹540-550 by the end of the year, reflecting an effort to maximize revenue (Business Standard, 2024)[58]. Despite these efforts, however, the company still keeps generating losses, with ₹37 loss per order reported in December 2024 (The Arc Web, 2024)[59]. Even Blinkit, which Zomato purchased for $569 million in 2022, suffers equally. The firm has been providing deep discounts of up to 80% on its grocery products, which resulted in a reduction of its gross order value per store, declining to ₹9.7 lakh on account of extensive discounting and

[56] International Union for Conservation of Nature. (2006). *The future of sustainability: Re-thinking environment and development in the twenty-first century*.
[57] The World Conservation Union. (2006). *The future of sustainability: Rethinking environment and development in the twenty-first century*.
[58] Business Standard. (2024, October 26). *Zepto's FY23 losses widened 3x to Rs 1,272 crore; revenue up 14x to Rs 2,024 crore*. Business Standard.
[59] The Arc. (2024, November 26). *With $1.3 bn in cash, Zepto prioritises growth over unit economics*. The Arc.

aggressive growth (The Arc Web, 2024)[60]. Though these discounting tactics have proven successful in gaining customers, they have taken a big hit on profit margins, exhibiting the challenges of keeping investors confident and profitability afloat in the long run. The focus on growth at the expense of profitability indicates the necessity of more sustainable business models in the QC industry.

5.1.2. Social Sustainability

The social sustainability of Quick Commerce depends on finding a balance between fast service delivery and the health of its employees, stakeholders, and society as a whole. The 10-minute delivery guarantee has created important safety and ethical issues for delivery staff, who are frequently subjected to high levels of pressure to deliver within very short time frames. This has resulted in over speeding and accidents, creating an important lacuna in the welfare of workers. For instance, an Indian Institute for Human Settlements (2022)[61] study revealed 54% of urban delivery workers experienced unsafe working conditions with tight deadlines. Basic safety training for delivery partners is offered by platforms like Zepto, yet they remain criticized for the time-sensitive nature of their work, at the expense of rider safety. Swiggy Instamart, one of the major players in the QC industry, has made efforts to enhance the working conditions of its delivery partners by implementing flexible working hours, health insurance, and safety initiatives. These efforts are aimed at mitigating stress and improving job satisfaction, which is a more socially sustainable strategy. Even with these measures, QC's business model of relying so much on discounts and quick delivery to lure consumers puts it at odds with balancing profitability and fairness to its employees. According to a report by Fairwork India (2023)[62], while firms like Swiggy and Zepto have improved to a certain extent in providing benefits, much remains to be done towards improving safety, stability in earnings, and grievance redressal measures.

5.1.3. Environmental Sustainability

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[60] The Arc. (2024, June 17). *'Blinkit's growth hurts e-tailers and modern stores, not kiranas'*. The Arc.

[61] **Indian Institute for Human Settlements (IIHS).** (2022). *Urban delivery workers and safety concerns in India's gig economy.* Indian Institute for Human Settlements.

[62] **Fairwork India.** (2023). *Fairwork India ratings 2023: Labour standards in the platform economy.* Fairwork Project.

In the Indian quick commerce industry, businesses are going green by embracing sustainable practices to reduce the environmental footprint of their operations. BigBasket, for example, has incorporated electric vehicles (EVs) into its delivery fleet with the goal of lowering carbon emissions. In 2022, BigBasket's fleet of 5,458 electric delivery vehicles enabled the company to lower more than 7,000 tonnes of CO_2 emissions. BigBasket also joined hands with Ampere Vehicles to roll out electric scooters best suited for last-mile delivery in Bengaluru, Chennai, Hyderabad, Mumbai, Pune, and Delhi NCR. The initiative is a part of BigBasket's larger vision to electrify its fleet and encourage green practices for delivery[63]. Swiggy Instamart has started pilot projects to test drone-based deliveries and has further plans to improve delivery efficiency while minimizing environmental footprints[64]. In May 2022, Swiggy also partnered with Garuda Aerospace to carry out drone delivery trials in Delhi-NCR and Bengaluru. The trials are aimed at utilizing drones for middle-mile deliveries, including restocking stock between seller-operated dark stores and typical customer points, with the aim of helping to avoid road congestion as well as emissions. Such ventures demonstrate an increased interest among Indian QC firms in adopting sustainable strategies in their activities, tackling green issues related to fast delivery frameworks[65].

Quick commerce companies like Zepto and Blinkit are struggling with economic sustainability as deep discounts and free deliveries continue to cause heavy financial losses. Zepto reported a ₹37 loss per order in December 2024, and Blinkit saw a decline in gross order value, highlighting that the current growth-at-any-cost models are not financially viable. Social sustainability remains a concern due to unsafe working conditions for delivery personnel, driven by the pressure of 10-minute delivery promises. Despite some efforts like flexible work hours and health benefits from companies such as Swiggy Instamart, worker welfare challenges persist across the industry. On the environmental front, companies like BigBasket and Swiggy Instamart are adopting greener practices, including electric vehicles and drone deliveries, to reduce their carbon footprint. However, broader adoption of sustainable delivery models is needed for the industry to achieve long-term environmental goals.

[63] BigBasket. (2022). *The Green Report 2022: Electric Delivery Fleet Saves 3.18 Lakh Trees Worth of CO_2 Emissions*.
[64] Swiggy. (2022, May 1). *Swiggy Awards Contracts for Its Drone Trials*.
[65] Sinha, S. (2022, May 3). *Swiggy ties up with Garuda Aerospace for drone delivery trials in NCR & Bengaluru*. *The Times of India*.

5.2. Rural E-Commerce in India and the Growth of Quick Commerce

Rural e-commerce in India is witnessing rapid expansion, fueled by increasing internet access, widespread mobile phone usage, and government initiatives aimed at digitizing rural regions. The rise of e-commerce platforms in these areas is transforming the purchasing behaviour of rural consumers by providing access to a wide range of products and services that were previously out of reach. However, the growth of quick commerce in rural India faces significant challenges, including logistical difficulties, inadequate infrastructure, and limited trust in digital payment systems. In spite of these challenges, platforms are rising to address rural consumers' needs, offering localized solutions and facilitating digital inclusion[66]. This change is not only redefining consumption patterns in the countryside but also offering a tremendous opportunity for expansion in the quick commerce and e-commerce industries.

Online retailing in rural India is growing steadily, led by the rising availability of the internet, mobiles, and government programs to convert rural areas into digital economies. The move by the Indian government to link villages and towns with fiber-optic cables is central to this digital upsurge. These efforts have helped introduce e-commerce to rural towns, shattering conventional constraints and enabling internet-based shopping for those residing in distant areas. The Indian government's BharatNet project, for example, targets the interconnecting of more than 2.5 lakh villages with high-speed internet, thereby increasing online services accessibility even more. The increase in mobile phone penetration is one of the major drivers, with active mobile phone subscribers in India crossing 1 billion by 2018, as per the Telecom Regulatory Authority of India (TRAI)[67]. By 2021, the rural mobile users were expected to grow from 18% to 45%. This mobile usage growth has propelled the need for e-commerce services, opening online shopping for millions of rural customers who are now equipped with internet connectivity[68]. Indian rural e-commerce is growing at a very high rate, with growth being driven by growing internet penetration, mobile usage, and government efforts to digitize rural India. The emergence of e-commerce sites in rural areas is transforming the shopping habits of rural consumers,

[66] Bharat Broadband Network Limited. *BharatNet Project Overview*.
[67] Telecom Regulatory Authority of India. (2018, October). *Highlights of Telecom Subscription Data as on 31st October, 2018*.
[68] Bharat Broadband Network Limited. *BharatNet Project Overview*.

providing them with access to a large variety of products and services that were not earlier accessible to them. But the growth of quick commerce in rural India is hampered by various challenges, such as logistical constraints, poor infrastructure, and limited consumer confidence in online payments.

In spite of these challenges, platforms are starting to emerge to serve rural consumers, offering localized solutions and digital inclusion. This transition is not just revolutionizing consumption patterns in the countryside but also offering a massive opportunity for expansion in the e-commerce and quick commerce businesses. Sites such as Mahila E-haat have transformed the socio-economic empowerment of rural women by giving them an opportunity to market their products online. This project, which will benefit more than 125,000 women, enables rural women to use technology and become financially independent[69]. Chaupal Sagar, or rural malls, provides products ranging from fast-moving consumer goods (FMCG) to electronics and even cars, addressing the varied needs of rural consumers. Not only do these malls offer a platform for consumers to buy goods, but they also develop an ecosystem for the development of local businesses in rural India. Moreover,

E-Choupal, introduced in 2000, enables more than 4 million Indian farmers in 40,000 villages. By giving farmers information regarding crop prices and farming methods, E-Choupal[70] enables them to make better-informed decisions regarding when and where to sell their crops. The system also offers complete transparency, enabling farmers to sell directly to ITC, enhancing their profitability and access to markets. The expansion of these rural online marketplaces showcases the immense potential of India's rural market. As the rural economy increasingly integrates with the digital sphere, the potential for quick commerce to thrive becomes increasingly apparent. Those businesses that are able to effectively overcome the obstacles of logistics, access to technology, and consumer confidence will be best placed to capitalize on the growing rural market. The surge in use of mobile phones and internet and e-commerce solutions localized indicates that rural India is going to play a pivotal role in the future of e-commerce and rapid commerce. As these platforms keep evolving and changing according to the requirements of rural consumers, they will not only change the lives of millions of rural citizens but also help in the overall development of the Indian economy.

[69] Ministry of Women and Child Development. (2016, March 7). *Digital marketing portal Mahila e-Haat launched for women entrepreneurs*.
[70] ITC Limited. (n.d.). *ITC e-Choupal - Rural India's largest Internet-based intervention*.

5.3. Consumer Decision making process in quick commerce

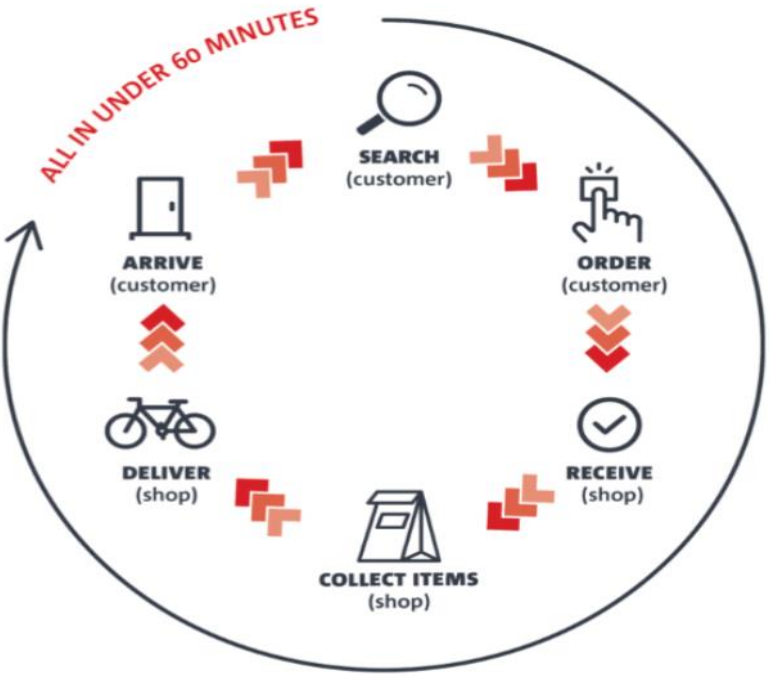

Figure 3. Quick commerce ordering and delivery cycle[71]

The emergence of Q-commerce has revolutionized the retail industry by bringing drastic changes to the way consumers shop. Q-commerce entails delivering goods in minutes, normally within an hour, through the use of sophisticated logistics, data analytics, and strategically positioned micro-fulfilment centers. This model addresses the growing consumer demand for speed, convenience, and immediate satisfaction—a trend that became especially prominent during the COVID-19 pandemic, when contactless shopping became widespread. The pandemic significantly accelerated India's digital shift, driven by increased internet access and the rising use of smartphones. As of 2023, India boasted over 850 million internet users, while Unified Payments Interface (UPI) had over 9 billion transactions per month[7273].

[71] Delivery Hero. (n.d.). *Quick commerce: The next generation of e-commerce*. Delivery Hero.

[72] National Payments Corporation of India. (2024). *UPI Product Statistics*.

[73] The Economic Times. (2023, October 12). *How India is using the Internet*.

These changes were exploited by companies such as Blinkit and Zepto, with Blinkit recording revenues of ₹2.36 billion in FY 2023 and Zepto recording a 14 times revenue growth over the same period, indicating increasing consumer demand for quick, on-demand services[74].

The traditional consumer decision-making process—which includes need recognition, information search, evaluation of alternatives, purchase decision, and post-purchase behaviour—has been significantly condensed in the context of quick commerce. In many cases, the process starts with an immediate or impulsive need, such as groceries or household essentials, which Q-commerce platforms are able to fulfil almost instantly. For instance, a 2023 Redseer Consulting survey discovered that 65% of users of Q-commerce accessed these platforms for emergency or last-minute requirements[75]. In contrast to e-commerce, which is concerned with planned purchases, Q-commerce is concerned with instant delivery, cutting down on the time used in searching for information or assessing alternatives. The commoditized quality of Q-commerce goods, including food and groceries, reduces platform differentiation to the extent that customers can make a purchase choice based on convenience and speed. Deloitte (2022)[76] indicates that 78% of city-based consumers are prepared to pay extra for quicker delivery, highlighting the significance of speed in the decision-making process of Q-commerce.

5.3.1. Impulse Buying Behaviour

The **Impulse Buying Behaviour** Model[77] explains that both extrinsic stimuli, including time-restricted offers, and intrinsic motivators, including emotional satisfaction, drive unplanned buying decisions. In Quick Commerce, this model is supported by various studies and facts. A 2024 report by Datum Intelligence revealed that over past six months, 75% of the digital grocery shoppers have significantly increased their impulse purchases, with average order values now exceeding ₹400 (Datum Intelligence, 2024)[78]. This is primarily fueled by the instant gratification offered by fast delivery services, which satisfy consumer

[74] Deloitte. (2022). *Urban consumer preferences for delivery speed in Q-commerce*.
[75] Redseer Consulting. (2023). *Q-commerce in India: Trends and consumer behavior*.
[76] Deloitte. (2022). *Urban consumer preferences for delivery speed in Q-commerce*.
[77] Rook, D. W., & Gardner, M. P. (1993). *In the mood: Impulse buying's affective antecedents*.
[78] Datum Intelligence. (2024). *Quick commerce: Transforming India's grocery retail landscape*.

wants almost immediately. Time-sensitive offers further enhance impulse buying behaviour. Studies indicate that 74% of impulse buying is done for sales or discount purposes, reinforcing the power of time-limited promotions in encouraging people to shop under pressure[79]. Secondly, the simplicity and quickness of Q-Commerce platforms have contributed to new consumer behaviour as 46% of consumers decrease Kirana store spend in lieu of quick commerce (Economic Times Retail, 2024)[80]. This transformation highlights the importance of external stimuli, including instant delivery and tailored notifications, in propelling impulsive purchasing behaviour in the Q-Commerce industry.

5.3.2. Technology Acceptance Model (TAM)

Consumer behaviour in Quick Commerce also driven by technological innovation, as guided by the **Technology Acceptance Model (TAM)**[81] principles. The model highlights that consumer adoption of online platforms is largely influenced by two key factors: Perceived Usefulness (PU) and Perceived Ease of Use (PEOU). Deepthi and Bansal (2023)[82] conducted a study on the adoption of Q-Commerce apps using TAM, with responses from 277 respondents in Indian cities. The study concluded that if users feel these platforms are both useful and simple to use, they are much more likely to use them. In support of this, a Shiprocket report of 2024[83] indicates how AI personalization helps to boost perceived usefulness. The study showed that 84% of consumers bought something after AI-powered recommendations, indicating how personalized suggestions drive purchase behavior in a positive manner. Real-time tracking of orders and individualized notifications build consumer trust through enhanced transparency and dependability. Such trust

[79] Capital One Shopping. (2024). *Impulse Buying Statistics: Consumer Spending Habits*.

[80] Economic Times Retail. (2024, November 13). *Quick commerce captures nearly half of Kirana sales; market projected to hit $40 billion by 2030*.

[81] Davis, F. D. (1989). *Perceived usefulness, perceived ease of use, and user acceptance of information technology*.

[82] Deepthi, B., & Bansal, V. (2023). Employing TAM model to investigate the factors influencing quick commerce applications adoption using structural equation modelling technique. *International Journal of Management and Enterprise Development, 22*(4), 348–365.

[83] Shiprocket. (2024). 84% of consumers make purchases based on AI-driven recommendations.

is crucial, as research has shown that a 5% improvement in customer retention can result in a 75% increase in profitability.

5.3.3. SERVQUAL Model

Customer loyalty and satisfaction are also greatly determined by service quality in Q-commerce. Five dimensions of service quality are recognized by the **SERVQUAL Model:** Reliability, Responsiveness, Assurance, Empathy, and Tangibles[84]. Empirical research has shown that these dimensions have a far-reaching influence on customer satisfaction and loyalty in the context of Quick Commerce. Reliability, or the capacity to deliver the intended service reliably and accurately, is of central importance in Q-Commerce. Hafiz and Alam (2016) identified that reliability is the most powerful dimension that influences customer satisfaction in package delivery services, highlighting the significance of on-time and correct deliveries in Q-Commerce. Responsiveness, or being willing to assist customers and respond quickly, is also a significant factor. Research demonstrates that responsiveness has a positive impact on customer satisfaction and loyalty because timely delivery and quick response fulfil customer expectations in busy service contexts. Assurance, including employees' knowledge and courtesy and their capability to communicate trust and confidence, generates customer trust. Assurance was found to play a major role in customer satisfaction since knowledgeable and courteous service makes the perceived quality and reliability of the service performed higher. Empathy, the delivery of warm and personalized attention to customers, has been associated with customer loyalty. Hafiz and Alam (2016) found empathy to be a good predictor of customer loyalty, implying that personalized contact and knowledge of customer needs are essential for customer retention in the Q-Commerce industry. Tangibles, which describe the physical facilities' appearance, equipment, staff, and communication materials, add to the overall service image. Though tangibles are more visible in offline physical stores, having clean and professional delivery staff and neatly presented packaging can influence perceptions of quality in Q-Commerce[85].

Q-commerce has significantly transformed the classic consumer decision-making process with its focus on speed, convenience, and immediacy. The

[84] Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1988). *SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality*.

[85] Hafiz, N., & Alam, A. S. A. F. (2016). Applying SERVQUAL model to measure online customer satisfaction in package delivery services. *Studia Universitatis Babeș-Bolyai Negotia, 61*(4), 121–136.

classic five-step model has been simplified, with delivery speed and platform ease of use becoming the leading drivers of consumer behaviour. Impulsive purchasing has become more common, fueled by promotions and instant gratification, with customer satisfaction still key to keeping consumers in this fast moving market. Q-commerce companies need to focus on service quality, use technology to improve user experiences, and respond to changing consumer tastes in order to stay competitive. With increasing demand for instant delivery, firms that align their strategies with consumers' expectations and provide better service will gain a competitive edge in this fast expanding sector.[86]

6. Findings

- **Urban Consumer Demand**
  Approximately 70% of urban QC users rely on platforms like Blinkit and Zepto for urgent purchases, highlighting a strong preference for speed and convenience, especially for time-sensitive items like groceries and daily essentials (Redseer Consulting, 2023)[87].

- **Rising Digital Adoption**
  India has 850 million internet users and widespread UPI adoption, enabling seamless digital transactions and driving the growth of QC services in urban and suburban areas (McKinsey & Company, 2021)[88].

- **Innovative Delivery Models**
  QC platforms leverage micro-fulfilment centers (dark stores) within a 2 km radius to deliver products in 10–20 minutes, revolutionizing last-mile delivery efficiency (Redseer Consulting, 2023).

- **Category Diversification**
  Beyond groceries, QC platforms are expanding into categories like beauty products, electronics, and home decor, appealing to a wider

[86] The Impact of SERVQUAL on Consumers' Satisfaction, Loyalty, and Purchase Intentions in Quick Commerce. (2024). *Journal of Business Research, 135*, 345–356.
[87] Redseer Consulting. (2023). *Quick commerce in India: Insights and trends*.
[88] McKinsey & Company. (2021). *Consumer behavior in the digital age*.

audience of urban consumers seeking convenience across multiple product types (PwC, 2023)[89].

- **Profitability Challenges**
  Despite rapid growth, platforms face profitability issues due to heavy reliance on discounts and free deliveries. For instance, Zepto reported an average loss of ₹37 per order in 2024 (Business Standard, 2024)[90].

- **Intense Competition**
  The quick commerce market is fiercely contested, with major players such as Zepto, Blinkit, and Swiggy Instamart striving to capture a larger share. The ease with which consumers can switch between services heightens this competition, posing significant challenges for businesses in retaining customers (NASSCOM, 2023)[91].

- **Rural Market Growth Potential**
  Initiatives like BharatNet are expanding rural internet connectivity, presenting a significant opportunity for QC platforms to penetrate underserved rural markets where digital adoption is steadily rising (Ministry of Electronics and Information Technology, 2021)[92].

- **Infrastructure Barriers in Rural Areas**
  Poor road infrastructure and inconsistent internet connectivity hinder QC expansion in rural regions, leading to slower service and increased operational costs (Statista, 2023)[93].

- **Trust and Literacy Deficits**
  Limited digital literacy and mistrust of online platforms among rural consumers pose significant challenges. Building trust and addressing security concerns are essential for QC adoption in these areas (PwC, 2023)[94].

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[89] PwC. (2023). *The state of retail 2023: Competitive dynamics and future outlook*.
[90] Business Standard. (2024). *Zepto's annualized GMV hits $3 billion, but profitability challenges persist*.
[91] NASSCOM. (2023). *Rural e-commerce: Market potential and roadblocks*.
[92] Ministry of Electronics and Information Technology. (2021). *BharatNet project overview*.
[93] Statista. (2023). *Internet connectivity and e-commerce trends in rural India*.
[94] PwC. (2023). *The state of retail 2023: Competitive dynamics and future outlook*.

- **Social and Economic Sustainability**
  QC platforms face high delivery personnel turnover and stress caused by tight delivery timelines. Addressing these issues is crucial for ensuring long-term sustainability and improving worker welfare (Fairwork India, 2023)[95].

7. Integrating Resource-Based for Analysing Quick Commerce

The **Resource-Based View (RBV)** model by Barney (1991)[96] asserts that a firm's sustained competitive advantage stems from its distinctive tangible and intangible resources. In Quick Commerce, companies like Blinkit, Zepto, and Swiggy Instamart leverage resources such as micro-fulfillment centers (dark stores), AI-driven logistics, and financial backing to enhance operational efficiency and meet consumer demand for ultra-fast deliveries (Redseer Consulting, 2023). However, while AI-driven personalization and brand reputation drive consumer trust and retention, profitability remains a challenge, with Zepto reporting a ₹37 loss per order in 2024 (Business Standard, 2024). Moreover, workforce efficiency is crucial, yet 54% of delivery personnel report unsafe working conditions due to tight delivery deadlines (Indian Institute for Human Settlements, 2022). Sustainability is another concern, with QC companies increasingly adopting electric vehicles and drone deliveries to minimize carbon footprints, as seen with BigBasket's 7,000-tonne CO_2 reduction through EV integration (Business Insider, 2022). The RBV model suggests that optimizing these internal resources—by balancing cost structures, improving worker conditions, and scaling sustainable operations—can help QC firms achieve long-term competitive advantage and financial viability.

8. Conclusion

India's quick commerce sector shows strong growth prospects, fueled by unique market dynamics across urban and rural areas. The demand for speed and convenience dominates consumer preferences, fuelled by rising digital adoption and the proliferation of smartphones and digital payment systems in

[95] Fairwork India. (2023). *Fairwork ratings for digital platforms in India: Labor standards in the gig economy*.
[96] Barney, J. (1991). *Firm resources and sustained competitive advantage*. Journal of Management.

urban areas. Platforms like Blinkit and Zepto have leveraged micro-fulfilment centres, strategically located within a 2 km radius, to provide ultra-fast deliveries and expand their product offerings. However, the urban market faces intense competition due to low consumer switching costs, alongside challenges related to profitability as platforms heavily rely on discounts and promotions to acquire and retain customers. Ethical concerns, such as delivery rider safety, add complexity to sustaining operations. Meanwhile, rural markets present untapped opportunities, driven by increasing internet penetration through government initiatives like BharatNet and rising aspirations among rural consumers. Despite this potential, QC adoption in rural areas remains hindered by infrastructure limitations, poor road networks, and a lack of consumer trust in online transactions. Platforms need to address these gaps by building localized partnerships with kirana stores, offering support for regional languages, and introducing trust-building measures like cash-on-delivery and secure digital payment systems. Both markets demand tailored approaches: urban QC growth depends on achieving profitability and customer retention through innovation and operational efficiency, while rural QC success hinges on overcoming logistical and trust barriers with localized and inclusive strategies. For long-term sustainability, QC platforms must balance rapid growth with responsible practices, such as using electric vehicles for deliveries and improving working conditions for delivery personnel. By aligning their strategies with the unique challenges and opportunities of each market, QC companies can secure their position in India's evolving retail ecosystem.

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