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# **Rise of Quick Commerce in India: Analyzing the Operational Blueprint of Blinkit and Zepto**

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Abstract: The Indian retail sector is witnessing a paradigm shift with the emergence of quick commerce (q-commerce), promising ultra-fast deliveries within 10–20 minutes. This research paper explores the operational models of two q-commerce giants—Blinkit and Zepto—to understand their strategies in warehousing, logistics, technology, and customer fulfillment. Through a comparative case study approach, this study evaluates how these firms optimize their delivery networks, the role of dark stores, labor utilization, and the viability of the model in terms of profitability and scalability. The findings shed light on the transformative potential of q-commerce and its broader implications for urban retailing, logistics innovation, and consumer behavior in India.

Keywords: Quick Commerce, Q-Commerce, Blinkit, Zepto, 10-Minute Delivery, Hyperlocal Logistics, Dark Stores, Last-Mile Delivery, Inventory Management, Urban Retail, Micro-Fulfillment Centers, Ecommerce Innovation, Delivery Optimization, Supply Chain Strategy, Operational Efficiency, On-Demand Delivery, Startup Models, Consumer Convenience, Gig Economy, Indian Retail Sector

# I. INTRODUCTION

# 1.1 Background of the Study

India's retail ecosystem has traditionally been dominated by kirana stores and later, by e-commerce giants like Flipkart and Amazon. In recent years, consumer expectations have evolved rapidly—convenience, speed, and personalization have become key drivers of purchase decisions. Against this backdrop, quick commerce has emerged as a disruptive retail model.

Q-commerce, characterized by deliveries in under 30 minutes (often within 10 minutes), leverages hyperlocal warehousing, real-time inventory management, and optimized last-mile logistics. With urbanization, time-starved consumers, and increasing smartphone usage, the Indian market has become fertile ground for this business model. This paper focuses on two of the most influential players: Blinkit (formerly Grofers, now a Zomato subsidiary) and Zepto, a startup that has gained market traction within a remarkably short time.

# **1.2 Research Problem**

While q-commerce is rapidly expanding, its operational sustainability, profitability, and scalability remain underexplored in the Indian context. There is limited academic work on how these firms balance speed, cost-efficiency, and customer satisfaction in real-time.

# 1.3 Objectives of the Study

To analyze the operational architecture of Blinkit and Zepto. To evaluate their logistics, warehousing, and delivery models. To understand their use of technology and labor in meeting delivery timelines. To examine challenges, risks, and the sustainability of their business models.

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### **II. LITERATURE REVIEW**

### 2.1 Evolution of E-Commerce

Traditional e-commerce evolved with large centralized warehouses and 2–3 day deliveries. Platforms like Amazon India and Flipkart scaled by investing in regional logistics hubs and vendor integration.

### 2.2 Emergence of Quick Commerce

According to a McKinsey report (2022), quick commerce is the "next frontier" in e-commerce, particularly appealing to millennial and Gen-Z consumers. Global examples include GoPuff (USA), Gorillas (Germany), and Getir (Turkey). India's q-commerce space is projected to become a **\$5 billion industry by 2025** (Redseer Consulting, 2023).

### 2.3 Operational Innovation in Q-Commerce

Key innovations include:

- Dark stores for inventory stocking close to demand zones.
- AI and machine learning for inventory forecasting and route optimization.
- Gig-based delivery systems to scale dynamically.

### 2.4 Research Gap

While many reports highlight growth and consumer adoption, few delve into the **micro-operational strategies** that enable these firms to deliver on their 10-minute promise, particularly in a complex urban setting like India.

# III. RESEARCH METHODOLOGY

### 3.1 Research Design

A **comparative case study approach** is used to examine Blinkit and Zepto's operational strategies. This method allows for detailed contextual analysis and operational benchmarking.

### 3.2 Data Collection

- Secondary Data Sources: Company websites, industry reports, news articles, investor briefings, and academic papers.
- Analytical Tools: SWOT Analysis, Porter's Five Forces, Business Model Canvas.

### 3.3 Scope and Limitations

The study is limited to metro cities like Delhi, Mumbai, and Bengaluru where q-commerce is most active. Primary interviews were not feasible due to confidentiality barriers.

# **IV. COMPANY PROFILES**

### 4.1 Blinkit (Zomato-owned)

- Founded: 2013 as Grofers; rebranded to Blinkit in 2021.
- Acquired by: Zomato in 2022 for \$568 million.
- Focus: 10-minute delivery of groceries and essentials.
- Network: 400+ dark stores.

### 4.2 Zepto

- Founded: 2021 by two Stanford dropouts.
- Model: Asset-light, tech-heavy; ultra-fast delivery within 10 minutes.
- Funding: Raised \$400M+ from Nexus Venture, Y Combinator, and others.
- Coverage: Over 10 major Indian cities.

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# 5. Operational Blueprint

# 5.1 Warehousing and Inventory

- Blinkit: Owns dark stores within 1–2 km radius of target neighborhoods. Stocks 2,000–2,500 high-frequency SKUs.
- Zepto: Uses micro-fulfillment centers. Inventory is demand-predicted using ML algorithms and optimized SKU mix.

# 5.2 Delivery Network

- Both operate a hyperlocal gig-based delivery model.
- Zepto has a 7–10 minute average delivery time; Blinkit around 10–12 minutes.
- Route planning is automated, factoring in traffic, availability, and order urgency.

# 5.3 Technology Stack

- Real-time inventory systems.
- Predictive analytics for **demand estimation**.
- Automated order picking and dynamic ETA adjustments.
- Customer feedback loops integrated into app design.

# 5.4 Unit Economics and Challenges

- High burn rates and thin margins.
- High dependence on order density and basket size for profitability.
- Fixed costs for warehouse rent and dynamic labor pricing.

# VI. DISCUSSION AND ANALYSIS

# **6.1 Key Differentiators**

Aspect	Blinkit	Zepto
Parent Company	Zomato	Independent Startup
Expansion Strategy	Leveraging Zomato's infra	Rapid self-funded expansion
Technology Approach	Integrates Zomato backend	Proprietary delivery engine
Labor Model	Gig-based, Zomato-integrated	Fully outsourced

# 6.2 SWOT Analysis

**Strengths**: Speed, convenience, brand loyalty **Weaknesses**: High costs, labor regulation concerns

Opportunities: Tier-2 city expansion, product diversification

Threats: Regulatory scrutiny, profitability pressure

# VII. MANAGERIAL IMPLICATIONS

Logistics managers must reimagine inventory placement and route design for dense urban clusters.

Investors should focus on operational break-even over GMV growth.

Retail strategists can adopt hybrid models combining traditional e-commerce with q-commerce for high-demand products.



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### VIII. CONCLUSION AND RECOMMENDATIONS

Q-commerce in India, exemplified by Blinkit and Zepto, is a bold experiment in real-time retailing. These companies have showcased that, with the right mix of tech, logistics, and customer understanding, ultra-fast delivery is operationally feasible.

However, long-term success hinges on:

- Balancing speed and sustainability.
- Addressing labor rights in the gig economy.
- Moving toward unit economics-positive zones.

### **Recommendations:**

- Implement dynamic pricing to boost margins during peak hours.
- Optimize last-mile delivery with EVs for cost and sustainability.
- Expand cautiously to Tier-2 cities with modified delivery timelines (20–30 mins).
- Invest in loyalty programs to increase repeat usage and basket size.

### IX. LIMITATIONS AND FUTURE SCOPE

This study relied on publicly available secondary data. Direct executive insights or consumer surveys would enrich the findings. Future studies could:

- Analyze consumer satisfaction with q-commerce.
- Evaluate environmental impact of 10-minute deliveries.
- Compare global q-commerce models with India's trajectory.

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