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## A Study on the Business Model Viability of Quick Commerce in India

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### **Abstract:**

*The business models have evolved from traditional business, E-Commerce, Omnichannel, to Quick commerce. The reshaped business models across industries, different modes of payment, COVID-19 pandemic and the technology enabled revolution gave the grounding to Q-Commerce. This study explores the business models of Quick Commerce companies such as Blinkit, Zepto, Swiggy Instamart, Big Basket Now and Flipkart Minutes. The study is a descriptive and systematic literature review based on various research papers, articles, blogs and websites. Mostly peer reviewed journals were referred to for the study. The study focused on the viability of business model factors influence. The real essence of Q-Commerce isn't in the delivery. It's in the invisible fast Co-ordination between technology, people and logistics.*

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**Keywords:** *Quick Commerce, Viability, Business model, Technology.*

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### **Introduction:**

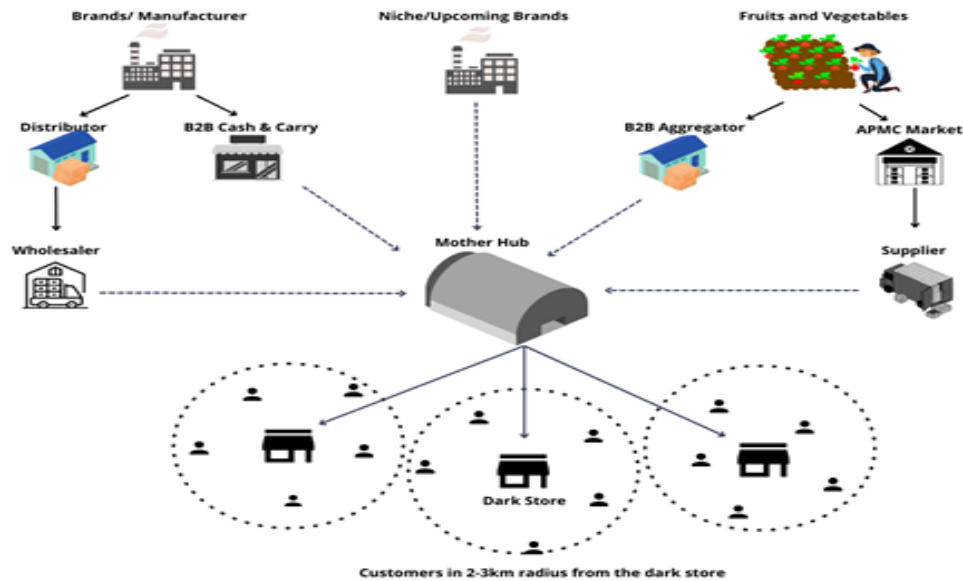
#### **Background of the Study:**

Quick Commerce (Q-Commerce) start-ups in India have grabbed the opportunity by digitalizing the process for urgent requirements or daily purchases by consumer. In reality they capitalized, digitalized and streamlined an existing, deeply cultural retail behaviour. Q-Commerce business model Viability depends on many factors such as consumer behaviour, regional gaps, technology, dark store operational efficiency, regulator regulations, business model, supplier and ethics of business. There are some invisible factors that influence the viability of a business such as mobile penetration,

seamless payment gateways, workforce, and logistics.

There are types of business models such as the Inventory model, Hyper-local model, Multi-vendor platform model, Revenue channels in the online grocery model and Omnichannel model. In India, Q-Commerce business can be a threat to leading players of E-Commerce. As Q-Commerce instant delivery is not only delivering groceries, fruits, vegetables but also clothing, electronics, personal and baby care items, toys, festival items, meat and pet food. (JM Finance 2020). Leading players of Q-Commerce are Blinkit, Zepto, Swiggy Instamart, Big Basket Now. Other players entering the market Flipkart Minutes, Amazon Fresh, Ola Dash and other startups.

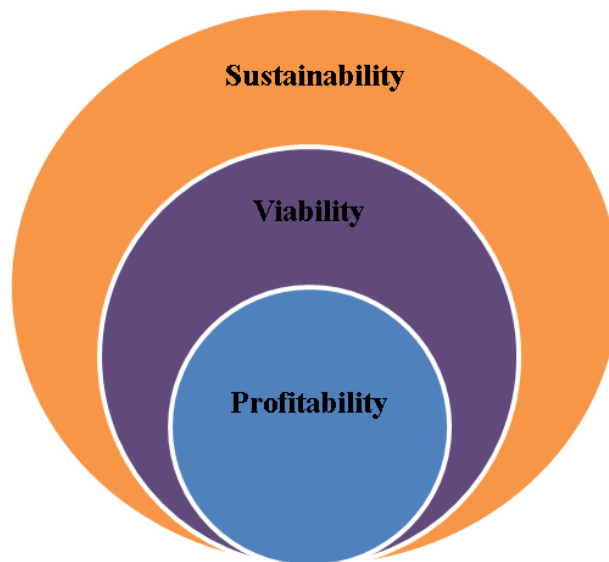
Fig 1: Quick Commerce supply chain



Source: JM Financial, June 2022

The Q-Commerce business model delivers products within 10 to 30 minutes to customers by a network of Dark stores situated in highly densely populated areas. Key elements of the business model are

orders placed by customers, orders routed to the nearest dark store, last-mile delivery by riders, and advanced technology used to integrate the operations and inventory management.



#### Any Business's Main Motive :

- **Profits:** Revenue more than expense.
- **Viability** (Survival): Business to function successfully in the short to medium term.

- **Sustainability:** Businesses continue to grow in the long run with responsibility in the future towards (Environment, Economic & Social)

**Business Model Adopted by Top five Quick Commerce**

1	Blinkit	Hybrid business model (Inventory + Hyperlocal )
2	Zepto	Inventory model
3	Swiggy InstaMart	Hybrid business model
4	Big Basket Now	Hybrid business model
5	Flipkart Minutes	Hybrid business model

**Statement of the Problem:**

Q-Commerce is a growing business recently, post pandemic. There are factors that influence the viability of the Q-Commerce business model. The survival of the business depends on the adaptability of the local market, SKU maintenance, operational efficiency, technology adoption, funding availability, and customer satisfaction. Most of the research focused on customer satisfaction, environmental impact and technology usage. There is no specific research on *the Business Model Viability of Quick Commerce in India*, so the study aims to investigate.

**Objectives of the Study:**

1. To study the different types of business models adopted by Q-Commerce in India.
2. To find out the factors influencing business model viability.

**Research Question:**

The specific research question is as follows:

*Which factors influence the viability of the Quick Commerce business model?*

**Literature Review:**

The dark stores required in the tier 1 and tier 2 cities to fulfil the demand increases operating costs (EY India, 2023). Legal Protection Research shows that gig

workers, who are an important element to the delivery of Q commerce, deal with unstable work environments. Concerns regarding worker exploitation, lack of labour protections and no awareness regarding formal grievance procedures, health benefits, social security, and minimum wage guarantees in the platform economy are raised by the fact that many riders put in long hours for irregular pay (Srivastava & Gupta, 2023).

The Inventory model is widely used in Q-Commerce, which consists of distribution centers (mother warehouses) and Dark stores (company-owned or leased) located in high demand areas and products get delivered by the riders. The Hyperlocal Model another structure where the platforms connect the buyer with the seller, it does not hold inventory, it partners with local vendors. The Multi- Vendor model allows multiple sellers to operate on a single platform. In Revenue Channel mode, the platform earns revenue in the form of a commission for each order delivered. The Omnichannel model is a unified platform for online and offline sales. (Unicommerce, 2025)

The case study of leading corporations—including Amazon, Tesla, Pfizer, Shopify, and Zoom. Depicts that companies that leverage artificial intelligences, automation, and data analytics. Second, customer seamless shopping experience is a new competitive

differentiator. Third, operational flexibility and fourth sustainability are no longer options for the business; measures taken towards environmental concerns are must. (Edwin, 2025)

The technology advancements in the future will be the usage of AI, blockchain, automation and cloud computing in E-Commerce. Addressing cybersecurity threats, AI for personalisation and scalability of business ensures sustaining the growth. Businesses that upgrade to the latest technologies will be able to provide improved operations, customer experience and streamlined supply chain operations. (Vivek Jain & Aksay Mittal, Feb 2025)

Initially started as a niche market, currently competition intensity is very high. Where most Q-commerce believes in multi-category operations, there are vertical players focused on one category, such as Fraazo, Licious and Fresh to Home. More precisely after Covid-19 consumer behaviour shifted due to restrictions on movement towards platforms offering quick services. Presently, the unit economics of Q-commerce business is not favorable. Mostly businesses are investing in scaling dark stores and marketing, branding and promotional campaigns for acquiring and retaining the existing customer. (JM Financial, June 2022)

#### **Factors influence the Viability of Business:**

1. **Operational efficiency** – The process of picking, packing and handing over to the delivery person should be completed in 60 seconds. The right product, to the right person in the right place for efficiency every time an order is delivered. For the optimization of operational efficiency, the less wastage, demand forecasting, technology automation and availability of riders.
2. **Customer retention** – New startup businesses entering the market lead to an increase in competition; customers have choices. Making the customer satisfied every time the customer uses the platform will lead to loyal customers and Customer retention by personalizing the experience.
3. **Scalability of Dark stores** – Setting up dark stores in the tier 1 and tier 2 cities to fulfill the demand and scalability of the business.
4. **SKU maintaining** – Every state and city has different consumer preferences from time to time, maintain SKU according to the preference.
5. **Finance** – For the scalability of business, a regular inflow of finance is required. Profitability of business depends on unit economics of business, which is based on Average order value, high order density and customer retention.
6. **Integrated technology** – It's the backbone on which the business is based, from ordering, payment, forecasting demand, inventory management, route optimization and delivering everything based on technology.
7. **Sustainability** – Steps taken by companies towards environmental concern. Sustainable business operations give the edge to compete with the competitors and to differentiate companies by the customers.

#### **Research Methodology:**

This study adopts a basic and descriptive research design to provide detailed information of the business model

viability of Q-Commerce in India. The nature of the research is a qualitative study. It's based on systematic reviews and evidence-based research, which includes comprehensive and unbiased literature. The study reflects the other literature findings from generalization to specific.

#### **Data Collection and Analysis:**

The data was collected from secondary sources such as research blogs, newspaper articles, journals, visual content, publications and websites.

The research papers and articles analyzed by systematic literature review focused on the research question. For the study, the journals referred to are the *International journal of scientific research in engineering and management*, *International Journal for Multidisciplinary Research*, *Journal of Informatics Education and Research*, *International Journal of Research Publication and Reviews*, *International Research Journal of Modernization in Engineering Technology and Science*.

#### **Limitation of the Study:**

1. The study focuses primarily on factors influencing the viability of Q-Commerce business model in India.
2. The data collected only from secondary sources.
3. The study focused on limited aspects. Future research could explore other aspects and primary data can be collected from riders, dark store managers and customers.

#### **Findings & Conclusion:**

The study highlights the types of business models, factors that influence the survival of the Q-Commerce business

model. The study has some limitations; the research conducted is a qualitative approach and secondary basis. Future scope for further research in aspects of customer satisfaction, gig workers and sustainability.

Q-Commerce moves faster but if not careful; capital burning has an impact on the viability of business and require adaption of advance technology like AI for inventory management and collaboration with local suppliers to scale business with less cost. Q-Commerce business is not all about delivery but includes four main elements people (customer, employees and riders), technology, logistics and use of green energy for scalability of the business in the long run.

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