



Rise of Quick Commerce in India

For Prelims: [Quick commerce](#), [E-commerce](#), [Artificial Intelligence](#), [Competition Commission of India](#), [Open Network for Digital Commerce](#)

For Mains: Impact of quick commerce on the Indian retail sector, Indian retail ecosystem

[Source: TH](#)

Why in News?

[Quick commerce \(Q-commerce\)](#) has transformed urban shopping habits by enabling **deliveries within minutes**.

- While it offers convenience and brand advantages, concerns over **predatory pricing, data privacy, and the displacement of traditional retailers** have sparked regulatory scrutiny.

What is Quick Commerce?

- **About:** Q-commerce, a subclass of **e-commerce**, is an on-demand delivery model where goods and services are delivered within **10 to 30 minutes of ordering**.
 - It focuses on **smaller, high-demand items** like groceries, stationeries, and over-the-counter medicines.
- **Working Model:** Q-commerce platforms rely on dark stores (local warehouses designed solely for online fulfillment), strategically located in high-demand areas for faster dispatch.
 - Platforms use AI-driven analytics to forecast demand, optimize inventory, and personalize recommendations, while automated supply chains prevent stockouts.
 - Unlike **traditional retail** with a fixed **inventory based model** Q-commerce dynamically **adjusts** stock supply based on real-time consumer trends.
 - Delivery executives in high-density areas enable instant dispatch, with orders assigned via proximity-based route algorithms for efficiency.
 - Unlike traditional stores with fixed hours, Q-commerce **operates round the clock** to cater to **immediate** needs.
- **Impact on Consumers:** Consumers prefer Q-commerce for **urgent and impulse purchases**, particularly for food, beverages, and daily essentials.
 - The ability to order beyond traditional store hours (post 8 PM) has made these platforms indispensable for urban consumers.
 - Minimal cart values for free delivery, combined with aggressive discounts, further encourage adoption.
 - A **NeilsenIQ survey (2024)** found that **12% of urban consumers now prefer quick commerce**, up from 5% two years ago.
- **Growth & Expansion in India:** The Indian **Q-commerce market is valued at USD 3.34 billion (FY 2024)** and is projected to reach USD 9.95 billion by 2029, growing at 76% YoY.
 - Major players like **Flipkart, Ola, Blinkit, BigBasket, and Zepto** have aggressively

- expanded their Q-commerce presence, investing in AI-driven inventory management.
- Q-commerce now contributes **35% of total e-commerce sales** for large **Fast-Moving Consumer Goods (FMCG) brands**.

Note: In India, **Foreign Direct Investment (FDI)** is prohibited in **inventory-based e-commerce models**. However, Q-commerce platforms operating under the marketplace model are eligible for 100% FDI under the automatic route.

Feature	Traditional E-commerce	Quick Commerce
Delivery Time	3-4 days or more	10-30 minutes
Order Type	Bulk & planned purchases	Small, frequent, impulse buys
Product Range	Extensive catalog	Limited, high-demand essentials
Storage	Large warehouses	Local micro-fulfillment centers
Operational Model	Logistics-driven	Hyperlocal & AI-driven

What are the Concerns Regarding Quick Commerce?

- **Predatory Pricing & Market Manipulation:** The **All-India Consumer Products Distribution Federation (AICPDF)** has accused Q-commerce platforms for **setting prices below landing costs** to drive traditional retailers out of business.
 - Once competition weakens, platforms allegedly **increase prices to recover initial losses**, a practice known as **"price gouging."**
- **Data Exploitation & Algorithmic Pricing:** Q-commerce platforms leverage **big data and Artificial Intelligence (AI) - driven pricing models**, which can result in **differential pricing** based on **location** (higher prices in affluent areas), **device type** (premium phone users might see higher prices) and **shopping patterns** (repeat buyers may get different pricing than new users).
- **Impact on Small Retailers & Employment:** Traditional retailers, especially small kirana shops, **struggle to compete** against the deep discounting offered by Q-commerce platforms.
 - As these retailers **lose business**, concerns arise about **mass unemployment** in the sector.
 - Many distributors and small retailers argue that there must be a **"level playing field"** to ensure their survival alongside digital platforms.
- **Environmental Impact:** Quick commerce's growth increases single-use plastic waste and pollution from delivery bikes.
- **Gig Worker Exploitation:** Delivery agents face low wages, lack protective gear while driving, endure high-pressure delivery targets, and most of them have no social security.
- **Urban-Centric Growth:** Q-Commerce **thrives in Tier-1 (especially metropolitan) cities** but **faces challenges in Tier-2 and Tier-3** due to lower digital adoption, weaker demand, and logistical constraints, **restricting its expansion beyond metropolitan hubs**.

How Can Q-Commerce Be Sustainable and Inclusive?

- **Regulatory Oversight & Market Fairness:** The **Competition Commission of India (CCI)** must regulate unfair pricing and monopolistic practices in Q-commerce.
 - A **National Q-Commerce Regulatory Authority** can be established under the proposed **National E-Commerce Policy** to oversee pricing, data privacy, and competition.
- **Coexistence with Traditional Retail:** Q-commerce platforms could **partner with kirana stores**, rather than competing against them.
 - Hybrid models like **"Kirana-powered dark stores"** could create a sustainable ecosystem where small retailers benefit from digital logistics, blending **hyperlocal expertise with tech-driven efficiency**.
 - Government policies may encourage **collaborative retail frameworks** to balance tech-driven commerce and traditional business sustainability.

- **ONDC Framework:** The [Open Network for Digital Commerce \(ONDC\)](#) can enable **small retailers to access digital platforms** without being dependent on major Q-commerce firms.
- **Fair Wages & Social Security:** The [Code on Social Security, 2020](#), must be fully implemented to ensure **gig workers** receive minimum wages, insurance, and accident coverage.
 - Non-essential goods should have **reasonable delivery windows** to prevent **over-speeding and rider fatigue**.
 - The [Motor Vehicles \(Amendment\) Act, 2019](#) should include safety norms for **gig workers** and categorize vehicles by **business or personal use**, ensuring targeted pollution control measures.
- **Sustainable Logistics:** Introduce mandates for recyclable and biodegradable packaging to reduce plastic waste, encourage electric vehicles for delivery under the [Faster Adoption and Manufacturing of Electric Vehicles \(FAME\) Scheme](#).
- **Data Privacy:** The [Digital Personal Data Protection Act, 2023](#) must ensure Q-commerce firms cannot misuse consumer data for unfair pricing strategies.

Conclusion

Q-commerce has reshaped urban retail, offering speed and convenience but raising concerns over fair competition. To ensure sustainable growth, regulatory frameworks, fair labor practices, and hybrid retail models must be adopted, balancing innovation with inclusivity.

Drishti Mains Question:

Quick commerce is reshaping the Indian retail ecosystem. Critically analyze its impact and suggest regulatory measures.

UPSC Civil Services Examination, Previous Year Question:

Q. With reference to foreign-owned e-commerce firms operating in India, which of the following statements is/are correct? (2022)

1. They can sell their own goods in addition to offering their platforms as market-places.
2. The degree to which they can own big sellers on their platforms is limited.

Select the correct answer using the code given below:

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: (b)