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The Promise of Quick Commerce for India's Economic and Social Development

An Independent Assessment of Employment, Enterprise, Agriculture, and Governance in India's Emerging Digital Commerce Infrastructure

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India Foundation is an independent research think-tank focussed on the issues, challenges and opportunities of the Indian polity, economy and foreign policy. Based in New Delhi, the Foundation aims to increase awareness and advocate for positions on matters of both national and international importance through research, publications, and policy engagement.

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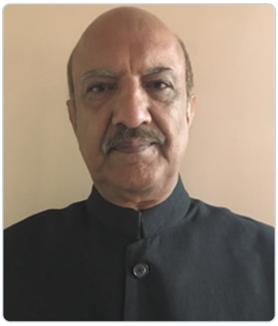

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TABLE OF

Contents

EXECUTIVE SUMMARY

Quick Commerce and India's Innovation-Led Transformation

- India's Q-commerce sector represents a uniquely Indian innovation model, combining digital platforms, hyperlocal logistics, and dense urban demand at scale.
- Valued at USD 3–4 billion in 2024, the sector is projected to grow to USD 55–60 billion by 2030, with annual growth rates of 75–100%, making India one of the fastest-growing Q-commerce markets globally.
- The ecosystem comprises over 5000+ delivery hubs, with rapid expansion beyond Tier-I cities into Tier-II and Tier-III urban centres.
- The market is led by domestic platforms such as Blinkit, Swiggy Instamart, and Zepto and JioMart alongside the entry of large digital and retail ecosystems like Flipkart Minutes, Big Basket and Amazon Now.

Quick Commerce as an Enabler of the Digital Economy and Modern Infrastructure

- Q-commerce has emerged as a critical layer of last-mile logistics infrastructure, aligned with the National Logistics Policy and PM Gati Shakti objectives.
- The sector accelerates the transition from cash to traceable digital payment systems, contributing to broader national goals of formalisation and financial inclusion.

Q-Commerce playing a major role in Employment and Job Creation

- In four years, Q-commerce has generated over 4.5 lakh direct jobs, with the active delivery workforce projected to approach 5,00,000 by 2025.
- Beyond gig delivery, the ecosystem supports over 2 lakh+ formal jobs across warehousing, operations, technology, and management.
- Overall, the sector provides direct and indirect jobs to around 10 lakh people.
- Q-commerce lowers barriers to entry for urban youth and migrants; average monthly earnings for consistent schedules are reported between ₹21,000-₹25,000, significantly higher than similar informal sectors.

Kirana Stores Leading Despite Rapid Growth of Q-Commerce

- Traditional kirana stores continue to dominate (91% market share in CY2025) India's grocery and FMCG market, independently adopting online ordering, digital payments, and home delivery in response to changing consumer trends.
- Q-commerce enables consumers to meet last-minute or overlooked needs with speed and convenience.
- As consumer behaviour continues to shift, initial patterns suggest a coexistence of both Kirana and Q-Commerce rather than a complete disruption of one or the other.

Q-Commerce as a Platform for Entrepreneurship, Local Brands, and Women-Led Businesses

- Q-commerce platforms provide market access and visibility to **10,000+** MSMEs and local brands through demand-led discovery
- Franchise and partner-led models support grassroots entrepreneurship, women-led enterprises, and neighbourhood-level job creation, aligning with *Vocal for Local* and *Make in India.*

Reinforcing Agri Supply Chains and Boosting Farmer Earnings

- Predictive inventory and faster offtake reduce post-harvest losses, in some cases from 30–50% to below 5%
- Direct sourcing linkages with farmers and FPOs improve price realisation, payment predictability, and transparency, with platforms supporting more than 10,000 farmers.
- As per data received from Q-commerce companies, farmers integrated into Q-commerce supply chains have recorded an income increase of **approximately 112%**, with average earnings rising from ₹**8500+ to** ₹**18,000+**, reflecting improved price realisation and reduced intermediation.

Q-Commerce Is Enhancing Food Safety and Supply-Chain Transparency

- Technology-driven fulfillment models, like FIFO/FEFO inventory systems, real-time tracking, and regular quality audits, are used by Q-commerce platforms to guarantee quick stock rotation and to prevent the delivery of damaged or expired goods.
- In response to increased oversight, platforms are consistently working towards improving food safety and compliance frameworks by implementing end-to-end cold-chain monitoring, standardized hygiene training, and stricter regulatory checks.

Advancing Environmental Sustainability While Enabling Rapid Delivery

- Q-commerce platforms are adopting EV fleets, reusable and paper packaging, and optimized logistics to reduce emissions and waste.
- To address ongoing congestion, energy, and packaging pressures, the sector must continue developing long-term, responsible solutions as it scales globally.

Key Policy Considerations

- With the rapid scale and growth of the Q-commerce sector, several policy challenges warrant consideration.
  - **Workforce Protection:** Rapid sector growth has highlighted challenges around occupational safety, and social security related aspects. Expedited on-ground implementation of the Code on Social Security can strengthen social protection and welfare of platform-based gig workers.
  - **Food Safety and Compliance:** Consistent enforcement of food safety standards, particularly end-to-end tracking and traceability of expired products, will require continued investment in technology-enabled compliance and real-time monitoring systems.
  - **Supporting Offline Stores:** To support offline stores to be future ready, there is a need to strengthen interoperable digital public infrastructure through public–private partnerships to improve market access, product discoverability, and last-mile logistics across the commerce ecosystem.
  - **Regulatory Simplification:** Revisiting and rationalising legacy licensing and regulatory frameworks can help improve ease of doing business while maintaining accountability, enabling the sector to scale sustainably within India's broader economic and governance objectives.

INTRODUCTION AND EVOLUTION OF QUICK COMMERCE IN INDIA

India's retail and logistics ecosystem has historically been characterised by fragmentation, informality, and heavy reliance on physical proximity. For decades, traditional consumption and distribution have been dominated by kirana stores, open markets, mandis, and distributor-led supply chains. While these systems have provided resilience and local employment, they have frequently been hampered by significant inefficiencies, including poor inventory visibility, high levels of wastage (especially for perishable goods), non-transparent pricing, and a heavy dependence on cash-based transactions.

The past decade has fundamentally changed the consumer landscape due to the rapid advancement of digital infrastructure. This includes widespread smartphone adoption, affordable mobile data, the rise of digital payments (like UPI), and better mapping and logistics technologies. While the traditional e-commerce, as the first phase of this change, digitised non-essential and discretionary shopping, its centralised warehousing and longer delivery times limited its utility for high-frequency, daily household needs.

Quick Commerce (Q-commerce) has emerged as an India first and the next phase in this evolution, extending digital integration to everyday consumer needs. By combining hyperlocal warehousing, real-time inventory management, and last-mile delivery optimisation, Q-commerce platforms have created a system capable of serving routine household demand in a short time rather than days. This shift represents not merely an improvement in speed, but a reconfiguration of how urban retail and logistics function.

Quick Commerce: A Modern Retail Model

Q-Commerce refers to digitally driven retail models that deliver essential and high-frequency consumer goods such as groceries, fresh produce, personal care items, medicines and even apparels within a short time frame, typically ranging from 10 to 30 minutes.

The efficacy of the modern Q-commerce model stems from its evolution beyond the failed attempts of the past, such as the initial iteration by Grofers in 2014, which struggled due to poor unit economics and a premature market.[1] Today's successful model is the locally-focused delivery-hub model. This innovation is crucial, as it allows businesses to control the customer interface and streamline the last-mile chain by either owning the inventory or onboarding sellers who do.

Q-commerce is commonly viewed as a convenience service for urban consumers. However, this perspective significantly overlooks its substantial economic role. Operating at scale, Q-commerce functions as emerging economic infrastructure, streamlining the movement of goods, labor, payments,

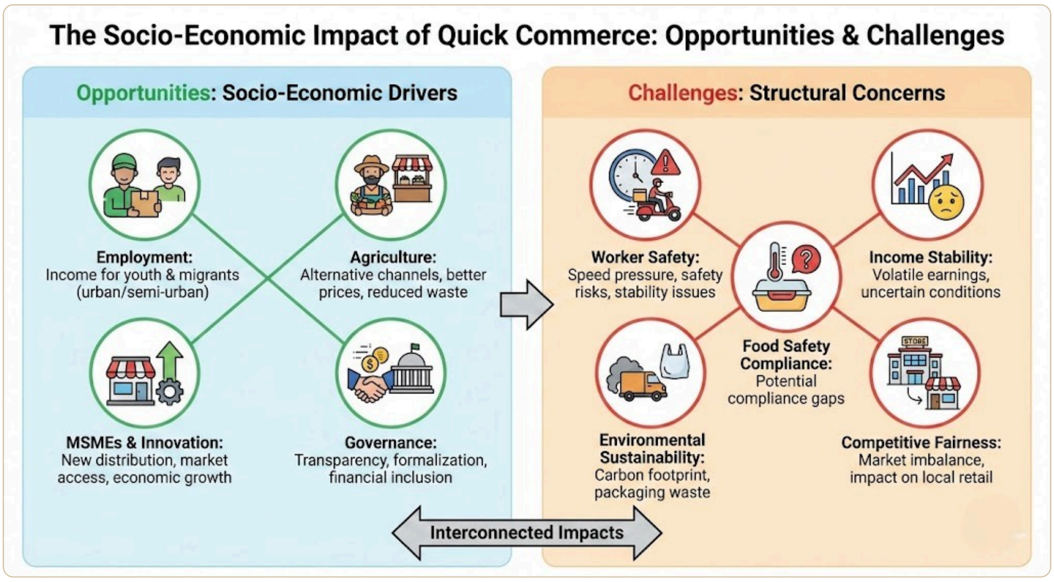
[1]Mishra, D. & Chanchani, M.. (2019, May 19). *How after a rough start Grofers business has stabilised and is now growing*. ET Brand Equity. *https://brandequity.economictimes.indiatimes.com/news/business-of-brands/how-after-a-rough-start-grofers-business-has-stabilised-and-is-now-growing/69393486*.

and information with greater efficiency and predictability. These platforms do not merely facilitate retail transactions but also enable real-time orchestration of supply chains across millions of consumers, workers, small businesses, and producers.

Viewed through this lens, this sector serves as an extension of India's national digital infrastructure translating digital efficiency into tangible benefits, including improved urban mobility, better inventory management, and enhanced consumer welfare.

This sector also holds significant socio-economic relevance, impacting several policy areas. Firstly, it creates income opportunities for hundreds of thousands of workers, especially young people and migrants in urban and semi-urban settings, in line with the Government of India's employment and livelihood generation objectives. Secondly, it provides farmers with alternative market channels, thereby leading to better price realisation and reduced waste for farmers. Thirdly, it offers new and scalable distribution channels and market access for small and medium enterprises (MSMEs) and local entrepreneurs, fostering economic growth and innovation. Finally, it promotes greater transaction transparency and contributes to the broader policy objectives of formalisation and financial inclusion.

At the same time, the speed-driven nature of the model raises critical concerns around worker safety, income stability, food safety compliance, environmental sustainability, and competitive fairness in retail markets. These challenges are not incidental but structural, arising from the very design features that make Q-commerce viable.



With the rapid growth of quick commerce (Q-commerce), which is contributing significantly to nation-building and generating large-scale livelihoods, excessive regulation risks impeding innovation, operational efficiency, and job creation across the sector. Thus, effective, outcome-oriented governance requires frameworks that recognize Q-commerce as emerging economic infrastructure, moving beyond its simple classification as a retail service.

This paper therefore contends that Q-commerce is more than a mere retail trend; it is a complex socio-economic phenomenon with significant, though conditional, potential for national development. A systematic assessment is vital to navigate its dual nature: the promise of digital economic leadership set against the risks of workforce concerns.

OBJECTIVES AND METHODOLOGY

Objectives

The primary objective of this report is to undertake a comprehensive assessment of the socio-economic impact of Q-commerce in India. Rather than viewing Q-commerce solely as a consumer-facing retail innovation, the report seeks to analyse it as an emerging economic infrastructure that influences employment and livelihoods patterns, supply chains, market access, and governance frameworks. Specifically, the report aims to:

- Examine the contribution of Q-commerce to economic growth, job opportunities and employment generation, and workforce formalisation.
- Assess the role of Q-commerce platforms in enabling MSMEs, startups, and local entrepreneurship.
- Analyse the impact of Q-commerce on agricultural supply chains, farmer income realisation, and post-harvest efficiency.
- Evaluate the effects of Q-commerce on traditional retail formats, particularly kirana stores, and broader retail competition dynamics.
- Identify social, safety, environmental, and regulatory challenges associated with the rapid scaling of Q-commerce.
- Provide policy-relevant insights to support balanced, inclusive, and sustainable growth of the sector.

Methodology

The mixed methodology is adopted which has combined primary and secondary research to do a comprehensive study of the Q-commerce ecosystem. Secondary research began with a detailed review of the literature from academic, industry reports, and policy documents to create a mapping of the existing knowledge to determine regulatory and operations trends as well as gaps in the current status quo.

We have conducted field surveys by visiting delivery hubs to determine their operational, logistical, and infrastructure challenges and also to assess how they are complying with the relevant Food Safety and Standards Authority of India (FSSAI) regulations such as hygiene practices, storage conditions and food safety measures and provisions. As part of the primary research, a stakeholder roundtable was also organised with Q-commerce platforms - including Blinkit, Zepto, Swiggy Instamart, and Flipkart Minutes to capture firsthand industry perspectives.

Literature Review

- The contribution of Q-commerce, to the creation of jobs in India's developing retail sector has been emphasised by a number of industry studies. Kearney's 2021 report[2], "*The Rise of Quick Commerce: Transforming India's Retail, Consumer Behaviours, and Employment Dynamics*," provides a comprehensive employment benchmark. It estimates that q-commerce platforms create between 62 and 64 jobs for every ₹1 crore of monthly Gross Merchandise Value (GMV), placing the industry on par with general trade and significantly higher than contemporary retail and e-commerce models. The operational model of q-commerce, which mainly depends on localised distribution networks and intensive last-mile delivery systems, is credited by the study with increasing the number of semi-skilled and gig-based job opportunities in both urban and semi-urban markets.
- The Quick Commerce Playbook India 2025[3] describes Q-commerce as next evolution in digital retail-offering near-instant delivery of everyday essentials, often within 10-30 minutes. It is fast, hyper-localised commerce as a high-speed, impulse-driven form of shopping, driven by time-critical and event-related customer needs. Fast, hyper-localised shopping is most easily recognised in relation to special occasions like holidays & festivals, when people tend to shop on or shortly before the actual event compared with conventional e-commerce where people typically schedule their purchases well in advance of the event. Fast, hyper-localised shopping baskets contain a large proportion of last-minute gifts and essential items from supermarkets, which indicate how fast, hyper-localised shopping facilitates an individual to purchase products at the exact moment of need (just-in-time) for the occasion.
- Recent statistics shows that Q-commerce is a rapidly expanding sector of India's digital economy that is propelling job creation and market expansion. As per Economic Times article[4], industry has produced more than 4.5 lakh jobs in just three years and pays an average of ₹23,200 per month, which is almost 40% more than wages in similar industries. The industry is estimated to be worth $3.34 billion and is expected to grow at a consistent rate of 10–15% CAGR to reach $9.95 billion by 2029. The report also points out that Q-commerce is spreading into Tier-2 areas outside of Tier-1 cities, encouraging micro-entrepreneurship, workforce formalisation, and more equitable economic participation throughout India.
- The report "Q-Commerce Growth: delivery hubs Shaping the Future of Retail[5]" examines the quick commerce industry's explosive growth in India and the crucial role that delivery hubs play as urban fulfillment infrastructure that makes it possible to enable ultra-fast delivery of essentials. According to studies, the industry is expanding into Tier-II and Tier-III cities due to shifting consumer preferences, a rise in the use of digital payments, and improvements in logistics technology, even though operations are currently concentrated in major metropolitan areas. Additionally, research identifies

[2] Jain, S., Roy, S., Singh, A., Agarwal, S., & Jain, P. (2025). *The rise of quick commerce: Transforming India's retail, consumer behaviors, and employment dynamics.* Kearney. *https://www.kearney.com/industry/consumer-retail/article/the-rise-of-quick-commerce-transforming-india-s-retail-consumer-behaviors-and-employment-dynamics.*

[3] *Quick commerce playbook India 2025.* MMA Global India, & Publicis Commerce India. *https://mmaglobal.com/files/documents/quick-commerce-playbook-india-2025-by-mma-global-india-publicis-commerce_final.pdf.*

[4] ET Online. (2025, February 7). *How q-commerce can become a quick solution for India's job problem.* The Economic Times. *https://economictimes.indiatimes.com/news/india/how-q-commerce-can-become-a-quick-solution-for-indias-job-problem/articleshow/118015856.cms.*

[5] ET Online. (2025, February 7). *How q-commerce can become a quick solution for India's job problem.* The Economic Times. *https://pdf.savills.asia/asia-pacific-research/india-research/q-commerce-growth---dark-stores-shaping-the-future-of-retail.pdf.*

important operational traits that make delivery hubs an essential part of the developing digital retail ecosystem, such as store size, rental patterns, and spatial distribution.

- According to the Redseer report, "The AOV Trap: Why India's mass grocery still leans on kiranas"[6], even in 2025, kirana stores controlled almost 91 percent of the Indian groceries ecosystem, which explained the persistence of kirana stores within Indian groceries. This is because they have the capacity to cater to India high frequency and low value buy patterns with average order value ranging between 100 and 200 rupees backed up by low operational costs and location in neighbourhoods.
- As per article by Bain & Company[7], facilitating direct sourcing from farmers and producers, India's rapidly expanding e-retail market, which is expected to reach a valuation of $60 billion in 2024, is revolutionising agricultural supply chains. Farmers' income stability is increased, better price realisation is guaranteed, and the role of middlemen is diminished by this direct connection. In order to integrate farmers into more effective, technologically enabled supply networks and support rural economic growth and livelihood enhancement, q-commerce and other digital retail formats have grown significantly.
- According to the report "*Rise of Quick Commerce in India: Business Models and Infrastructure Requirements*[8]," Q-commerce has two main effects on the economy: it creates a lot of jobs in the logistics industry and increases consumption velocity. The examination of various Q-commerce business models and their dependence on effective delivery hub networks is a major area of interest. As services spread throughout Tier 2 and Tier 3 cities, it highlights the potential for increased convenience, social benefits, and higher farmer income margins. The report emphasises that maintaining this growth will require resolving fundamental Q-commerce issues, requiring improved infrastructure, and implementing important policy changes to guarantee rider safety in the face of extreme time constraints.
- Although the model's expansion into Tier 2 and Tier 3 cities indicates a growing market reach, the JM Financial report "*Deep-Dive: Quick Commerce - It always seems impossible until it's done*[9]" highlights Quick Commerce's significant economic impact by driving 6-8% incremental demand and fuelling premiumization. With a hyperlocal gig economy workforce dispersed through sophisticated infrastructure such as "Mother Warehouses" and delivery hubs, Q-commerce enables the creation of a large number of jobs. These operating models pose a fundamental problem in terms of high operating costs and guarantees the sustainability and safety of the gig economy workforce. The report highlights the wider social benefits of convenience and problem-solving for urban consumers, even though it focuses on supply chain efficiency rather than specific farmer income data.

[6](2026, January). *THE AOV TRAP – Why India's mass grocery still leans on Kiranas.* *https://redseer.com/reports/why-indias-mass-grocery-still-leans-on-kirana-stores/view/93379/*.

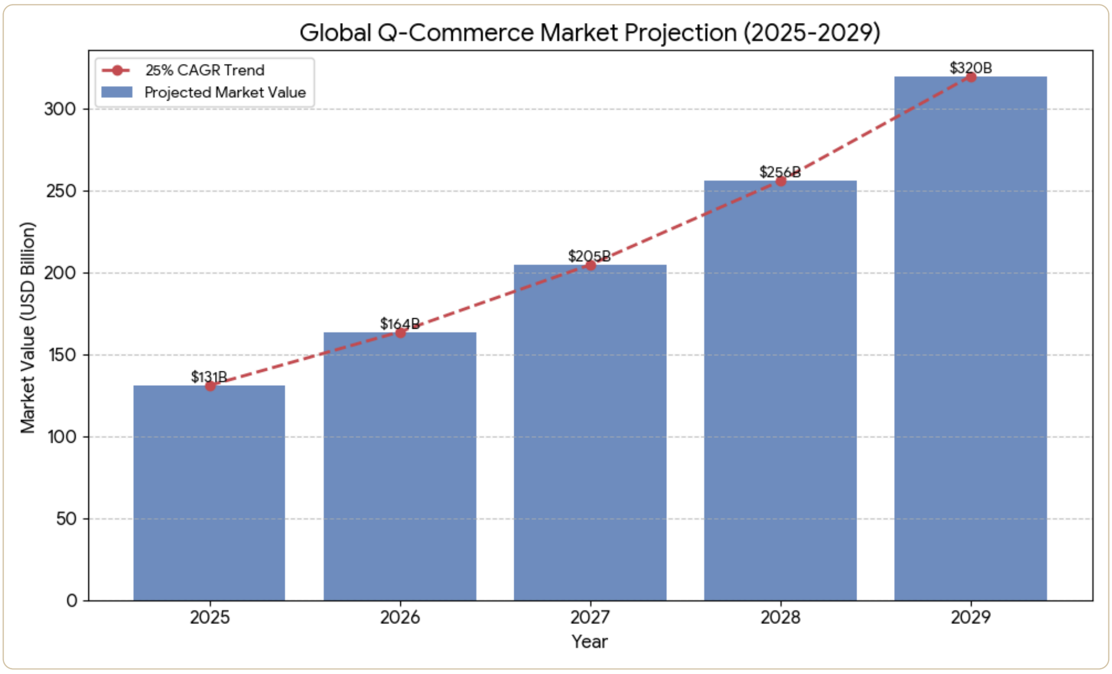
[7]Sheth, A., Unnikrishnan, S., Bhasin, M., & Parekh, P. (2025, March 26). *How India shops online 2025.* Bain & Company. *https://www.bain.com/insights/how-india-shops-online-2025/*.

[8]Ranjekar, G., & Roy, D. (2023, March). *Rise of quick commerce in India: Business models and infrastructure requirements.* Indian Institute of Management Ahmedabad, Centre for Transportation and Logistics. *https://www.iima.ac.in/sites/default/files/2023-06/Q-com%20-%20Ranjekar%20%26%20Roy_0.pdf*.

[9](2025). *Quick commerce ecosystem in India.* JM Financial Limited. *https://www.jmfl.com/Common/getFile/3278*.

GLOBAL AND INDIAN QUICK COMMERCE MARKET OVERVIEW

The Q-commerce sector is fundamentally reshaping the e-commerce landscape by facilitating the delivery of groceries and essential goods, often within minutes. The global Q-Commerce market, valued at USD 131 billion in 2025, is projected to reach approximately USD 320 billion by 2029, reflecting a robust Compound Annual Growth Rate (CAGR) of 25% between 2025 and 2029.[10] This rapid expansion is primarily driven by advancements in last-mile logistics, the adoption of efficient hyperlocal business models, and a significant increase in consumer demand for immediate convenience.



The Asia Pacific region currently represents the largest and fastest-growing Q-Commerce market globally, spearheaded by major economies like China and India, which benefit from dense urban populations and high levels of smartphone penetration. The growth of the sector also reflects a broader global trend, with markets in China, the Middle East, and Southeast Asia increasingly taking cues from the Indian Q-commerce model and expanding similar services.[11] Even in the United States, Amazon has launched Amazon Now in select cities such as Philadelphia, highlighting the global diffusion of rapid-delivery platforms.[12]

[10](2024).*Quick commerce market report.* Research and Markets. *https://www.researchandmarkets.com/reports/5989714/quick-commerce-market-report?srsltid=AfmBOoqhE8sTYBgULeLHD_YC_NutPJk_33JbDVvLhwjwRRKerHcLMqcU* .

[11]Behera, R. (2025, May 20). *Quick commerce in SEA: How early movers are building the next $35B giants.* Redseer Strategy Consultants. *https://redseer.com/articles/quick-commerce-in-sea-how-early-movers-are-building-the-next-35b-giants/.*

[12]Behera, R. (2025, May 20). *Quick commerce in SEA: How early movers are building the next $35B giants.* Redseer Strategy Consultants. *https://www.aboutamazon.com/news/retail/philadelphia-seattle-30-min-amazon-delivery.*

Q-commerce in India: Rapid Expansion and Investment

India's Q-commerce market has witnessed rapid expansion, supported by substantial venture capital and strategic funding. Industry estimates place the Gross Merchandise Value (GMV) of India's Q-commerce market at approximately USD 3–4 billion in 2024.[13] While this remains a small portion of India's overall grocery and convenience retail market (which exceeds USD 600 billion), it represents a segment experiencing exponential growth.

A Morgan Stanley report projects this sector is poised for massive expansion, forecasting the total addressable market to reach $57 billion by 2030. This growth is expected to maintain year-on-year rates of 75-100%, vastly outpacing traditional retail channels.[14] Leading the charge in India are companies like Blinkit, Zepto, Swiggy Instamart and Jio Mart with new entrants like Flipkart Minutes, Amazon Now and Bigbasket.

Between 2020 and 2025, Indian Q-commerce platforms collectively raised several billion dollars in investment, primarily motivated by the potential for achieving significant scale and capturing high-frequency consumer spending. Zepto, for instance, demonstrated strong investor confidence by raising approximately $450 million in 2025, achieving a valuation near $7 billion and is actively preparing for an Initial Public Offering (IPO) having already filed confidential Draft Red Herring Prospectus (DRHP) papers. Simultaneously, the sector is showing a shift toward economic sustainability, with entities such as Blinkit reporting progress toward profitability, including achieving adjusted EBITDA-positive status in Q3 FY26.

These platforms operate through a dense network of micro-fulfilment centres/delivery hubs/delivery hubs strategically (referred commonly in this report as 'delivery hubs'). As per industry data, the current number of delivery hubs are approximately 5000+ spread across all Tier 1 and major Tier II cities. These hubs are strategically positioned close to consumers and are supported by advanced algorithmic demand forecasting, integrated payment systems, and a large last-mile delivery workforce.

These delivery hubs, typically spanning 3,000 to 8,000 square feet, are located in densely populated urban areas. They are stocked with a wide range of products, including groceries and Fast-Moving Consumer Goods (FMCG), similar to those found in conventional supermarkets or retail stores.

Their efficiency in achieving rapid last-mile delivery, usually within 30 minutes, is driven by their strategic placement and the use of technology for streamlined inventory management. The workflow is initiated by online orders, which a central system processes and routes to the closest store for fulfillment. Store staff then efficiently pick, pack, and prepare the items for dispatch. The last mile delivery is then undertaken by a dedicated delivery fleet of gig workers, separate from the picker/packer team. The entire process is underpinned by automation and real-time tracking to efficiently deliver the products to customers in close vicinity to delivery hubs and involving a delivery radius of 2-4 kilometers..

[13] Chryseum.(2024). *Quick commerceindustry.*Chryseum*https://www.chryseum.in/wp-content/uploads/2024/09/Quick-Commerce-Industry.pdf*

[14] Aggarwal, R. (2025, June 3). *Morgan Stanley sees leading q-commerce players co-exist.* The Financial Express. *https://www.financialexpress.com/business/industry-morgan-stanley-sees-leading-q-commerce-players-co-exist-3867343/*.

Geographical Expansion of Q-Commerce in India

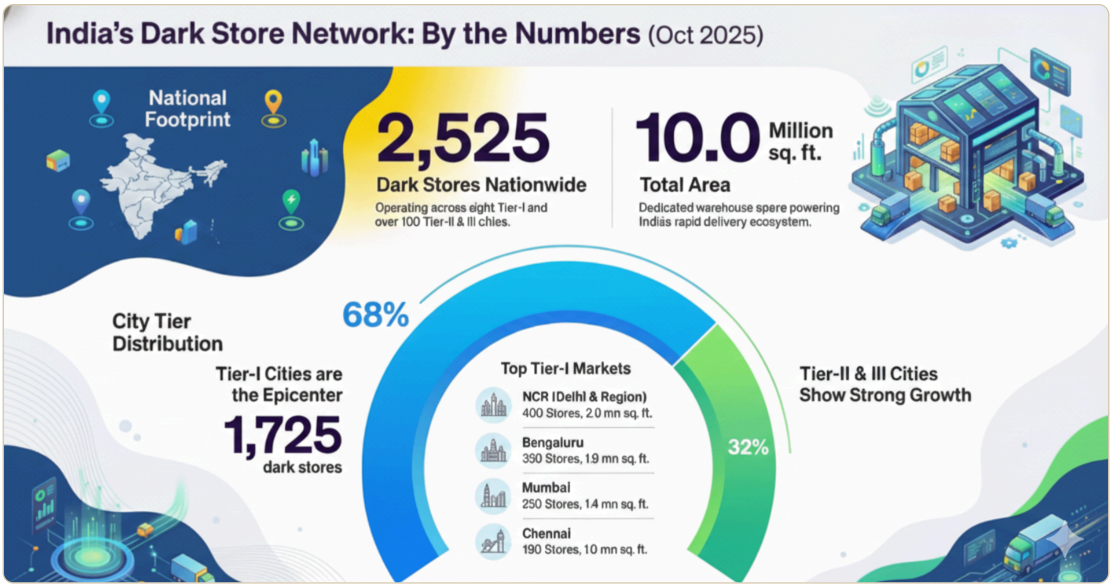
Quick commerce adoption in India is heavily concentrated in urban and Tier 1 cities, which offer the necessary population density and high-income support for significant order volume. However, data from 2025 indicates an expansion into Tier 2 and Tier 3 cities, primarily driven by enhanced internet penetration and the aspiration of customers to explore diverse SKUs and avail the convenience of home delivery.

This expansion beyond Tier 1 presents unique operational challenges due to lower population density and heightened price sensitivity. Consequently, platforms are adapting their models to local conditions by implementing modified delivery windows, reducing assortment sizes, and enforcing stricter cost controls in these emerging markets.

According to the report published by Savills as of October 2025, India has an estimated 2,525 delivery hubs, covering approximately 13.0 million sq. ft., across eight Tier-I cities and over 100 Tier-II and III cities.[15] The delivery hub distribution in different cities is as follows:

- **Tier-I Cities:** Account for the majority, with 68% (1,725 stores) of the total store count, occupying about 9.0 million sq. ft.
    - The National Capital Region (NCR - Delhi, Gurugram, Ghaziabad, Noida, and Faridabad) holds the largest concentration with 400 delivery hubs and a total area of 2.0 million sq. ft.
    - Bengaluru, fueled by its tech-savvy populace, strong IT/ITeS presence, high purchasing power, and e-commerce penetration, is another major driver, housing 360 delivery hubs (1.9 million sq. ft.).
    - Mumbai follows with 250 delivery hubs (1.4 million sq. ft.).
    - Chennai has 190 delivery hubs (1.0 million sq. ft.).
- **Tier-II & III Cities:** Collectively operate 800 delivery hubs (32% of the total), encompassing 4.0 million sq. ft.
    - The highest concentration within this segment is observed in cities including Kochi, Jaipur, Lucknow, Coimbatore, Kanpur, Patna, Bhubaneswar, Thrissur, and Ranchi.

[15] Aggarwal, R. (2025, June 3). *Morgan Stanley sees leading q-commerce players co-exist.* The Financial Express. *https://pdf.savills.asia/asia-pacific-research/india-research/q-commerce-growth---dark-stores-shaping-the-future-of-retail.pdf.*



The economics of Q-commerce are fundamentally driven by hyperlocal density, contrasting with e-commerce models. Platform viability relies on achieving high order volumes within a restricted delivery radius to minimise per-order fulfillment costs. Key performance indicators for the sector include order density per delivery hub per day, inventory turnover rates, and contribution margins per order after delivery and fulfillment costs.

As the sector matures, incremental efficiency gains from routing optimisation, order batching, and the growth of private-label penetration are beginning to mitigate the initial high cash burn.

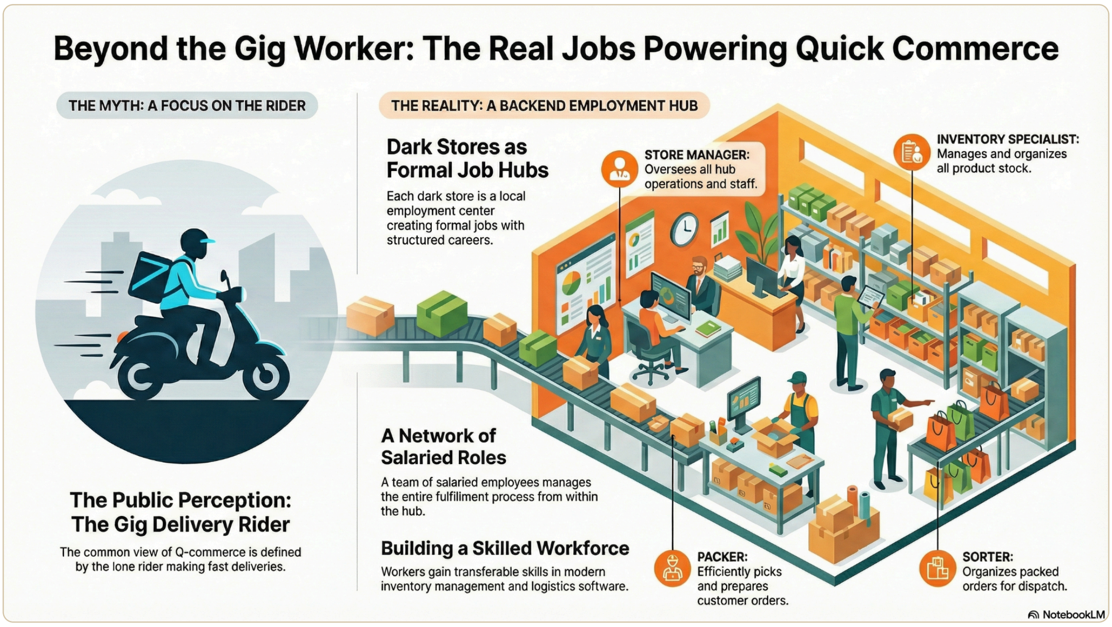
The long-term value proposition of the Q-commerce sector extends beyond mere consumer convenience. It lies in its potential to create scalable, technology-enabled retail infrastructure. With supportive policy frameworks and responsible business practices, Q-commerce can enhance supply chain efficiency, formalise segments of the retail workforce, and deepen digital access for everyday consumption.

LIVELIHOOD GENERATION AND LABOUR MARKET IMPACT

Creation of earning opportunities creation is one of the most significant socio-economic impacts of India's Q-commerce sector. As a labour-intensive, high-frequency delivery model, Q-commerce has generated large-scale work opportunities across urban centres, particularly for youth, migrants, and individuals transitioning from informal work. At the same time, the sector has raised important questions around job quality, fluctuations in earnings, occupational safety, and long-term workforce sustainability.

Scale and Nature of Livelihood Generation

The rapid expansion of India's Q-commerce sector has created significant earning opportunities, directly and indirectly engaging hundreds of thousands of workers across various functions, including delivery, warehousing, operations, customer support, and technology.

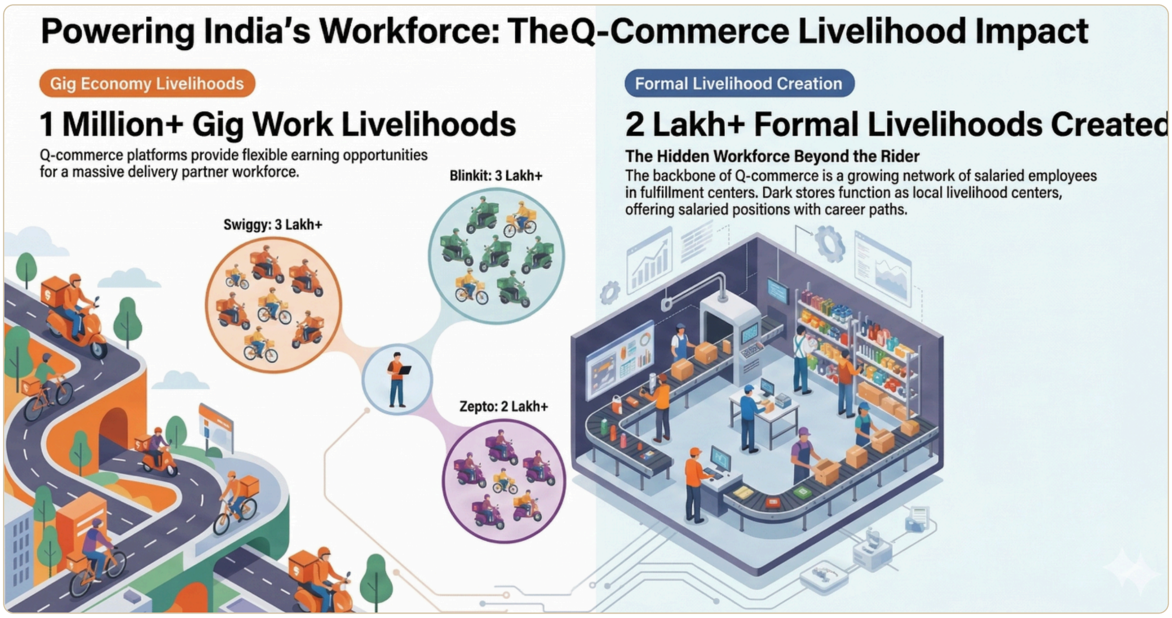


Delivery personnel form the largest segment of this workforce, followed by "delivery hub" staff responsible for tasks like picking, packing, inventory management, and quality control. As per industry source, this sector currently has around 2 lakh+ individuals in backend roles, including warehouse staff, inventory handlers, and packers.

By 2025, the sector engaged an estimated 4.5- 5 lakhs monthly active delivery partners, marking a substantial increase of 70-80% from the 2.5 - 3 lakhs active partners in 2024.[16] This growth aligns with broader projections as per the NITI Aayog report that forecasts the total gig workforce to reach 23.5 million (2.35 crore) workers by 2029-30.[17]

Q-commerce platforms have lowered traditional barriers to entry for work, such as requirements for formal education, prior experience, and long-term commitments. This has broadened labor market access, particularly for:

- Urban youth, often starting their careers at 18-19, who are attracted by immediate earnings and the flexibility to combine work with education.
- Migrant workers seeking transitions from sectors like construction, hospitality, or informal retail.
- Individuals looking for supplementary or part-time income.
- Individuals looks for stop-gap earning opportunities during periods of shock.



In this respect, Q-commerce has expanded labour market access and absorbed segments of the workforce that may otherwise face barriers to formal employment.

[16] Acharya, D. (2025, November 26). *Quick commerce ups gig rider onboarding, monthly base accelerates 70–80%*. The Economic Times. *https://economictimes.indiatimes.com/tech/startups/quick-commerce-ups-gig-rider-onboarding-monthly-base-accelerates-70-80/articleshow/125571540.cms?from=mdr*.

[17] NITI Aayog. (2022, June). *India's booming gig and platform economy: Perspectives and recommendations on the future of work (Policy Brief)*. Government of India. *https://www.niti.gov.in/sites/default/files/2023-06/Policy_Brief_India%27s_Booming_Gig_and_Platform_Economy_27062022.pdf*.

Inclusive Growth in Quick Commerce Sector

The rapid expansion of India's quick commerce industry has brought about an encouraging trend - increased female participation in the workforce, including managerial roles. Platforms like Blinkit, Swiggy, Zepto, Myntra, and other retail disruptors are actively working to integrate women into logistics, fulfillment operations, and last-mile delivery - areas traditionally dominated by men.

While the field of delivery riders still shows a significant male majority, however, the sector's overall growth is driving a structural shift in livelihood and job patterns, offering women opportunities beyond delivery. They are increasingly involved in operations, entrepreneurship, store management, and leadership positions.

This broader change is clearly demonstrated by platform-based initiatives within the Q-Commerce ecosystem. Zepto's "Pink Store" model is a key operational innovation. These micro-fulfilment centres are managed by women and handle core logistics activities, such as inventory control, picking, and packing, showcasing female leadership in critical supply chain functions. The success of this model is highlighted by the Chennai Pink Store, where a female store manager advanced from a delivery position to a leadership role in operations - a tangible example of career upward mobility within platform-based work structures.[18] Similarly, Swiggy Instamart has also expanded women's participation within its micro-fulfilment "pods." Several pods are entirely run by women, with a large number of pickers and operational staff being women. Women working in these roles often close more orders on average than their male counterparts, reflecting the growing inclusion of women in quick-commerce logistics and fulfilment operations.[19] Recently released white paper on 'Enhancing women's participation in urban last-mile logistics'[20] highlights structural barriers, best practices and pathways to improve women's inclusion in urban last mile logistics as delivery partners, delivery hub workers and warehouse workers.[21]

Earnings and Opportunities in Quick Commerce

The Q-commerce work model is fundamentally defined by its flexibility, allowing delivery partners significant autonomy over their schedules. They can select their working hours, adjust their availability to suit personal needs, and increase their engagement during peak demand periods to maximise their earnings. This level of schedule control is a major factor in the platform's attractiveness to those seeking flexibility.

[18]Srivastav, U. (2025, January 23). *Zepto launches women-only dark store in Madambakkam area of Chennai*. Business Standard. *https://www.business-standard.com/companies/start-ups/zepto-launches-women-only-dark-store-in-madambakkam-area-of-chennai-125012301240_1.html*.

[19]Praveen, P. (2023, March 25). *Pick, pack and deliver: How women are playing an essential role in ensuring your Instamart orders reach you quickly*. Swiggy Blog. *https://blog.swiggy.com/notions-of-food/pick-pack-and-deliver-how-women-are-playing-an-essential-role-in-ensuring-your-instamart-orders-reach-you-quickly/*.

[20](2026, February 26). *Zomato, Blinkit and Startup India Host Conference on Platform Worker Wellbeing in New Delhi*. Indian Startup Times. *https://www.indianstartuptimes.com/news/zomato-blinkit-and-startup-india-host-conference-on-platform-worker-wellbeing-in-new-delhi/*.

[21]Kumar, A.R.(2026, February 24). *Enhancing women's participation in urban last-mile logistics*.eternal.*https://www.eternal.com/blog/enhancing-womens-participation-in-urban-last-mile-logistics/*.

Earnings for riders is primarily based on per-order payments, supplemented by incentives for working during peak hours, operating in high-demand zones, and achieving various performance metrics. During times of high demand, the gross earnings for actively engaged workers can be competitive with other options in the informal employment sector. Platform data indicates a high rate of worker turnover and unstable income, despite the advertised wage rates. Specifically, while 2.3% of delivery partners deliver for over 250 days a year, the median worker delivers for only about 38 days annually.[22]

Eternal's Q3 FY25 shareholder letter reported that for delivery partners who worked a consistent schedule (at least eight hours a day, 26 days a month), the average monthly earnings in calendar year 2024 were Rs 27,726, excluding fuel costs.[23] This earning level is consistent with general industry trends, which show similar commitment averaging payouts of approximately INR 21,000 to INR 25,000. These industry figures vary between metro and non-metro cities and are substantially higher than the minimum wage in Tier 1 metro cities.

However, the nature of this payment model introduces income variability. The net take-home pay can be significantly impacted by fluctuations in customer demand, alterations to the incentive structures, and increasing operational costs, such as fuel and vehicle maintenance. For workers who depend on Q-commerce as their main source of income, this variability raises concerns regarding the long-term predictability and security of their earnings.

Key Concerns: Security, Payments, and Working Conditions

Based on media reports highlighting gig-workers' perspective, the platform-based, speed-driven nature of Q-commerce work has generated concerns in certain ecosystems regarding occupational safety, working conditions, and access to social protection for delivery riders.

There have been consistent demands focusing on higher payouts and better working conditions, and the removal of extremely demanding speed requirements.[24] Broader criticism of the gig economy highlights poor working conditions, with workers and unions citing excessively long hours detrimental to occupational health and alleging insufficient compensation for their effort. However, it may also be noted that many such demands, especially around compensation, attempt to secure equal treatment between gig economy and full time employment and any policy considerations around the same must eschew such treatment lest the essence of gig work and platform economy models will become obsolete, thereby restricting the ability to provide livelihood opportunities at scale.

Road safety also remains a significant issue, with Q-Commerce platforms such as Zepto, Swiggy, Blinkit, and BigBasket drawing attention from authorities. Specifically, the Motor Vehicles Department in Kerala issued a notice to these companies due to multiple traffic violations. The cited issues included speeding, rash driving, and disregard for helmet regulations, emphasizing that aggressive delivery

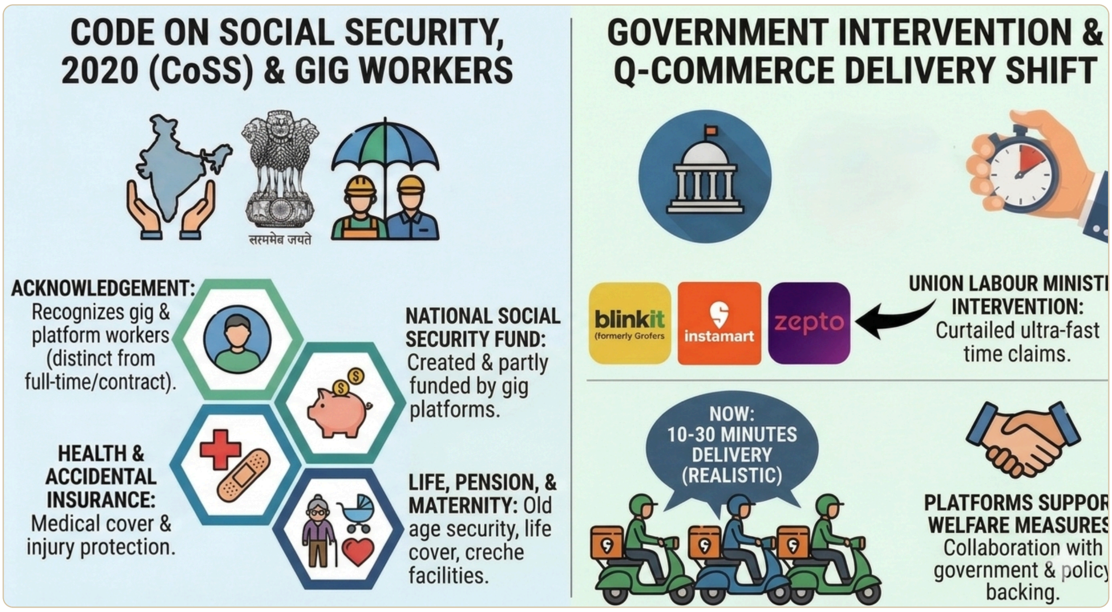
[22]Anand, A. (2026, January 3). Zomato's Deepinder Goyal's 5 points on gig workers' salaries, 10-minute delivery pressure: 'Hardest challenge is…' Mint. *https://www.livemint.com/companies/people/zomatos-deepinder-goyals-5-points-on-gig-workers-salaries-10-minute-delivery-pressure-hardest-challenge-is-11767399868658.html*.

[23]Gupta, A. (2026, January 5). How much do delivery partners actually earn? A look inside the pay model for gig workers on Zomato, Swiggy. Moneycontrol. *https://www.moneycontrol.com/news/business/startup/how-much-do-delivery-partners-actually-earn-a-look-inside-the-pay-model-for-gig-workers-on-zomato-swiggy-13756512.html*.

[24]Shoba, V. (2025, December 27). What quick commerce has done to the Indian city. Open Magazine. *https://openthemagazine.com/business/what-quick-commerce-has-done-to-the-indian-city*.

timelines should not jeopardise public safety.[25] While these companies argue that their average delivery distances are short (approximately 2 km) and most of the riders use low average speed Electric Vehicles (16 km/h). Nevertheless, it is important for these companies to engage in routine road safety training programs at a hyperlocal level and ideally in partnership with government departments. It is also noteworthy that many have recently voluntarily removed the "10-minute delivery" promise from their advertisements and apps so as to remove any misinterpretation and inadvertent pressure.

Importantly, both industry and government are exploring practical solutions to these issues. Regarding social security, the Code on Social Security, 2020 (CoSS) explicitly acknowledges the unique position of gig and platform workers, distinguishing them from full-time and contract employees. The CoSS envisions the creation of a National Social Security Fund, partly funded by contributions from gig economy companies, to offer a range of benefits including health and accidental insurance, life insurance, old age pension, and maternity/creche facilities.



In a move toward greater accountability, many Q-commerce companies have voluntarily implemented measures to improve worker welfare, safety, and transparency. While the impact of these platform-specific initiatives varies, they indicate a broader trend toward more responsible practices, including:

- Health, Safety and Emergency Support:
    - Comprehensive insurance coverage (accident, health, OPD, ambulance, maternity hospitalization);
    - On Road Emergency support;
    - Integrated SOS features within delivery partner applications, enabling immediate access to emergency support teams, ambulance services or police assistance;
    - In-person safety training sessions, conducted in collaboration with traffic authorities;

[25] Abbas,Z. (2025, December 24). *Kerala MVD notices Blinkit, Swiggy, Zepto, BigBasket over reckless delivery riding*. India Today. *https://www.indiatoday.in/india/kerala/story/kerala-mvd-notices-blinkit-swiggy-zepto-bigbasket-reckless-delivery-riding-2840950-2025-12-24*.

    - Weather Resilience Measures by providing weather appropriate gears such as raincoats, wind-breakers, jackets etc.;
- Financial and Educational Support:
    - Financial Literacy Programmes;
    - Upskilling initiatives, such as the Swiggy Skill programme developed in partnership with the Ministry of Skill Development[26]
- Rest and Amenities:
    - Rest stops at micro-fulfilment centres and along delivery routes[27]
    - Provision of refreshments at delivery hubs;
- Grievance Redressal:
    - Dedicated grievance redressal mechanism including reporting, and escalation channels to address payment disputes, account suspensions, and safety issues.

The overarching policy challenge is how to successfully balance the sector's benefits i.e. flexibility and job creation with legitimate concerns regarding worker security, safety, and fairness. Ensuring that Q-commerce workforce is both inclusive and sustainable requires a multi-pronged strategy. While voluntary, company-led measures are a necessary starting point, their effectiveness depends on consistent, transparent, and large-scale implementation. The most effective path forward is a combination of:

- Industry self-regulation;
- Targeted government frameworks for social security of gig workers and
- Collaborative public–private initiatives.

[26]Swiggy Limited.(2025). *Business Responsibility and Sustainability Report (BRSR) FY 2024–25.* *https://www.swiggy.com/corporate/wp-content/uploads/2025/07/Swiggy-AR-FY25_BRSR_29.07.25.pdf*

[27](2025, August 25). *Amazon expands Project Ashray to 65 centres for delivery partner welfare & support.* About Amazon India. *https://www.aboutamazon.in/news/operations/amazon-ashray-centres-for-delivery-partners-india https://inc42.com/buzz/zomato-building-rest-points-delivery-executives/.*

TRANSFORMATION OF KIRANA RETAIL AND MSMES IN THE AGE OF QUICK COMMERCE

Beyond employment and livelihood generation, one of the most significant socio-economic effects of Q-commerce lies in its interaction with India's vast ecosystem of micro, small, and medium enterprises (MSMEs), kirana stores, and local suppliers.

Q-commerce platforms increasingly function as intermediaries that connect these local businesses to digital demand, logistics, and payments infrastructure. This chapter examines how Q-commerce is accelerating the digitisation and formal integration of kirana stores and MSMEs, while also assessing the risks of dependency, competitive imbalance, and uneven value capture.

The Dynamics of Kirana Coexistence and Competition

Quick commerce complements the traditional retail ecosystem, including kiranas, by effectively serving the modern consumer's demand for instant gratification. By capturing impulse purchases and providing the added convenience of rapid home delivery, Q-Commerce caters to a growing segment of young consumers who prioritise speed and ease. The market is projected to reach approximately USD 9.95 billion by 2029.[28]

With the rapid growth of quick commerce, some raised concerns around its significant impact on traditional kirana stores. The All India Consumer Products Distributors Federation (AICPDF) alleges that around 200,000 kirana stores have shut down in the past due to aggressive competition from Q-commerce platforms.[29]

Notably, the traditional kirana stores still dominate the groceries and Fast-Moving Consumer Goods (FMCG) retail sector, accounting for over 90% of sales through more than 13-15 million outlets.[30] As per the recent report by Redseer, India's grocery market is served by three distinct archetypes, of which kiranas continue to drive over 91% share in CY2025 and is expected to retain a dominant 86% by CY 2030 despite rapid growth of quick commerce.[31]

While Q-commerce currently captures only a small portion of India's overall grocery and convenience retail market, which exceeds USD 600 billion, it represents a segment experiencing exponential growth. A Morgan Stanley report projects that this sector is poised for significant expansion, forecasting the total addressable market to reach USD 57 billion by 2030. Even with such expansion, Q-commerce

[28]ET Bureau / ANI. (2024, September 28). Quick commerce sale in India surge by 280 per cent over two years: Report. The Economic Times. *https://m.economictimes.com/industry/services/retail/quick-commerce-sale-in-india-surge-by-280-per-cent-over-two-years-report/articleshow/113760320.cms.*

[29]Indian Chamber of Commerce. (2025). *Quick commerce. https://indianchamber.org/upload/page/pdf/175605946182827.pdf.*

[30]Tandon, S. (2025, September 8). *Quick commerce soars to ₹2,800 crore, capturing 30% of online FMCG market.* Mint. *https://www.livemint.com/industry/quick-commerce-soars-to-2-800-crore-capturing-30-of-online-fmcg-market-retail-e-commerce-spending-11757309758276.html.*

[31]Singh, C. (2026, January 21). *Why India's mass grocery still leans on kirana stores. Redseer Strategy Consultants. https://redseer.com/reports/why-indias-mass-grocery-still-leans-on-kirana-stores/.*

would still account for less than 10% of the overall market, suggesting that concerns regarding the displacement of traditional retail may be overblown.

Competitive pressures on kirana stores are not solely a result of Q-Commerce but also stem from organised retail, large e-commerce platforms, and shopping malls. In response, many kiranas have adopted home delivery, online payments, and online order placement, suggesting a trend of coexistence with, rather than direct disruption by, Q-Commerce.

As consumer behaviour continues to shift, initial patterns suggest a coexistence of both models rather than a complete disruption of one or the other.[32] A survey by the Indian Chamber of Commerce (ICC) revealed key reasons why kirana owners feel less threatened by Q-commerce:

- 100% of respondents stated that they have a loyal customer base that relies on credit facilities, which q-commerce does not offer.
- 87% of store owners mentioned that their ability to stock a variety of small sachets and budget-friendly products gives them a competitive advantage over quick commerce platforms.
- 73% reported that they do not face direct competition because their customers prefer in person interactions and personalized service.
- 67% stated that their strong supply chain relationships with wholesalers enable them to offer flexible pricing and discounts that q-commerce platforms cannot match.

A hybrid model is emerging in which platforms and neighbourhood kirana stores operate in a complementary manner, with platforms functioning as discovery and logistics layers rather than inventory owners. In this model, nearby kiranas are digitally listed, consumer orders are routed to local retailers, and delivery partners fulfill orders directly from these stores. By acting as infrastructure multipliers, platforms provide small businesses access to technology, demand visibility, and national digital and logistics networks. This evolution reflects a shift toward co-existence rather than displacement, enabling

[32] (Indian Chamber of Commerce, 2025).

traditional commerce to modernise while preserving local ownership, autonomy, and neighbourhood relevance.

Taken together, these trends indicate that kirana stores are not being displaced by Q-Commerce, but are increasingly being integrated into evolving digital retail ecosystems. However, to ensure that kiranas remain future-ready and competitive, there is a clear need for a robust digital public infrastructure, supported through public–private partnerships, that addresses key gaps in market access, discoverability, payments, and last-mile logistics. Such an approach would enable small retailers to participate in technology-enabled commerce at scale, while preserving local ownership, employment, and neighbourhood relevance.

MSMEs, Local Brands and Grassroots Entrepreneurship Formalised via Q-Commerce

Q-Commerce is acting as a digital retail accelerator, fostering the increased formalisation of micro, small, and emerging brands by integrating them into formal supply chains. As a result, many local manufacturers, D2C (direct-to-consumer) brands, regional producers, and small-batch FMCG brands have been able to develop visibility and demand stability using Q-commerce platforms.

Industry reports indicate that platforms collectively support over **10,000+** local and emerging brands, enabling wider market access and rapid scaling. In addition, several platforms have collaborated with artisans and small producers to meet seasonal and cultural demand, such as Rakhi during Raksha Bandhan, Ganesha idols for Ganesh Chaturthi, and diyas for Diwali, demonstrating how Q-commerce can integrate local craftsmanship and traditional enterprises into modern digital supply chains.

To further solidify this ecosystem, platforms are institutionalising initiatives to support homegrown startups. A notable example is Zepto's "Nova Pitch-in-10 Programme," a collaboration with Startup India and DPIIT.[33] This program invited consumer product startups to pitch directly for opportunities in onboarding and market access. Recently, 8 domestic startups were selected through this program to be onboarded.[34]

[33] *Zepto Nova Pitch in 10 Programme.*StartupIndia. *https://www.startupindia.gov.in/content/sih/en/ams-application/accelerator-program.html?applicationId=68da2024e4b032c5c2160f81.*

[34] Sharma, A. (2025, May 15). *Zepto selects 8 startups for DPIIT-backed Zepto Nova.* Entrepreneur India. *https://www.entrepreneur.com/en-in/news-and-trends/zepto-selects-8-startups-for-dpiit-backed-zepto-nova/502081.*

These platforms reduce distribution barriers and time-to-market, providing a digital retail shelf that enables consumers to discover products up to three times faster than through traditional retail, allowing brands to scale across cities without high initial costs for physical distribution.

Grassroots Entrepreneurship and Local Economic Development

Beyond merely supporting local brands, the Q-Commerce sector is proving to be a powerful catalyst for local economic development and grassroots entrepreneurship. This influence is most prominently seen in the proliferation of new operational models, specifically franchisee models. This significantly lowers the barrier to entry for aspiring entrepreneurs, enabling them to leverage the established brand and logistical network of major Q-Commerce platforms.

By entrusting local business owners to take up the ownership and responsibility of operating a delivery hub, platforms are not just expanding their reach but also decentralising economic power, creating immediate, localised employment opportunities, and ensuring that a portion of the platform's commercial success recirculates within the community it serves. This systemic support for micro-entrepreneurship is effectively turning Q-Commerce's logistical infrastructure into an engine for community-level economic empowerment.

STRENGTHENING AGRICULTURAL LINKAGES AND ENHANCING FARMER INCOMES IN INDIA

Traditionally, India's small farmers have struggled to achieve maximum economic benefit due to systemic barriers. Their reliance on multiple intermediaries introduces costs and opacity, leaving them vulnerable to price volatility and potential manipulation at the mandi (wholesale market) level. Consequently, farmers often receive neither a transparent nor fair price. Beyond pricing issues, conventional practices, poor post-harvest handling, and inadequate cold chain infrastructure contribute to an estimated 30–50% of post-harvest losses.[35] Fragmented logistics and limited market access further prevent farmers from selling directly to higher-value urban markets, significantly reducing their net revenue.

To address these long-standing structural weaknesses, new models are rapidly emerging, leveraging technology and supply chain innovations to introduce transparency, traceability, and predictability into agricultural supply chains. Key developments include:

- **Aggregation:** Farmer Producer Organizations (FPOs) and Community-Led Agricultural Clusters aggregate the produce of smallholders, offering buyers a single, organized point of contact.
- **Direct Connect:** Digital marketplaces and contract farming eliminate some intermediary functions typical of traditional spot markets, linking farmers or FPOs directly to modern distribution hubs like delivery hubs.
- **Infrastructure:** These new models rely on efficient infrastructure, including advanced cold-chain systems and warehousing, leading to a significant reduction in waste (less than 5% for Q-commerce supply chains handling perishables).

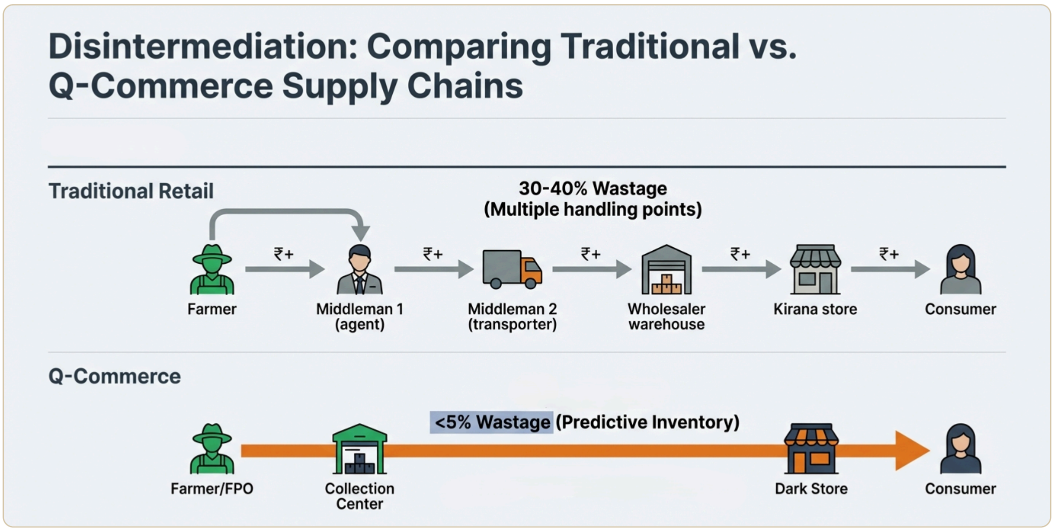
The Role of Q-Commerce Platforms in Supply Chain Transformation

The rapidly changing landscape of the supply chain has allowed Q-commerce platforms such as Zepto, Blinkit, Swiggy Instamart & Flipkart Minutes to become a key factor in reshaping the supply chain. These platforms have a unique procurement model aiming to connect consumers and producers directly to make the supply chain as efficient as possible, allowing both consumers and producers to gain from the efficiency increase. This model operates as follows:

- **Collection Centers:** Q-commerce platforms establish collection centers close to agricultural clusters.
- **Data-Driven Forecasts:** Farmers receive daily, data-driven demand forecasts to inform their production and harvesting.
- **Direct Routing:** Farmers deliver freshly harvested produce to the nearby collection centers where it is aggregated, quality-checked, and immediately routed into the supply chain.

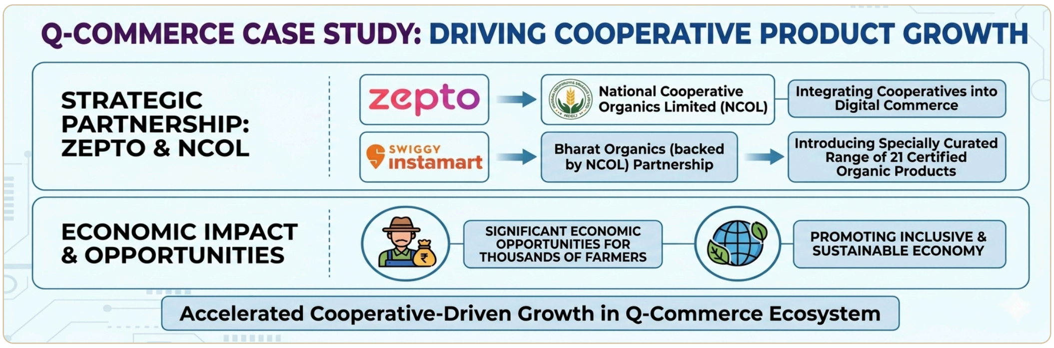
[35] Verma, A., & Gupta, S. (2025). *Cold storage solutions to reduce post-harvest loss: Start-ups for youth in the agricultural supply chain.* ResearchGate. *https://www.researchgate.net/publication/393993921_Cold_Storage_Solutions_to_Reduce_Post-Harvest_Loss_Start-ups_for_Youth_in_the_Agricultural_Supply_Chain.*

- **Efficiency and Freshness:** The produce reaches consumers on the same day it is harvested, ensuring freshness while simultaneously reducing waste, storage costs, and price volatility for farmers.



Q-commerce companies are leveraging technological advancements to enhance transparency and traceability, particularly in their fresh produce supply chains. Zepto, for example, utilises its proprietary digital application, the Zepto Bloom App, to automate procurement and streamline farmer communication.

Data from Q-Commerce platforms further indicate that they on an average engage with 10,000+ farmers and have led to an approximate **112%** increase in farmer income, with average earnings rising from **₹8500+ to ₹18,000+**. This reflects better price realisation and reduced reliance on intermediaries.



The elimination of multiple intermediaries and the introduction of transparency have significantly boosted farmer profitability and resilience. Farmers now capture a larger share of the selling price and benefit from predictable revenues due to the high, continuous order volume from these platforms.

The increasing adoption of Q-commerce by farmers is driving greater digitisation in rural areas, shifting transactions from cash to traceable digital payment systems. This transition is replacing the outdated market structure with more efficient, technology-facilitated supply chain systems, promoting increased resilience in the agricultural sector.

FOOD SAFETY, CONSUMER PROTECTION AND REGULATORY COMPLIANCE

With the rapid growth of the Q-commerce sector across India, a corresponding and significant rise in issues surrounding food safety practices and the robustness of consumer protection mechanisms has gained traction. The speed-focused model of q-commerce, which prioritises rapid delivery (often under 10-20 minutes), inherently introduces complexities in maintaining stringent quality control standards, particularly for perishable goods like fresh produce and ready-to-eat items. At the same time, packaged foods and perishables such as dairy, fruits, and snacks together make up a large proportion of Q-commerce sales volume, with data showing packaged foods alone accounting for about 28% of total sales in quick commerce categories and dairy another 22 %.[36]

The supply chain, from sourcing and warehousing to final mile delivery, is compressed, increasing the risk of temperature excursions, improper handling, and inadequate sanitation. Consumers are increasingly voicing concerns over product quality, expiry dates, and the hygiene standards of the delivery hubs that underpin the Q-commerce model. Furthermore, the reliance on a vast, often transient, gig workforce for delivery raises questions about training on food safety protocols and accountability in the final leg of the product journey. Regulatory bodies and consumer advocates are now focusing intense scrutiny on how Q-commerce platforms can balance their promise of unparalleled speed with the non-negotiable imperative of public health and consumer trust.

Enforcement data from 2025 shows certain compliance lapses at delivery hubs:

- A Blinkit delivery hub in Pune's Balewadi area had its food business licence suspended after operating without proper FSSAI licensing and failing basic hygiene checks.[37]
- A Zepto delivery hub in Dharavi had its food license temporarily suspended in relation to alleged hygienic issues.[38]
- In another enforcement drive in Hyderabad, food safety officials inspected 75 warehouses belonging to multiple quick commerce and e-grocery players and seized 1,903 expired or misbranded food units and discarded 76 kg of rotten or stale products.[39]

Platforms have established compliance systems aligned with FSSAI norms from the outset, which have been further strengthened over time as the sector has scaled and regulatory expectations have evolved,

[36]Singh, R. (2025, December 17). *Hygiene alert in dark stores as quick-commerce sales soar: What FMCG giants say*. Outlook Business. *https://www.outlookbusiness.com/ampstories/news/hygiene-alert-in-dark-stores-as-quick-commerce-sales-soar-what-fmcg-giants-say*.

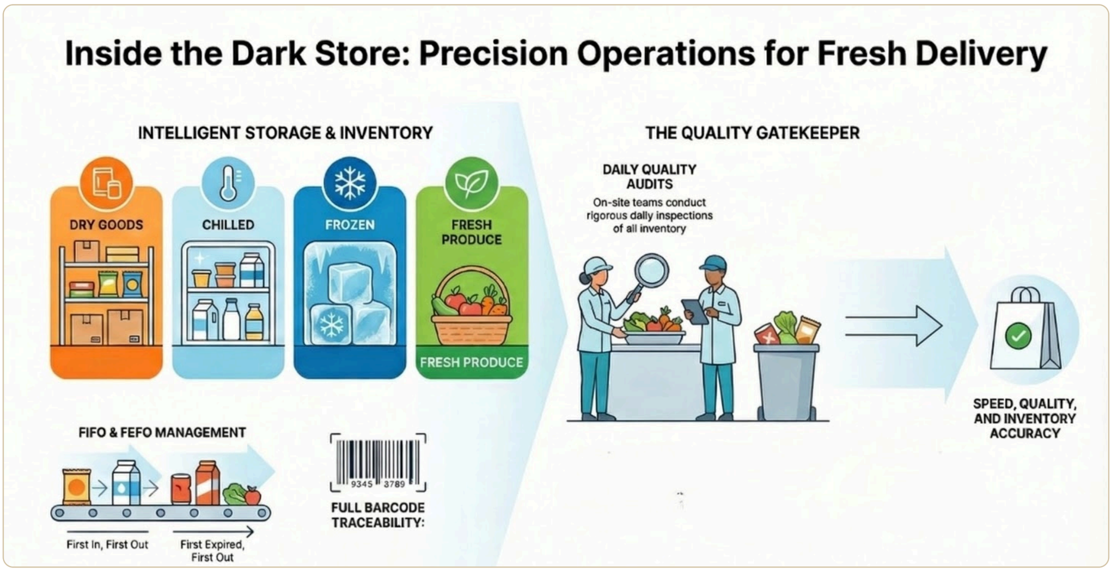
[37]Srivastav, U., Dsouza, S. & Abrar, P. (2025, June 24). *Fast and now under fire: Quick commerce firms face heat from regulators*. Business Standard. *https://www.business-standard.com/industry/news/fast-and-now-under-fire-quick-commerce-firms-face-heat-from-regulators-125062401440_1.html*.

[38]Khanna, V. (2024, March 2). *Explainer: FDA crackdown on Zepto, Blinkit quick-commerce food hygiene & food safety*. Mint. *https://www.livemint.com/companies/start-ups/explainer-fda-crackdown-on-zepto-blinkit-quick-commerce-q-commerce-food-hygeine-food-safety/amp-11749623937374.html*.

[39]Times News Network. (2026, January 30). *Hyderabad: Expired food found at quick-commerce warehouses*. The Times of India. *https://timesofindia.indiatimes.com/city/hyderabad/hydeabad-expired-food-found-at-quick-commerce-warehouses/articleshow/125644721.cms*.

such as obligatory licensing, separation of food and non-food items, temperature-controlled storage, expiry handling and conformity of labelling.

During our delivery hub field research in Delhi, we saw how Zepto has a well-developed system of operational procedures, such as a clear division of the goods into separate storage areas (dry, chilled, frozen, fruits and vegetables), FIFO (First In, First Out) and FEFO (First Expired, First Out) inventory management system, supported by barcodes, to track the goods back to the mother-hubs, and where regularly, a quality audit is conducted.

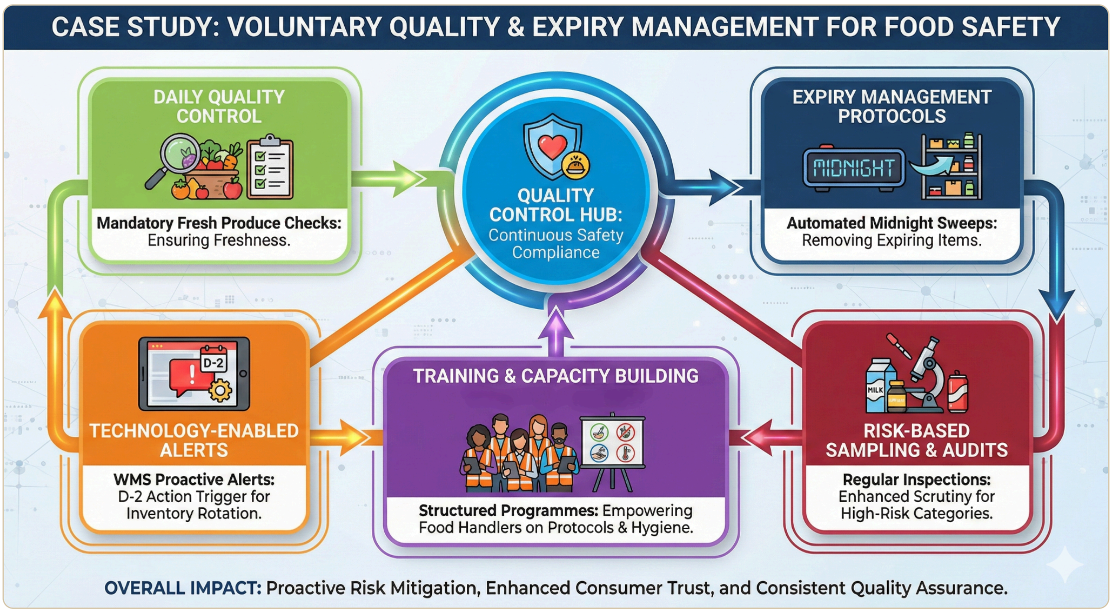


As per industry reports, Q-Commerce platforms are also institutionalising food safety by enforcing compulsory hygiene training on store managers, in-store staff, and delivery partners; multi-layered food safety checks that cover procurement to the last mile delivery; IoT-powered cold-chain tracking; and regular third-party hygiene inspection. These systems have increased transparency, traceability, and standardisation of food handling, in addition to allowing the consumers more access to the wide variety of food products including the exotic ones that were only accessible on the niche markets or high end retail stores.

Voluntary Measures for Managing Expired Products and Food Safety

- **Daily Quality Control:** Platforms have regular mandatory quality checks for fresh produce, particularly fruits and vegetables, to ensure freshness and compliance with food safety norms.
- **Expiry Management Protocols:** Automated daily removal of products approaching or reaching expiry, including scheduled midnight expiry sweeps.
- **Risk-Based Sampling and Audits:** Regular sampling and inspection at dark hub levels, with enhanced scrutiny for high-risk categories such as protein supplements, dairy, and beverages, along with automated audit tasks for near-to-expiry (NTE) items.
- **Technology-Enabled Alerts:** Warehouse Management Systems (WMS) generate automated alerts and trigger corrective actions two days prior to expiry (D-2), enabling proactive inventory rotation, along with AI-based validation of expiry dates at the GRN stage.

- **Inward and Outward Handling Protocols:** Standardised inward and outward guidelines are followed to ensure proper handling, storage and dispatch of products in compliance with food safety requirements.
- **Training and Capacity Building:** Platforms have instituted structured training programmes, such as Zepto Sankalp and similar initiatives, covering food safety, hygiene standards, handling protocols, and compliance awareness for food handlers.



Regulators are also taking actions and introducing measures like mandatory visibility of food safety license in invoices and emphasises on consumer awareness mechanisms, such as the FSSAI's Food Safety Connect app, which allows consumers to verify licences and raise complaints about food safety directly.

ENVIRONMENTAL SUSTAINABILITY AND THE EMERGING GREEN IMPERATIVE IN Q-COMMERCE

Q-commerce is impacting environmental outcomes by altering last-mile logistics and supply chain practices, in addition to the economic and digital finance impacts. According to industry reports, several platforms have begun incorporating sustainability initiatives that align with national priorities such as the National Electric Mobility Mission, Net-Zero targets and CPCB norms.

Industry data indicates a significant increase in the adoption of EVs for last-mile logistics, with an average of 65% of companies' fleets now consisting of EVs.

Additionally, platforms are also reducing packaging waste through operational re-design, as Blinkit introduced biodegradable delivery packaging in 2020, eliminated disposable thermal packaging by introducing reusable insulated cold bags and optimised product handling that minimised material usage.[40]

The sustainability story of Q-commerce is yet to be fully proven and established, although EV adoption has reduced emissions substantially to a certain degree. However, the Q-commerce sector is focused on speed which leads to a large number of small items being shipped frequently therefore creating a large volume of traffic caused by countless low volume deliveries causing congestion in cities and adding to the energy bills of our infrastructure. Many platforms have introduced functionality such as add more items even after an order is placed, which helps minimise the number of deliveries required for a customer's shopping needs. This reduces the likelihood of multiple orders being placed separately, leading to fewer delivery runs, lower fuel consumption, and reduced packaging usage overall.

Globally it is believed that delivery vehicles will increase by approximately 36% within the next decade. In addition, globally it is estimated that delivery vehicle related emissions will increase by over 21%.[41] If Q-commerce continues to grow and expands its business model without making the necessary resource-based redeployments to become more eco-efficient the sector will continue to add to the already overwhelmed volume of delivery vehicle emissions.

As Q-commerce continues to expand across, the divide between instant gratification from Q-commerce and responsible environmental stewardship is expected to continue to widen. Due to these issues mentioned above, there needs to be continued development and use of responsible long lasting solutions through Q-commerce's growth and continued global expansion.

[40] Albinder,D. (2025). *Towards a sustainable future*.blinkit.*https://blinkit.com/blog/towards-sustainable-future?srsltid=AfmBOooaeNrGR20seOXluY_enUe6mk7UdqkUi3m0KJcZJGAldcdclEQL*

[41] (2025, July 15).*The Sustainability Paradox of Quick Commerce: Convenience vs. Planet.https://www.grandviewresearch.com/blog/sustainability-paradox-quick-commerce.*

POLICY RECOMMENDATIONS: ENABLING RESPONSIBLE GROWTH AND EASE OF DOING BUSINESS IN QUICK COMMERCE

The rapid expansion of Q-Commerce has demonstrated its potential as a logistics and digital infrastructure layer supporting employment, MSMEs, agriculture, and consumer access. However, during the course of this research, several regulatory and operational challenges have been identified that constrain ease of doing business and create compliance fragmentation.

A calibrated reform approach, focused on simplification, harmonisation, and social protection, can ensure that sectoral growth aligns with India's broader development and governance objectives.

Regulatory Simplification and Ease of Doing Business

Simplification of Licensing Framework for Food Business Operators

The FSSAI has recently introduced constructive regulatory changes aimed at improving the ease of doing business, including the introduction of perpetual license validity and increased turnover thresholds for licensing. These initiatives have been well-received as they significantly lower paperwork and administrative overhead, remove the necessity for regular renewals, and decrease the frequency of interactions with regulatory bodies, thereby boosting predictability and efficiency.

Although these measures represent a progressive shift toward a more encouraging regulatory landscape, additional reforms in specific areas are necessary to further enhance ease of doing business while ensuring robust enforcement.

A. Introduce a Provisional Licensing Framework

Section 31 of the Food Safety and Standards Act, 2006 mandates prior licensing before commencement of food business operations. However, micro entrepreneurs often face delays due to inspection backlogs, clarification cycles, and procedural complexities, leading to unpredictable timelines and idle capital despite completed applications. This creates entry barriers for small entrepreneurs and slows formalisation of the food economy.

It is recommended to introduce a provisional licensing framework enabling Food Business Operators to commence operations upon submission of a complete application and hygiene self-declaration, pending final inspection and approval. Such a mechanism would reduce procedural bottlenecks, provide predictable timelines, lower entry barriers for small operators, and strengthen voluntary compliance, while preserving food safety through subsequent outcome-based inspections.

B. Challenges Residual Shelf-Life Requirements for Highly Perishable Goods

The Food Safety and Standards (Licensing and Registration of Food Business) Regulations, under Regulation 2.2.2(4), stipulate that at the time of delivery, food items must possess a minimum residual shelf life of either 45 days or 30%. Although this requirement aims to protect consumers, its implementation within the e-commerce sector, specifically for quick delivery services, presents significant regulatory and operational hurdles.

The current 30% residual shelf-life mandate often leads to food waste and logistical complexity without actually increasing consumer safety, particularly for items with short life cycles. Consider a milk packet with a total 48-hour shelf life set to expire on March 12; the product remains safe only if delivered on March 11 as 30% requirement will trigger for March 12.

It is important to note that consumer safety for highly perishable items, such as fresh produce, bread, and milk, is fundamentally guaranteed when delivery occurs prior to the Use By Date or Expiry Date. For products with extremely limited shelf lives (e.g., 2–3 days), the imposition of percentage-based shelf-life mandates fails to provide additional safety benefits. Instead, such thresholds result in excessive product rejection and contribute to significant, preventable food waste.

Thus, an amendment to Regulation 2.2.2(4) is recommended to provide an exemption for highly perishable items from this specific mandate.

Exemption from Transport Licensing Frameworks for Quick Commerce Platforms

Existing transport and aggregator-related regulatory frameworks, such as the Delhi Motor Vehicle Aggregator and Delivery Service Provider Scheme, 2023 and the CAQM Direction 94, impose licensing and/ or compliance obligations on entities involved in delivery operations, including EV transition requirements. However, quick commerce platforms do not own or operate delivery vehicles, which are owned and managed by independent gig workers.

This results in regulatory misalignment, with compliance obligations being placed on entities that do not exercise ownership or control over the underlying transport assets. EV transition mandates also restrict the participation of delivery partners, given current EV ownership patterns among gig workers.

It is recommended that quick commerce platforms be exempted from transport-related licensing frameworks. A differentiated, risk-based approach may instead focus regulatory obligations at the level of individual vehicle owners or operators

Simplification of MD-42 Registration

Under the Medical Devices Rules, 2017, a separate MD-42 registration is required for every retail outlet selling medical devices, including low-risk self-care products such as thermometers and blood pressure monitors. This results in repetitive documentation, multiple inspections, higher compliance costs, and regulatory duplication for multi-outlet operators, slowing expansion and reducing efficiency.

A centralised, risk-based approach is recommended. MD-42 registration may be issued by CDSCO as a single national licence, with State Licensing Authorities conducting periodic inspections. Alternatively, widely used low-risk self-care devices may be exempted under the Eighth Schedule. Introducing strict timelines with deemed approval would further enhance predictability and ease of doing business.

Exemption from Dealer Licence for Domestic Weighing Scales under the Legal Metrology Act, 2009

The Legal Metrology Act, 2009 mandates dealer licences for the sale of weighing scales, including those meant solely for household (non-commercial) use. This creates unnecessary compliance burdens for retailers and e-commerce sellers, despite manufacturer-level approvals and verification seals already ensuring accuracy and consumer protection.

It is recommended that dealers selling domestic-use weighing scales be exempted from licensing requirements, subject to safeguards such as valid manufacturer certification and no modification of products. This would remove redundant compliance, reduce entry barriers for MSMEs, and align regulation with a risk-based framework.

Exemption from Retail Licensing for Household Products under the Insecticides Act, 1968

The Insecticides Act, 1968 requires retailers to obtain licences for all insecticides, including low-risk household products such as mosquito repellents and cockroach sprays. This blanket requirement imposes administrative burdens and fragmented state-level compliance even where retailers act only as resellers of pre-approved products.

A risk-differentiated approach is recommended by exempting household-use insecticides from retail licensing, subject to manufacturer-level registration and safeguards. Expediting the Pesticide Management Bill, 2020 would formalise this exemption framework. This reform would reduce compliance friction while maintaining safety oversight where risks are higher.

Removal of Mandatory Physical Duplicate Invoices for e-pharmacy

Rule 65 of the Drugs and Cosmetics Rules, 1945 requires retail and wholesale chemists to generate and retain physical duplicate sale invoices, a provision designed for a pre-digital era of handwritten billing. Today, with universal digital invoicing systems and GST-compliant e-records, the continued mandate for printed duplicates creates unnecessary paperwork, storage costs, administrative burden, and environmental waste. While manufacturers have been permitted to maintain electronic records under recent Schedule M amendments, similar flexibility has not been extended to retailers and wholesalers, creating regulatory inconsistency.

It is recommended that Rule 65 be amended to expressly permit secure digital retention of invoices and related records, with appropriate audit trails and backup safeguards. Allowing electronic record-keeping would eliminate redundant physical duplication, reduce compliance costs, speed up inspections, and align pharmaceutical retail regulation with India's broader digital governance and Ease of Doing Business agenda. Strengthening Workforce Protection through COSS Implementation

The Code on Social Security, 2020 provides statutory recognition for gig and platform workers but remains under-operationalised. To ensure long-term sustainability of platform-based livelihood:

- Central schemes under COSS should be notified and implemented;
- Occupational Safety and Health Charter shall be introduced to ensure welfare of gig workers; and
- State-level welfare initiatives should be aligned with a harmonised national framework

This would provide income security and social protection without undermining the flexibility that underpins the platform economy.

Integrating Offline Stores into the Future of Commerce

Evidence suggests that local kirana stores are not being replaced but are instead integrating into the evolving digital retail ecosystem, reinforcing decentralised and neighbourhood-based commerce. A hybrid model is emerging where platforms serve as the digital discovery and logistics layers, rather than owning the inventory. In this model:

- Nearby offline stores are digitally listed.
- Orders are routed directly to these local retailers.
- Delivery partners fulfill the orders straight from the stores.

To prepare offline stores for this future, a robust digital public infrastructure, backed by public–private partnerships, is essential. Such an approach ensures small retailers can scale through technology-enabled commerce while preserving local employment, entrepreneurship, and community relevance.

Advancing Food Safety through Partnership and Technology

As Q-commerce scales, consistent food safety enforcement becomes increasingly important. Following measures can be taken to ensure food safety:

- Partnering with FSSAI to scale mass training programmes for dark store staff, delivery partners, and food handlers;
- Introducing a digital mechanism on FSSAI's FoSCoS portal to automatically sync relevant state-level FSSAI licence details with central licences, reducing manual updates and inconsistencies for e-commerce food business operators (FBOs).
- Developing technology-enabled solutions for real-time traceability, expiry monitoring, and inventory management, including enablement of barcodes on food labels to mandatorily capture key information such as expiry/best before dates, which can support more effective expiry monitoring and automated alerts;
- Encouraging risk-based digital inspections rather than purely physical compliance checks.

Strengthening Upstream Agricultural Safety and Sustainability

Given the integration of fresh produce supply chains into Q-commerce, upstream safety and quality practices require attention. Public–private partnerships should be encouraged to:

- Conduct mass training programmes for farmers on quality, safe and responsible use of insecticides etc;
- Promote traceability and residue monitoring systems;
- Align agricultural extension services with modern supply-chain requirements.

This would improve food quality, environmental outcomes, and farmer incomes simultaneously.

CONCLUSION

India's vision of Viksit Bharat@2047 rests on building efficient, inclusive, and technology-enabled economic infrastructure. As this report demonstrates, the expansion of Q-commerce in India reflects a broader transformation in the organisation of economic activity, logistics, and labour in an increasingly urban and digital economy. The findings across chapters indicate that Q-commerce aligns closely with the objectives of the National Logistics Policy (NLP) and the PM Gati Shakti National Master Plan, particularly in reducing logistics costs, improving supply-chain responsiveness, and leveraging data-driven coordination between physical and digital infrastructure. By enabling hyperlocal warehousing, rapid fulfilment, and demand aggregation, Q-commerce contributes to optimising last-mile logistics, historically one of the costliest and least efficient segments of India's supply chains.

From a labour market perspective, Q-Commerce has become an important source of flexible and accessible livelihood opportunities, especially for migrants, youth, and semi-skilled workers. While this model has raised concerns relating to income stability, social security, and working conditions, the report finds that platform-mediated work has also accelerated the formalisation of labour through digital onboarding, traceable payments, and data-driven compliance mechanisms. The challenge, therefore, lies not in limiting platform-based livelihood, but in effective operationalisation of existing statutory works and introducing an Occupational Safety and Health Charter that can convert flexibility into sustainable and protected work aligned with India's broader employment and demographic objectives.

The report further demonstrates that quick commerce is increasingly intertwined with the modernisation of kirana stores and MSMEs, rather than operating solely in competition with them. By providing access to logistics, demand aggregation, and digital interfaces, these platforms enable small retailers and local manufacturers to participate in technology-enabled commerce without relinquishing ownership, autonomy, or neighbourhood relevance. This has particular significance for local brands, which are able to gain consumer visibility and scale incrementally through demand-led discovery rather than scale-intensive distribution, reinforcing the objectives of *Vocal for Local* and *Make in India.* This ecosystem stands as a quintessentially "India First" innovation, marking a national shift from simple "delivery" to an advanced, full-stack "logistics" engine. India's quick commerce model survived where Western markets failed due to dense cities, habitual top-up buying, and lower last-mile costs.

Western apps functioned merely as courier services, Indian players have reinvented the supply chain for hyper-local density by owning the entire stack including the inventory, the dark store, and the proprietary tech. By establishing direct sourcing from farmer networks and local suppliers to prioritise indigenous products, Q-Commerce has emerged as a vital engine for Aatmanirbhar Bharat, permanently securing the retail value chain within the domestic economy.

The report further finds that the integration of Q-Commerce into agricultural and perishable supply chains is beginning to address persistent structural constraints that have limited farmer value realisation. By enabling faster procurement cycles, assured offtake, and time-bound payments, quick commerce-linked supply chains reduce dependence on fragmented intermediaries and mitigate losses arising from delays, spoilage, and price uncertainty. The emphasis on quality grading, standardised handling, and cold-chain logistics improves efficiency across the value chain while strengthening price discovery and predictability for farmers. From a policy standpoint, there is a clear need to integrate private-sector logistics and digital procurement systems with existing public agricultural infrastructure. This synchronisation is crucial to ensure that efficiency improvements ultimately lead to more dependable and lasting income benefits for farmers.

The growth of quick commerce has also brought regulatory considerations around food safety, consumer protection, and environmental sustainability into sharper focus. Centralised oversight of sourcing, storage, and delivery processes enables greater standardisation, traceability, and faster corrective action, strengthening compliance with quality and safety norms. At the same time, platform-led efforts in compliance systems, worker safety protocols, fleet electrification, and waste reduction demonstrate how public policy objectives can be embedded within operational design rather than relying solely on post-facto enforcement. From a governance perspective, this creates scope for regulatory frameworks that prioritise accountability, data-enabled oversight, and alignment of private incentives with public outcomes. At the same time, the high-frequency nature of quick delivery highlights the importance of situating Q-Commerce within wider urban transport, infrastructure, and sustainability strategies - an integration that will be central to ensuring that efficiency gains contribute to long-term economic resilience.

This broader need for coordinated and forward-looking governance frames the central conclusion of the report: that Q-Commerce is best understood as an emerging form of economic infrastructure, one that sits at the intersection of digital systems and physical logistics. Its continued contribution to India's development trajectory will depend on governance approaches that recognise this infrastructural character, encourage interoperability and inclusion, and balance innovation with accountability. As India advances towards its long-term vision of Viksit Bharat, the experience of Q-commerce offers valuable insights into how fast-evolving digital-market systems can be harnessed to support inclusive growth, productivity enhancement, and economic resilience in the years ahead.

Q-COMMERCE ROUNDTABLE

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