



The Role of Quick Commerce in Economic Development of India

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Abstract

The life style of developing country like India particularly in urban areas are changing very fast especially after covid-19 pandemic and evolution of e-commerce. In these days the time remaining with the people for shopping is very less; due to extreme hectic job schedule. Due to increasing use of android based mobile and adopting urban life style there is higher use of online platform for shopping. Also, the improving economic condition the standard of living and demand for various commodities improved. All these conditions are very favorable for the emergence of Quick Commerce (i.e., delivery of goods in few minutes with the help of apps or simply ultra-fast delivery). All over the globe the total revenue generated with Quick Commerce is \$ 195 Billion while in India it is estimated to be \$ 5.85 billion. Indeed Q-Commerce fuels economic development with the increasing demand, employment, investment, revenue and convenience.

Objectives of Study: The main objective of the study is to study the role of Quick Commerce in the economic development of India.

Research Methodology: The current paper is a research work based on secondary data i.e., articles from websites, journals and articles.

Keywords: Quick commerce, dark stores, local hubs, last mile logistics, micro-fulfilment center, mobile commerce, flash sale delivery, AR & VR shopping, gig economy.

Introduction

India is a country with huge opportunities and potentials. With a huge population base of more 140 crore there is huge demand for different kinds of products and services. With the IT revolution and affordable, easy and convenient digital access to all the citizens the shopping in online platform is now become the routine for many people. The lifestyle of the people particularly in urban areas are becoming challenging and the job profiles of majority of the people are long and tiring. In this condition the citizens do not have time for convenient shopping, even the deliveries from traditional online platform requires some time. But if any person wants any article in short time, then he or she has to go to the shop nearby and purchase; which is very inconvenient. In such scenario the demand and scope of Quick Commerce platform i.e., delivery in 8 min to 30 mins increases.

The future Quick commerce is bright because it is expected that the lifestyle of the people will remain busy and hectic in such expected future there will be more scope for Quick commerce.

The Quick commerce resulted in increase in demand, enhanced employment opportunities with greater consumer satisfaction. There is vast opportunities food and nonfood items.

The popular examples of quick commerce include Blinkit, Zepto, Sweegy Instamart, Flipkart minute, Big basket now.

Quick Commerce and Employment Opportunities:

Quick commerce has become major job providers particularly in urban areas. Due to Quick Commerce direct and indirect employment generation. It adds to the gig workers particularly for delivery purposes. It is expected that about 5 Lakh people will get jobs due to Quick commerce platform at the end of 2025. The ratio of Dark Store workers to delivery workers is expected to remain at 1:3. It is expected the growth rate of hiring may increase by 60%.

Dark Store is a retail store that looks like a supermarket or warehouse it is closed for the public and used only for fulfilling online orders. These are micro fulfilling center designed especially for Quick commerce or e commerce. In Dark store the public cannot walk and shop directly. The Dark store are strategically deliberately located near residential areas so that deliveries can be made in 8 to 30 minutes. These Dark stores are packed with daily necessary items like fruits, vegetables, groceries, snacks, medicines, stationary and other items. As soon as online order is placed the staff there immediately pick and pack the items for super-fast deliveries at home. Due to dark store the speed of delivery increases, efficiency also enhanced and the cost is also kept at minimum. Dark stores are like back bone for Quick Commerce and all e-commerce platform. In near future there is vast scope for employment as well as investment in the area of Dark store. Although there are opportunities due to Dark

store, but at the same time there are concerns like sustainability of jobs, working conditions and labour regulations.

Quick Commerce and Local Hub:

Local hubs in the context of Quick Commerce are like mini warehouses or fulfilment centers they are small deliberately strategically located distribution centers that acts as intermediate points between warehouses and customers. These are located near residential areas or commercial hubs. Local hubs and Dark stores are different. The Dark store are closed retail outlets optimized for order picking. The Local hubs are distribution nodes that connect larger warehouses to delivery zone, serving dark store. The products are moved from central warehouse to local hub based on expected orders and experience. As soon as order is placed the online system checks the nearest local hub. Delivery partner collect the product and help in speedy delivery. The new technology, Artificial Intelligence and business analytics are used for better predicting demand, speedy delivery and cost controlling.

Quick Commerce & Last Mile Logistics:

Last mile logistic is the planning and management for the last stage of deliver from a warehouse, local hub or distribution center to the final consumers. This term is borrowed from telecommunications, where connecting individual homes to the main network was the last mile challenge. It is the most expensive and time-consuming part of logistics; it consumes more than 50% of the total shopping cost. There are various challenges for last mile logistics includes high cost, speed expectations, wrong address, route congestions. These challenges may be overcome by using AI driven software for avoiding road congestion, using electric vehicles, drone and using modern devices. The last mile logistic is very important for Quick commerce because if this logistic is not managed properly then the brand reputation may be negatively affected.

Quick Commerce and Micro-fulfilment Center:

Micro fulfilment center is a small localized warehouse designed to store and process online order close to customer. It is a small warehouse in urban or suburban closer to the end consumers. It reduces delivery time and cost to a great extent. These are small sized center normally has 24 to 48 hr stock and need regular restocking. These are not intended for large scale stock. It is pick-pack-ship as soon as order come in. After Covid 19 pandemic the demand for different product cannot be predicted. For example, the demand for organic soap or organic food may surge because of many unpredicted reasons like a appeal from vlogger or viral video appealing to use or not use a certain product containing chemicals or to use a certain product having organic contents in it. The Micro fulfilment center helps in increasing demand and sales, enhanced consumer satisfaction, reduced delivery time.

Quick Commerce and M-Commerce:

The mobile revolution in India started from the year 1995 when first mobile was used between Kolkata and New Delhi, this era was characterized by high cost and affordability was a big problem because the cost of a call was Rs 17 per call. From the year 2000, when rapid growth of GSM network and growth of SMS network. From 2005 affordable low-cost handset start in our country. But from 2010 cheap smartphone with internet. From the year 2015, after the launch of Reliance

Jio the gamechanger in mobile market and from here the real rise in mobile commerce started due to free data offers.

Today is India being the second largest mobile market after China. India is a big opportunity for all the online platform with such a huge base of mobile users. The mobile revolution in India reshapes commerce, communication and life. India has approximately 659 to 980 million users, typically more in urban areas compared to rural areas.

Quick Commerce and Flash Sale Delivery & AR/VR Shopping:

Quick commerce and Flash sale delivery and AR/VR shopping are closely linked. Flash sales are time bound promotion offering high discounts which just for few hours or couple of day. When flash sale is introduced, it was thought to be a marketing gimmick, but now it is very important and core e-commerce and quick commerce strategy for clearing stock. For example, Black Friday giving heavy discounts on electronics, and food items. In this short time span the demand surge and requires heavy logistic supply and management to delivery in such a small-time span.

In 2025, the AR and VR has moved from experimental tech to real retail and get acceptance from the consumers, because it offers immense convenience, interactive and personalized shopping experience. Augmented Reality (AR) uses computer generated images, text or 3D models in real world. Here the consumers can see physical things as they are with added digital products. For example, Lenskart AR try on for glasses, IKEA app that let you place virtual furniture at your home. On the other hand, Virtual Reality VR creates completely immense digital environment that replaces the real world. For example, Virtual games, Virtual tour of museums, real estate property, training simulation for pilot or surgeon, VR is completely digital experience. There is difference between AR and VR, while AR is a mix of reality and virtual world; VR is the full virtual experience.

Quick Commerce and Gig Economy:

GIG Economy is also called as sharing or access economy. Gig economy is a labour market where temporary; project wise, flexible jobs are common the companies hire independent contractors or freelancers instead of appointing full-time employees. Its emphasis short term task-based work rather than traditional long-term relationship. The word 'gig' originally came from music industry where appointments were made for the single performance. But now it is used as flexible work and often related to independent contractors or freelancers. GIG economy has many benefits in the form of flexible working, freedom, additional income source, ease of entry and scope for entrepreneurship and innovation but at the same time it has many problems too in the form of lack of job security and benefits like health insurance retirement, lack of regulations, instability of income and less job protection compared to traditional jobs.

After the Covid 19 Pandemic the gig economy experienced a significant increase. Because during this period people were forced to remain in home and take possible online services. This habit continued even after the restrictions of lockdown lifted. In India too online purchase particularly in urban areas are now become routine.

Today India's gig economy currently employs about 12 million workers which are about 2% of total workforce. It is expected to increase to 23 million by the end of 2029-30. Worldwide there are 435 million workers in gig economy.

The gig economy projected to reach more than \$ 2,100 billion by the end of 2034.

Quick commerce (i.e., ultra-fast delivery services) and gig economy are closely interconnected and inter dependent too. This is because the Quick commerce rely heavily on gig workers like delivery partners, rider, freelancers, independent contractors etc. Quick commerce depends gig workers to function. This is because the quick commerce requires quick delivery within 10 to 30 minutes which is not possible without taking help of gig workers. Quick commerce proves to be the driver and beneficiary of gig economy.

Effect of Quick Commerce on Consumption and Demand:

Quick commerce increases consumption by encouraging impulsive purchasing. Quick commerce fuels impulsive driven purchase because quick commerce is very convenient and provides heavy discount and promotion. Traditionally purchaser used to plan and make of list of items for purchase for a month or during a certain period but this trend is now changing due to Quick commerce platform the consumers are now purchasing in small quantity as and when needed which is some time impulsive in nature. Quick commerce is gaining popularity due to convenience, speed and promotional effect. The overall consumption and demand increasing due to quick commerce due to increased frequency of orders.

As per reports the Indian Quick Commerce market is valued about \$3.34 billion in 2024 and expected to become \$ 9.75 billion in 2029.

Quick Commerce and National Savings: As Quick Commerce fuels impulsive purchases frequently. This results no doubt results in increased impulsive purchase and overall total demand. But this negatively affects the household savings. In totality the Quick Commerce negatively affects the savings, which may affect in long run. So, the increased demand is at the cost of savings.

Quick Commerce and Investment: Due to mobile revolution, urbanization and good standard of living the people are inclined more towards Quick commerce platform for purchase regarding many items. This increases more scope and demand for the infrastructure needed to run quick commerce effectively. The infrastructure needed for quick commerce is Dark store, Micro warehouses, last mile delivery hubs. So the companies are ready to invest heavily in these infrastructure as there are chance and possibility to get returns in a very short period. It is so promising sector that it has become the hottest investment destination for many startups and other investors. This increased investment will result in economic growth.

Quick Commerce which (i.e., ultra-fast delivery service) is the convenience driven, impulsive purchase and part of life particularly for generation Z youngsters. In this hectic lifestyle, long hour work, there is time constraint the investment in infrastructure needed for Quick commerce may lead to multiplier effect and other related industries like packaging, infotech, vehicle industries may also be benefited many folds. The Quick commerce certainly increases demand, consumption, employment opportunities, convenience and investment; it also saves time; but at the same time there may be some issues related to demand sustainability, workers security of job, welfare, health insurance.

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