

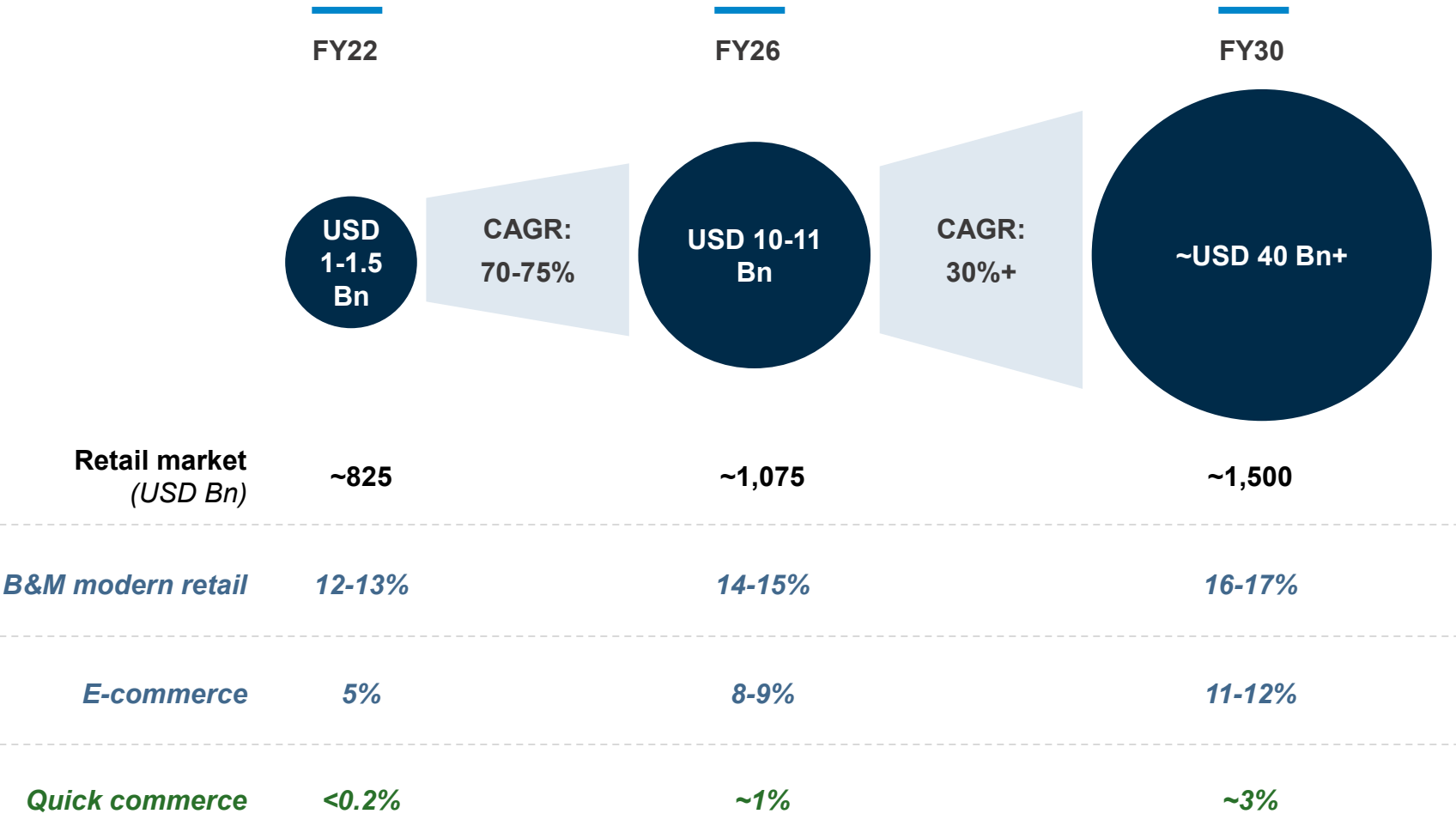
20 AUGUST 2026

**How do we facilitate
quick commerce
growth in India**



FOURMATIV

Quick commerce in India – rapid penetration in India’s urban retail landscape



- Strong growth driven by strong structural drivers
- Growth unprecedented and rapidly taking share from modern retail and e-commerce
- Unique India-specific model key to success



Success drivers appear to be structural, not transient



High urban density

Urban density exceeds 20k+ people per sq. km in key metros – higher than most major global cities



Labor availability

Large population of low-cost dark store and delivery personnel



Last mile people mobility infrastructure challenges

Inadequate last mile infrastructure challenges limit the scale up of supermarkets/ “7-eleven” models



Customer behavior

Prevailing customer preference for frequent small purchases – affordability and storage constraints



High urban e-commerce penetration

50%+ e-commerce penetration in large cities



Large capital infusion

Estimated funding of US\$ 7-9 Bn in the past 6-8 years

Growth being driven by multiple vectors

Category expansion



Category expansion increasing beyond food/ grocery/ staples – growing non-food categories e.g. beauty & personal care, home care, apparel/ fashion, pharma, toys, gifting etc.

City dispersion



Expansion into cities beyond metros – share of metros reducing from 90%+ in FY22 to <80% in FY26

Higher demand density



Dark store additions continue in metros, with sufficient potential for further density enhancement

More participants and diversified operating models



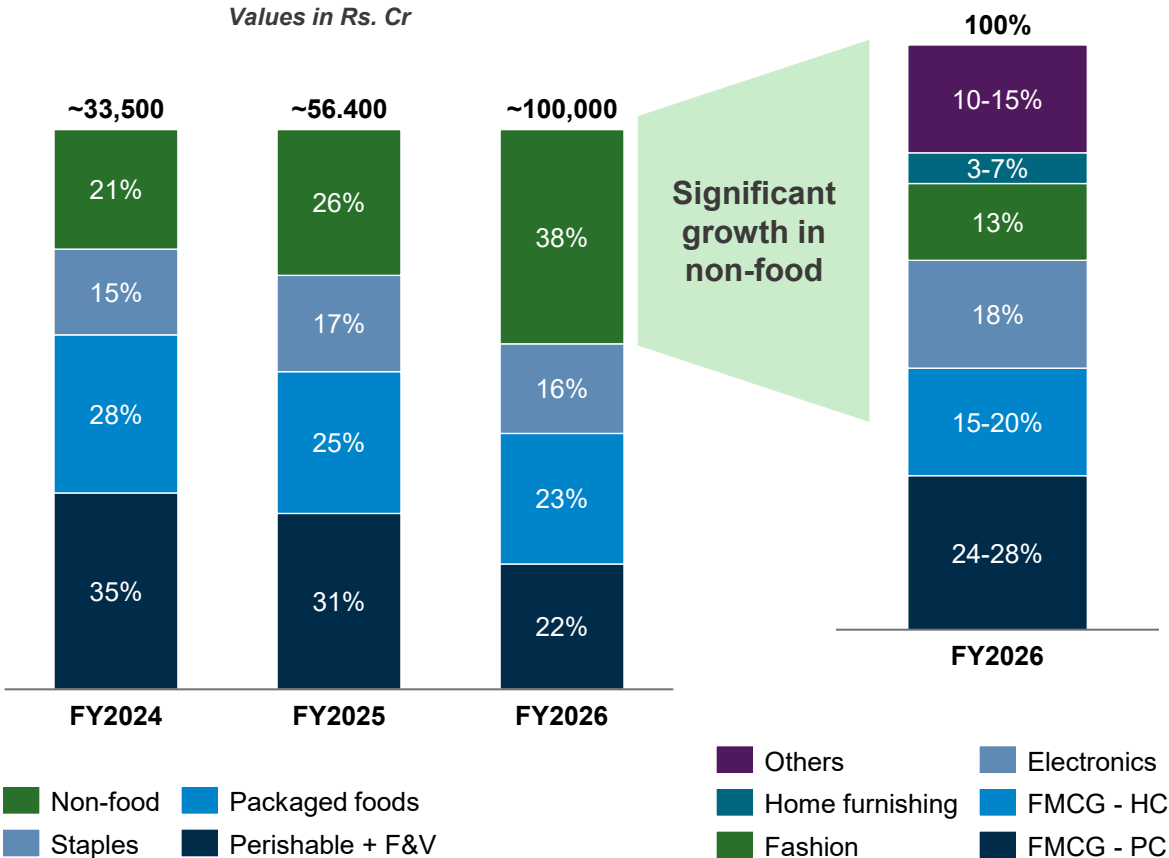
Growing number of participants with diversified operating models (entry of Flipkart, Amazon; D2C logistics service – DTDC, Delhivery, Shadowfax, Xpressbees etc.)

Category mix expanding beyond food

Ecommerce & quick commerce share in India retail

	India demand (USD Bn)	E-com share	Q-com share
Grocery/ FMCG	600	~2%	1-2%
Apparel & fashion	120	15-20%	<1%
Electronics	60	30-40%	~1%
Personal care	30	20%	3-4%
Others	200	~5%	~1%

Quick commerce market share by Segments (%)



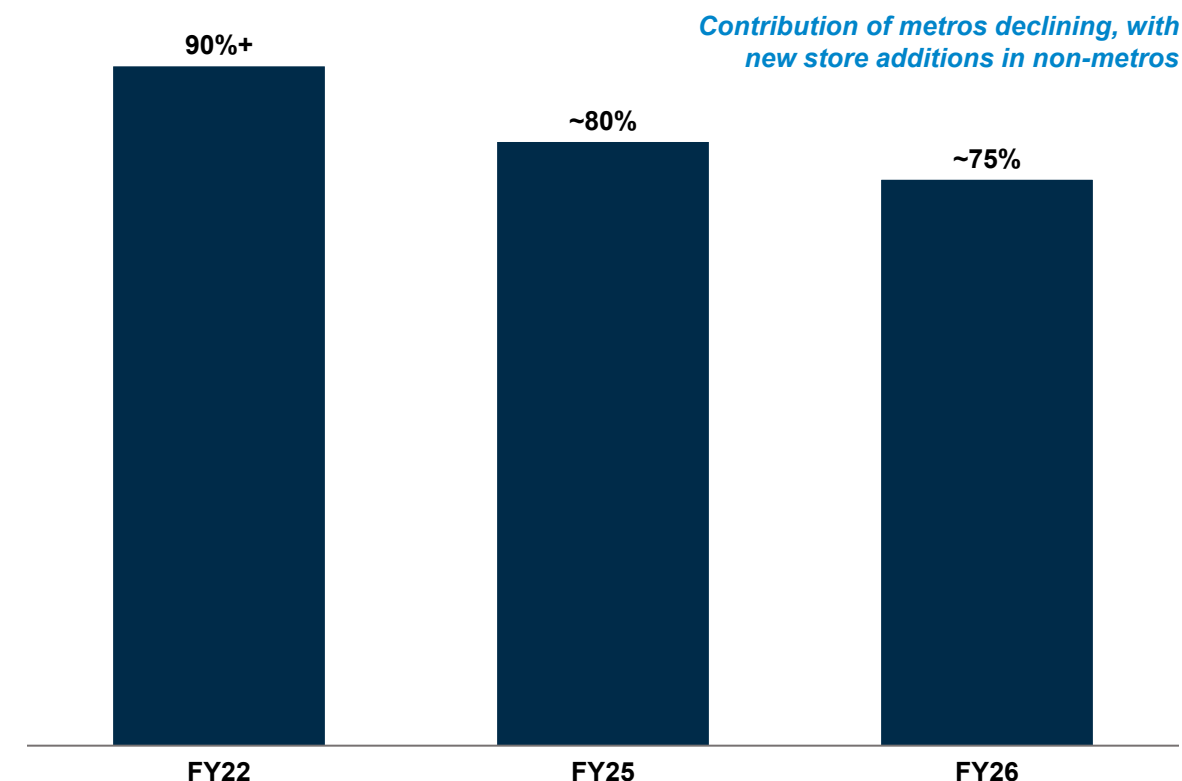
Growth likely to come from both, higher density in metros, and expansion into T1/ T2 cities

Quick-commerce store density – metros

	Dark stores	Population (Mn)	Population/ store
NCR	1,400	80	~57,000
Bengaluru	1,000	13	~13,000
MMR	700	25	36,000
Hyderabad	575	9	16,000
Chennai	500	11	22,000
Pune	375	8	20,000
Kolkata	325	23	70,000
Ahmedabad	175	8	43,000

- Material difference in population density across cities in India; headroom for growth higher in NCR, MMR, Ahmedabad
- Population density per store in comparable last-mile grocery models (7-Eleven, Lawson, family mart etc.) indicates further headroom for growth as spend per capita increases
 - Bangkok: 1,500-2,000 people per store
 - Japan: 1,000-1,500 people per store

Share of quick-commerce GMV from metros



Higher competition and differing operating models driving growth

Operating models across quick commerce

Rapid delivery



- Rapid '10-minute' delivery
- Lower SKUs (3,000-8,000 per store), faster throughput
- Smaller store footprint (1,000-3,000 sq. ft.) & delivery radius (<3 km)
- Lower AOV (Rs. 500-650)



Scheduled delivery



- Scheduled/ 'slot-based' delivery
- High SKUs (30,000+ per store)
- Large store footprint (4,000 sq. ft.+) and delivery radius
- Higher AOV (Rs. 800+)



E-com to Q-com



- Leverages e-commerce network
- Rapid '10-minute' delivery
- Lower SKUs (3,000-8,000 per store), faster throughput
- Smaller store footprint (1,000-3,000 sq. ft.) & delivery radius (<3 km)
- Similar to rapid delivery; unavailable item delivery enabled via e-com channel



D2C logistics enablers



- Leverages logistics delivery network
- 4-8 hour delivery
- Focused on servicing D2C sales of brands



Economics and sustainability remain a concern; however, growth enablers appear to be robust

Quick-commerce faces challenges to scale sustainably and maintain profitability

Unit economics remains sub-optimal	- Quick-commerce largely loss making - Steady state UE not established even in metros		
Dark store availability	Availability of infrastructure at the right price across urban clusters likely to be challenging		
Regulation & compliance	Maintaining regulation at scale, while managing speed & throughput challenging		
Competition	- Kiranas continue to remain relevant and competitive - Growth of brick & mortar supermarkets could add to the threat		
Unit economics	Current	Steady state	- Select locations have realized close to steady state profitability - However, broader profitability requires improvement in order density, AOV, and cost structures
Orders/ store/ day	1,200-1,500	2,000+	
AOV (Rs.)	650-700	800-850	
Net revenue %	15-20%	20-22%	
CM %	(5%)-5%	8-10%	

Growth enablers appear to be structural, while challenges are being overcome

Early signs of UE improvement	- Blinkit – recently moved to positive operating margin - Select stores/ clusters operating profitably
Capital investment continues	Est. US\$ 8-10 Bn expected to be invested in quick commerce over the next 4-5 years
QC increasing relevance	New product categories – fashion, personal care, premium groceries increasing share of customer wallet and improving profitability
Newer entrants indicate demand	Entry by Amazon and Flipkart, and D2C brands (via logistics providers) strong indication of customer demand
Unique India-specific structural drivers likely to remain	- Structural last mile infra remains a challenge - Labour cost likely to be competitive in near future - Online retail adoption & affluence likely to improve

Do Indian cities have the infrastructure to enable growth

Demand and sustainability of quick commerce is clear – the real question is not ‘will quick commerce be relevant’, but ‘how successful can quick commerce become’
However, along with growth, complexity is also likely to increase - higher scale, demand density, inventory complexity, etc.



Do we have the right elements to match up to demand



How do we enable the **real estate infrastructure** needed to facilitate higher demand density?



Can quick **commerce improve/ maintain delivery economics** at higher scale & dispersion



How do we enable **safety and compliance** with higher scale and complexity?



Do we have the **right technology systems** to manage higher throughput and broader demand density?



How can we overcome challenges with respect to **labour availability and cost**?



How do we enable the **processes and technology** to manage higher inventory complexity?

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