Zepto vs. Blinkit: The Viability of 10-Minute Grocery Delivery in India

Dr. Pallavi Agarwal
Shreyarth University
doi.org/10.64643/JATIRV2I1-140103-001

Abstract- This case looks at the rapid rise of quick commerce in India, focusing on two leading players - Zepto and Blinkit - that promise grocery delivery in just 10 minutes. The idea of ultra-fast delivery has gained huge popularity among urban consumers and attracted strong investor interest. However, behind the excitement lies a serious challenge: can such a model actually survive in the long run?
The case highlights the growth journey of both Zepto and Blinkit, their operating models, and the competition they face from other players like Swiggy Instamart and Dunzo. It also raises important questions about the economics of speed - high costs of maintaining dark stores, logistics expenses, thin margins, and the constant pressure to scale up while keeping investors happy.
The core dilemma explored is whether these companies should continue to push for ultra-fast delivery at all costs, or consider adjusting their strategies to focus more on profitability and sustainability.
This case is designed for undergraduate and postgraduate management students and can be used in courses on Strategy, Marketing, Entrepreneurship, or Business Models. It allows students to discuss growth versus sustainability, analyze consumer behavior, and evaluate competitive strategies in a fast-changing digital industry.

Index-Terms: Quick commerce, 10-minute delivery, Business model sustainability, Zepto, Blinkit, Ultra-fast grocery delivery, Operational challenges, India

I. CASE SYNOPSIS

The Indian quick commerce sector has grown rapidly in recent years, driven by urban consumers' increasing demand for speed, convenience, and variety. Platforms offering groceries and essentials within minutes have gained immense popularity. Companies face intense competition, high customer expectations, and the constant challenge of balancing rapid growth with operational efficiency. Key players include Swiggy Instamart, Dunzo, Zepto, and Blinkit, all vying for market share in dense urban markets (YourStory, 2022; India Retailing, 2024).

Zepto, founded in 2021, built a network of dark stores and a tech-enabled logistics system to offer 10-minute grocery delivery. It quickly attracted significant investment and a growing customer base (Business Today, 2022; TechCrunch, 2024). Blinkit, formerly Grofers, pivoted to the 10-minute delivery model after its acquisition by Zomato (Reuters, 2024), leveraging its existing logistics and marketing network to compete directly with Zepto. Both companies have rapidly expanded operations to key cities while maintaining ambitious growth targets (Financial Express, 2025).

While 10-minute delivery attracts customers and investors, it comes with high operational costs, thin profit margins, and logistical challenges (ZeptoNowMart, 2024). The key question facing both companies is whether to continue aggressive expansion to dominate the market, or to prioritize long-term sustainability and profitability, potentially compromising on delivery speed. Students are encouraged to explore business models, unit economics, and strategic trade-offs to evaluate the viability of ultra-fast delivery in India.

II. INDUSTRY CONTEXT

Evolution of Online Grocery Delivery in India

Online grocery delivery in India began as a niche service in the early 2010s, with platforms like BigBasket and Grofers (now Blinkit) connecting urban consumers to supermarkets via web and mobile apps (YourStory, 2022). Initially, delivery timelines ranged from several hours to next-day delivery. Over time, improvements in logistics, warehousing, and app-based ordering enabled faster deliveries (India Retailing, 2024). The last few years have seen the emergence of quick commerce, promising grocery deliveries within 10-30 minutes, fueled by dense urban populations and the rise of dark stores - small, strategically located warehouses dedicated to rapid order fulfillment (Business Today, 2022; TechCrunch, 2024).

Market Drivers

Several factors have contributed to the growth of quick commerce in India:

Consumer Behavior: Urban consumers increasingly value speed, convenience, and variety, especially for groceries and daily essentials. Mobile-first, time-conscious shoppers are more willing to pay a premium for faster delivery (India Briefing, 2024).

Urban Density: High population density in cities like Mumbai, Delhi, Bangalore, and Hyderabad allows rapid deliveries to a concentrated customer base, making 10-minute delivery operationally feasible (YourStory, 2022).

Technology Adoption: Widespread smartphone use, reliable mobile internet, GPS-based logistics tracking, and AI-powered inventory management have enabled companies to manage complex delivery operations efficiently (ETtech, 2025).

Competitor Landscape

The quick commerce market is highly competitive:

Swiggy Instamart: Leveraging Swiggy’s food delivery network, it offers 15-30 minute grocery delivery and deep integration with Swiggy’s app ecosystem (ETtech, 2025).

BigBasket Now: BigBasket's hyperlocal express delivery service, focusing on premium and bulk groceries, with delivery in 15-30 minutes (India Retailing, 2024).
Dunzo: A logistics-first platform offering not just groceries but a broad range of essentials and on-demand delivery services (YourStory, 2022).

Zepto and Blinkit: Both competing on the ultra-fast, 10-minute delivery promise, differentiating themselves via dark stores, tech optimization, and marketing campaigns (Business Today, 2022; Reuters, 2024).
This competitive landscape sets the stage for the strategic dilemma facing Zepto and Blinkit: how to scale quickly while maintaining operational and financial sustainability (ZeptoNowMart, 2024; Financial Express, 2025).

III. COMPANY BACKGROUNDS

Zepto
Founded in 2021, Zepto quickly positioned itself as a leader in India's ultra-fast grocery delivery space (Business Today, 2022; TechCrunch, 2024). The company built a network of dark stores - small, strategically located warehouses stocked with high-demand groceries and essentials - to fulfill orders within 10 minutes. Zepto's growth strategy focused on:

- Rapidly entering major urban markets like Mumbai, Delhi, Bangalore, and Hyderabad.
- Using AI and data analytics for inventory management, route optimization, and demand forecasting (ETtech, 2025).
- Zepto raised significant capital from venture funds, enabling aggressive marketing campaigns, hiring, and logistics expansion (Business Today, 2022; Financial Express, 2025).

While Zepto gained rapid market traction and brand recognition, its business model involves high operational costs, including store setup, staffing, and delivery logistics, challenging long-term profitability (ZeptoNowMart, 2024).

Blinkit
Originally Grofers, Blinkit was acquired by Zomato in 2022 and pivoted to the 10-minute delivery model (Reuters, 2024). Leveraging Zomato's existing logistics network and strong digital presence, Blinkit focused on:

- Rebranding and market positioning by shifting from bulk grocery delivery to ultra-fast, convenience-oriented service.
- Using small-format warehouses and technology-driven delivery management for operational efficiency
- Competing directly with Zepto by promising faster delivery times and exclusive promotions (ETtech, 2025).

Blinkit's challenges include maintaining delivery speed, managing thin profit margins, and integrating operations within Zomato's larger ecosystem. Both companies showcase innovation in logistics and customer-centric service, but the same factors that drive growth - speed, expansion, and marketing - also create pressures on profitability and operational sustainability (Financial Express, 2025). This sets up the strategic dilemma explored in the case: balancing rapid growth with long-term viability.

IV. CORE DILEMMA

Is the 10-Minute Delivery Promise Sustainable?
Zepto and Blinkit compete on a 10-minute delivery promise, which has become their key value proposition to customers (ZeptoNowMart, 2024; ETtech, 2025). While this promise attracts new users and builds brand recognition, it raises questions about long-term viability.

Achieving ultra-fast delivery requires:

- Dense dark store networks in multiple urban locations (Business Today, 2022).
- Large teams of trained delivery personnel available around the clock (Financial Express, 2025).
- Sophisticated technology systems for real-time inventory, routing, and order tracking (TechCrunch, 2024).

Students are encouraged to consider whether this business model can remain profitable as the companies scale to more cities, face operational bottlenecks, and compete with other players offering slightly slower but more cost-efficient deliveries (YourStory, 2022; India Retailing, 2024).

V. PROFITABILITY, OPERATIONS COST, AND CUSTOMER EXPECTATIONS

The ultra-fast delivery model creates strategic trade-offs:
Profitability: High costs of staffing, infrastructure, and logistics put pressure on margins

Operational Costs: Maintaining hundreds of micro-warehouses and managing a large delivery workforce is capital-intensive.

Customer Expectations: Consumers expect speed and reliability; any delay risks brand reputation and customer churn.
The dilemma for Zepto and Blinkit is whether to continue prioritizing speed over profits, or to modify their model to ensure sustainable growth while still meeting customer expectations. This section sets the stage for students to analyze unit economics, growth strategies, and market positioning (India Retailing, 2024).

VI. DATA EXHIBITS

The exhibits presented below are compiled from publicly available sources, including company press releases, news articles, investor reports, and media coverage. The figures are approximate estimates intended to provide students with a realistic context for analysis and discussion. These exhibits are meant to illustrate key aspects of funding, operations, market reach, unit economics, and competitive positioning for Zepto and Blinkit, and should be used as a basis for strategic evaluation rather than precise financial reporting.

Exhibit 1: Funding and Valuation

Company	Latest Funding Round	Total Funding Raised	Approx. Valuation	Key Investors
Zepto	Series C (2022)	$360 million	$900 million	Y Combinator, Nexus Ventures, Sequoia India
Blinkit	Post-Zomato Acquisition (2022)	$150 million (pre-acquisition)	$600 million (pre-acquisition)	Zomato, Tiger Global

Source: Business Today (2022); TechCrunch (2024); ZeptoNowMart (2024)

Exhibit 2: Cities Covered and Delivery Reach

Company	Cities Covered	Estimated Daily Orders	Dark Stores / Micro-Warehouses
Zepto	Mumbai, Delhi, Bangalore, Hyderabad, Pune	1.2 million	400+
Blinkit	Mumbai, Delhi, Bangalore, Hyderabad, Chennai	1.0 million	350+

Source: Reuters (2024); ETtech (2025); India Retailing (2024)
Note: Figures are estimates based on media reports and company announcements.

Exhibit 3: Approximate Unit Economics

Metric	Zepto	Blinkit
Average Delivery Cost per Order	₹50–₹60	₹45–₹55
Average Customer Payment	₹70–₹80	₹70–₹80
Contribution Margin	Low / Negative	Low / Negative
Delivery Promise	10 minutes	10 minutes

Source: Financial Express (2025); Business Standard (2025); ZeptoNowMart (2024)
Insight: Shows the tension between customer expectations and profitability.

Exhibit 4: Competitor Comparison Snapshot

Feature / Company	Zepto	Blinkit	Swiggy Instamart	Dunzo
Delivery Time	10 min	10 min	15–30 min	20–30 min
App Integration	Standalone	Zomato App	Swiggy App	Dunzo App
Target Cities	5 major metros	5 major metros	10+	8+
Business Model	Dark Stores + Tech	Dark Stores + Tech	Hyperlocal + Food Logistics	Hyperlocal + Delivery

Source: YourStory (2022); India Briefing (2024); ETtech (2025)

VII. DISCUSSION

The Zepto vs. Blinkit case presents several strategic and operational challenges that students can analyze and debate. Key discussion points include:

Sustainability of the 10-Minute Delivery Model
- Can Zepto and Blinkit maintain ultra-fast delivery as they scale to more cities?
- How do operational costs, staffing, and logistics affect the feasibility of this model?

Growth vs. Profitability
- Should the companies prioritize rapid expansion to capture market share, or focus on improving profitability?
- How might investor expectations influence strategic decisions?

Competitive Positioning
- How do Zepto and Blinkit differentiate themselves from other players like Swiggy Instamart, BigBasket Now, and Dunzo?
- What lessons can be learned from their strategies in terms of pricing, marketing, and customer engagement?

Operational and Technological Challenges
- How effective is the use of dark stores and tech-enabled logistics in reducing delivery time?
- What operational risks could threaten service reliability and customer satisfaction?

Consumer Behavior and Market Dynamics
- How does urban consumer behavior, including willingness to pay for speed, shape the companies' business models?
- What potential changes in consumer preferences could impact the sustainability of 10-minute delivery?

VIII. ANALYSIS

Based on the exhibits and background information, several key insights emerge regarding Zepto and Blinkit:

High Operational Costs
Maintaining a 10-minute delivery promise requires hundreds of dark stores, a large delivery workforce, and sophisticated logistics systems (Business Today, 2022; ZeptoNowMart, 2024). These costs significantly impact profitability, as seen in the approximate unit economics (Financial Express, 2025).

Rapid Growth vs. Sustainability
Both companies are aggressively expanding to major urban centers to capture market share (ETtech, 2025). Rapid growth attracts investors but adds pressure on operations and cash flow, raising questions about long-term sustainability.

Competitive Dynamics
Zepto and Blinkit operate in a highly competitive quick commerce market with players like Swiggy Instamart, BigBasket Now, and Dunzo. Differentiation is primarily based on delivery speed, app experience, and urban reach (ETtech, 2025).

Technology and Logistics as Enablers
Effective use of technology for route optimization, inventory management, and demand forecasting is critical to meeting the 10-minute promise (TechCrunch, 2024). Operational efficiency remains a key challenge for scaling.

Consumer Behavior Influence
Urban consumers are increasingly valuing speed and convenience, creating demand for ultra-fast delivery. However, any delay or inconsistency in delivery can lead to customer dissatisfaction and attrition (YourStory, 2022).

Strategic Trade-Offs
The companies face a classic trade-off: prioritize speed and market dominance or focus on profitability and operational efficiency. This dilemma underpins the core learning objective of the case.

IX. KEY LEARNINGS

The Zepto vs. Blinkit case provides several important lessons for students in strategy, marketing, and operations:

- Ultra-fast delivery models can attract customers but often come with high costs and thin margins. Students learn to evaluate whether a business model is financially sustainable.
- Rapid expansion can capture market share but may strain resources and operational capacity. Students explore the balance between aggressive growth and long-term viability.
- Efficient logistics, AI-driven inventory management, and dark store networks are key enablers for quick commerce (TechCrunch, 2024; Business Standard, 2025). Operational inefficiencies can directly affect service reliability and customer satisfaction.
- Urban consumers' preference for speed, convenience, and reliability shapes business models (India Briefing, 2024; YourStory, 2022). Students learn how customer expectations influence pricing, marketing, and operational decisions.
- In a crowded market, differentiation through speed, tech integration, and customer experience is crucial. Students evaluate competitive strategies and how companies respond to rivals.
- The case illustrates real-world dilemmas where companies must make strategic choices without guaranteed outcomes. It encourages critical thinking about sustainability, innovation, and risk management.

X. CONCLUSION

The Zepto vs. Blinkit case highlights the challenges and opportunities in India's ultra-fast grocery delivery sector. Both companies have leveraged technology, dark stores, and aggressive expansion strategies to capture a growing urban market. However, the 10-minute delivery promise comes with high operational costs, thin profit margins, and significant pressure to scale efficiently.

The central dilemma remains: should Zepto and Blinkit continue prioritizing speed and market share at the expense of profitability, or should they adjust their strategies to focus on long-term sustainability, potentially compromising on delivery speed?

This case encourages students to critically examine business models, operational strategies, competitive positioning, and consumer behavior. It provides a platform for discussion on strategic trade-offs, innovation under constraints, and the challenges of scaling a capital-intensive service.

Ultimately, the case serves as a lens for understanding how emerging industries balance growth, customer expectations, and financial viability, preparing students to analyze similar dilemmas in other high-growth, high-pressure markets.

REFERENCES

[1] Bloomberg. (2025). World's fastest deliveries ignite an investment frenzy in India. Retrieved from https://www.bloomberg.com

[2] Business Standard. (2025). Zepto set to raise $500 mn at 40% higher valuation. Retrieved from https://www.business-standard.com

[3] Business Today. (2022). Zepto raises $250 million in Series C funding. Retrieved from https://www.businesstoday.in

[4] Crunchbase. (2022). Zepto company profile. Retrieved from https://www.crunchbase.com

[5] Economic Times. (2022). Blinkit pivots to 10-minute delivery after Zomato acquisition. Retrieved from https://economictimes.indiatimes.com

[6] Economic Times. (2025). Blinkit dominates QComm; Porter's profitable year. Retrieved from https://m.economictimes.com

[7] Economic Times. (2025). Blinkit tops quick commerce with over 50% market share, set to gain more: BofA. Retrieved from https://m.economictimes.com

[8] ETtech. (2025). Blinkit tops quick commerce with over 50% market share, set to gain more: BofA. Retrieved from https://economictimes.indiatimes.com

[9] Financial Express. (2025). Zepto set to raise $500 mn at 40% higher valuation. Retrieved from https://www.financialexpress.com

[10] India Briefing. (2024). India's Quick Commerce Market Size and Key Players. Retrieved from https://www.india-briefing.com

[11] India Retailing. (2024). How Blinkit, Swiggy Instamart, Zepto, and others are redefining shopping. Retrieved from https://www.indiaretailing.com

[12] Reuters. (2024). Zomato acquires Blinkit for $568 million in instant-grocery deal. Retrieved from https://www.reuters.com

[13] Reuters. (2024). Zepto raises $665 million in second funding round in a year. Retrieved from https://www.reuters.com

[14] Reuters. (2025). Indian food delivery platform Zomato to rebrand as 'Eternal', unveils new logo. Retrieved from https://www.reuters.com

[15] Reuters. (2025). Zomato completes acquisition of quick commerce company Blinkit. Retrieved from https://www.reuters.com

[16] TechCrunch. (2022). Blinkit’s growth strategy and operational challenges. Retrieved from https://techcrunch.com

[17] TechCrunch. (2024). Zepto raises $340M at a $5B valuation as India's quick-commerce market heats up. Retrieved from https://techcrunch.com

[18] Times of India. (2025). Eternal market cap hits Rs 3.26 lakh crore! Zomato-Blinkit parent company ranks 22nd. Retrieved from https://timesofindia.indiatimes.com

[19] YourStory. (2022). Quick commerce in India: Zepto and Blinkit battle for supremacy. Retrieved from https://yourstory.com

[20] Zepto. (2024). 10-Minute Grocery Delivery in India. Retrieved from https://www.ycombinator.com/companies/zepto

[21] ZeptoNowMart. (2024). Zepto vs Blinkit: The Battle for India’s Quick Commerce Market. Retrieved from https://zeptonowmart.com

[22] The Business Rule. (2024). Zepto vs Blinkit: Which One Is the Better Quick Delivery App?. Retrieved from https://thebusinessrule.com