

RETAIL On WHEELS

THE DEFINITIVE GUIDE TO E-COMMERCE & QUICK COMMERCE

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A WORD FROM EDITOR-IN-CHIEF



The decade that began with digitization will end with intelligence. Between those two poles lies the most profound re-engineering of commerce India has ever witnessed — one where code, capital, and consumer behavior have converged to turn buying into an act of data, and fulfillment into an act of design.

This playbook was conceived to decode that transition — from the first click to the last-mile, from marketplaces to micro-fulfillment, from speed to sustainability. What began as an experiment in convenience has matured into a complex, adaptive system that now touches every vertical of India's \$1-trillion consumption economy.

Today, India is no longer importing digital ideas; it is exporting models. The country's public digital rails — UPI, ONDC, DigiLocker, GSTN — have done what few markets have achieved: they have democratized infrastructure. This book explores how those rails are enabling the rise of open, intelligent, and interoperable commerce, where even the smallest seller or kirana can participate on equal terms with the largest platform. The new architecture of retail is neither purely online nor offline — it is omnipresent, responsive, and contextual.

The chapters that follow trace this evolution in three arcs. The first lays the foundations — defining e-commerce and quick commerce not as isolated sectors but as interconnected parts of a single flywheel that powers modern consumption. The second examines how speed and proximity are reshaping fulfillment and logistics into real-time networks of efficiency and trust. And the final section peers into the decade ahead, where AI is not a plug-in but the operating system of commerce itself — orchestrating discovery, transaction, and delivery as one seamless continuum.

If the early years of Indian e-commerce were about growth at any cost, this new phase is about intelligence at every step. Profitability will no longer come from discounting but from precision — in inventory placement, in consumer understanding, in the orchestration of every signal from demand to delivery. This is where technology and trust must co-evolve: algorithms cannot just optimize; they must also explain. Data must empower without excluding. The governance of digital commerce, as several contributors argue here, will be the next great differentiator.

This book brings together insights from industry leaders, analysts, and innovators who are building this future in real time. Their collective message is clear: India's e-commerce revolution is not a race to the bottom of the funnel, but a climb up the ladder of intelligence — from convenience to cognition.

For the reader — whether policymaker, investor, brand founder, or student of this ecosystem — the playbook offers both a snapshot and a map: of where we stand, and of what must come next. It reminds us that the most exciting part of India's commerce story is not how fast it moves, but how thoughtfully it learns.

A handwritten signature in black ink, appearing to read 'Amitabh Taneja'. The signature is stylized and fluid, with a long horizontal line extending to the right.

Amitabh Taneja
Editor-in-Chief, IMAGES Group

PREFACE

The Decade of Intelligent Commerce

India's e-commerce story is no longer about potential—it's about purpose. What began as a digital convenience for a connected few has become the bloodstream of the Indian economy, linking kiranas to cloud kitchens, metros to villages, and algorithms to aspirations. *Retail on Wheels - The Definitive Guide to E-Commerce & Quick Commerce* chronicles this transformation—a decade defined by the fusion of technology, trust, and tenacity.

FROM ADOPTION TO ACCELERATION: India has built a uniquely indigenous digital commerce model—shaped by density, diversity, and demand. With 43 kirana stores per 1,000 households, the country's hyperlocal structure has turned proximity into profitability. Unlike most markets, India built its digital rails before its retail—Aadhaar for identity, UPI for payments, GST and e-Way Bill for logistics, and ONDC for interoperability. These public infrastructures have lowered entry barriers and created the data liquidity that now powers AI-driven discovery, transaction, and fulfillment loops.

THE ECONOMICS OF PROXIMITY: The so-called “two-hour economy” is powered by density, not distance. Compact urban clusters with last-mile radii of 1.5–3 km make delivery not only faster but also smarter. High-frequency categories—dairy, staples, fresh produce—anchor digital habits and drive the growth of quick commerce, transforming purchases into behavioral loops. Shorter routes, localized assortments, and AI-driven forecasting are not marginal gains—they reconcile speed, scale, and sustainability.

FROM DIGITIZATION TO INTELLIGENCE: The next decade will belong to intelligent commerce—where AI anticipates, automates, and augments every step of the retail journey. Discovery is becoming cognitive; fulfillment predictive; risk management autonomous. The winners will not be those with the biggest assortments, but those who can orchestrate signals of geography, time, language, emotion, and weather into meaningful consumer actions.

FROM PLATFORMS TO OPEN ECOSYSTEMS: India's e-commerce evolution mirrors its democratic ethos—participatory, not monopolistic. ONDC exemplifies this shift from platform lock-ins to open, interoperable networks where small sellers gain visibility and innovation thrives beyond walled gardens. AI adoption, too, is guided by inclusion, transparency, and interoperability—principles that make e-commerce in India less of an industry and more of a digital public good.

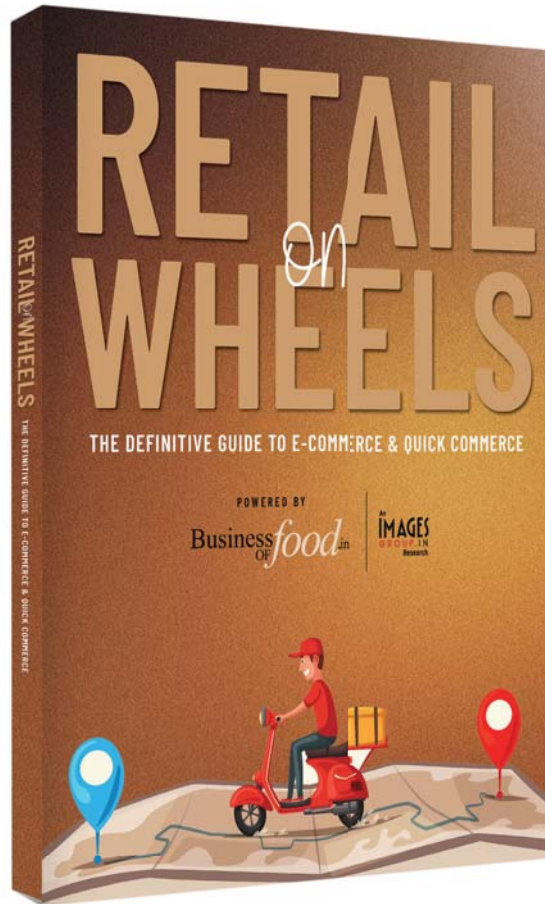
TRUST AS INFRASTRUCTURE: In an age where data is currency, governance is infrastructure. Algorithms must not only predict but protect. India's emerging frameworks—data protection laws, ONDC protocols, interoperability standards—are setting global benchmarks for responsible scale. Fairness to small sellers, explainable AI, and linguistic inclusivity are becoming competitive advantages as much as ethical imperatives.

TOWARD 2030: By 2030, “online” and “offline” will merge into a single spectrum of latency—how fast discovery converts to delivery. India's model—dense cities, open digital rails, and multilingual AI—will shape the next generation of inclusive growth globally. While the U.S. may lead in retail media and China in integration, India will lead in intelligent inclusion, proving that automation and humanity can co-evolve.

This playbook is not a forecast but a field guide—capturing how policy, infrastructure, and innovation converge to turn every transaction into a signal, every signal into insight, and every insight into inclusion. The decade ahead belongs to intelligent commerce, and nowhere will it be more alive—or more human—than in India.



CONTENTS



SECTION ONE

Foundations: Demand, Definitions & the Digital Flywheel08

- 1.1 Defining E-Commerce and Quick Commerce
in the Indian Context10
- 1.2 How India Built a \$60B E-Commerce
Flywheel16
- 1.3 Why Every Brand Needs an E-Commerce
Strategy22
- 1.4 India's E-Commerce Acceleration:
A Market in Motion28
- 1.5 How India Shops & Eats Online: Inside the \$345 Billion
E- & Q-Commerce Revolution32

CONTENTS

SECTION TWO

Speed & Proximity: Building the Instant-Commerce Stack38

- 2.1 How AI, Data, and Dark Stores are Reinventing Fulfillment for the Speed-First Shopper 40
- 2.2 Innovation in Q-Commerce: When Speed Meets Scale — and Reliance Gets its Move On 46
By R S Roy
- 2.3 Quick Commerce Changing the FMCG Retail Landscape in India 50
By Baqar Naqvi
- 2.4 Quick Commerce: The Fast Lane Redefining India's Retail Future 60
- 2.5 How India's E-Commerce Supply Chain is Solving for Speed and Scale 66
By Ravi Goel
- 2.6 Speed, Scale, and the New Shape of Indian E-Commerce 72
By Rubix Industry Insights
- 2.7 India's Digital Food Economy: The E-Commerce and Q-Commerce Surge 78
By Vertex Market Research & Consulting

SECTION THREE

Rules & Profitability: The 2030 Outlook82

- 3.1 E-Commerce 2030: Growth, Profitability & the New Rules of Engagement 84
- 3.2 The Future of E-Commerce: The Decade of Intelligent Commerce 90
- 3.3 Regulation, Safety & Compliance in India's E-Commerce Food Ecosystem 96
By Dr Prabodh Halde

Publisher: **SP Taneja**

Project Advisory: **Amitabh Taneja | RS Roy | Anjali Sondhi | Bhavesh Pitroda | Nikhil Behl**

Editor-in-charge: **Sanjay Kumar**

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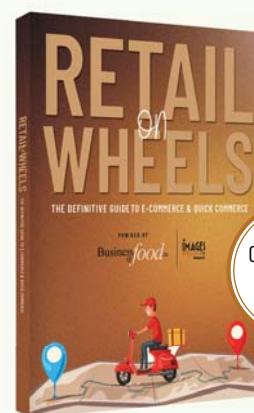
S-61 A, Okhla Industrial Area Phase 2,
New Delhi 110 020.

T: +91 11 40525000, F: +91 11 40525001

E: info@imagesgroup.in, URL: www.imagesgroup.in

Mumbai: E 517, Floral Deck Plaza, Central MIDC Road,
Opp SEEPZ, Andheri East, Mumbai 400 093

T: +91 22 28398000, E: info@imagesgroup.in



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To order your copy, contact:

Priti Kapil

Asst. GM – Consumer Connect & Subscription

Mobile: +91 9868801869

E: pritikapil@imagesgroup.in

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1.1



Defining **E-Commerce** and **Quick Commerce** in the Indian Context

In India, e-commerce refers to the online sale of goods, services or digital products via apps, websites, or social storefronts. As defined under the Consumer Protection (E-Commerce) Rules, 2020, there are two legally recognised models:

- **Marketplace model:** the platform acts only as a facilitator, connecting third-party sellers with consumers, without owning the inventory.
- **Inventory model:** the e-commerce entity owns the stock and sells goods or services directly to consumers; this includes single-brand and multi-channel retailers who own their inventory.

The Rules apply broadly: all goods/services bought or sold via electronic or digital networks; both marketplace and inventory models; and even businesses located outside India that systematically offer goods/services to Indian consumers.



Key Obligations under the Consumer Protection Rules

For any e-commerce entity operating under either model, the Rules mandate:

- Appointment of a senior designated functionary / nodal contact person (often a grievance officer), who is an Indian resident.



- Display of legal identity: full legal name, addresses (headquarters, branches), contact of customer care and grievance officer prominently.
- Grievance redressal mechanism: complaints must be acknowledged within 48 hours; resolution expected within 30 days.
- Fair transaction practices: No hidden charges or penalties unilaterally imposed on buyers once an order is confirmed; Explicit consent required (e.g. no pre-ticked boxes).
- Refunds and returns must be processed according to the rules; misrepresentation and misleading advertising are prohibited.
- Transparency around pricing—including breakup of pricing, details of seller vs platform, guarantees, country of origin, expiry/best-before dates where applicable.
- Non-compliance can lead to liabilities, penalties under the Consumer Protection Act, 2019, and reputational/legal risks.

What This Means in Terms of Ownership, FDI & Regulation

- Once an e-commerce player establishes whether it is operating as a marketplace entity or an inventory entity, the next dimension is how foreign investment and ownership structure come into play. Key policy points:
- India's FDI policy permits 100% foreign direct investment under the automatic route for marketplace-based e-commerce models.
- FDI is prohibited in inventory-based e-commerce models—platforms owning and stocking goods directly for sale.

Interesting Fact



Over 60 percent of India's online shoppers now say they are willing to pay more for same-day delivery. The same-day delivery segment alone is projected to grow 20–25 percent annually, surpassing US \$15 billion by 2028, while faster-commerce formats—from 10-minute delivery to instant pickup—are scaling at over 45 percent a year, more than double China's rate.



DID YOU KNOW?

1.2

How India Built a **\$60B** E-Commerce Flywheel





India's e-commerce story isn't a straight line—it's a relay race where each public "rail" (identity, data, payments, tax/logistics) handed momentum to the next wave of retail formats. This chapter traces that relay from Aadhaar and affordable 4G to UPI, GST/e-Way Bill, and ONDC—then shows how these rails, plus Covid-era habit formation, set the stage for mass adoption, quick commerce, and a shopper base that's now second only to China by scale. The aim is simple: connect the policy and infrastructure dots to what consumers actually did, what sellers changed, and why the next 100 million shoppers will look different from the first 100 million.

Evolution Timeline (2010–2025)

2010–2013

Foundations & Trust

- **Digital identity shows up:** The first Aadhaar number was issued on September 29, 2010, giving India a scalable digital identity that later underpinned e-KYC and smoother onboarding across payments and commerce.

- **Trust via COD & early logistics:** In India's "trust-building" years, Cash-on-Delivery (COD) removed checkout anxiety and catalyzed trial—close to ~50% of online retail by 2014 relied on COD—while private carriers plus marketplace models made doorstep fulfillment feel normal in metros.

2016

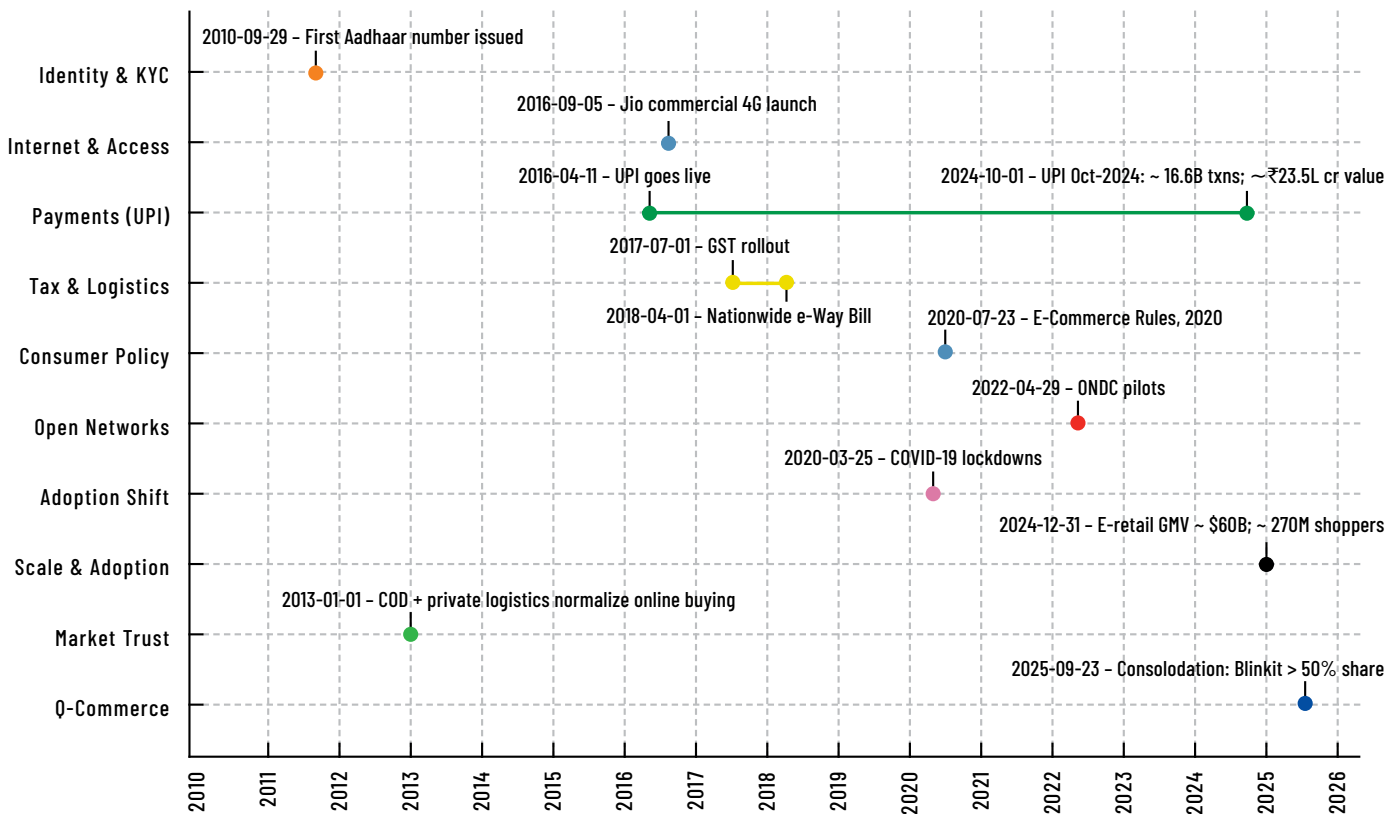
Railways of Growth—UPI + Cheap 4G

- **UPI goes live (April 11, 2016):** A real-time, interoperable rail for P2P (person-to-person / peer-to-peer) and P2M (person-to-merchant / consumer-to-business) that simplified checkout, refunds, and collections—first as a soft launch, then opened to the public later that year.
- **Jio's commercial 4G launch (effective Sept 5, 2016):** Data prices collapsed and mobile internet usage exploded, expanding the top of the funnel for discovery and shopping.



- **Demonetization (Nov 8, 2016):** A short, sharp shock that nudged users and merchants toward digital payments, accelerating UPI and wallet adoption in the months that followed.

India E-Retail Evolution - Multi-Lane Timeline (2010-2025)



2017-2018 A Single National Market

- **GST rollout (July 1, 2017):** Harmonized indirect taxes and reduced inter-state friction—key for nationwide inventory movement and scale.

- **e-Way Bill (from April 1, 2018 for inter-state):** Digitized, standardized compliance for goods in transit, improving visibility and reducing road-checkpoint friction.

2020 Habit Formation at Scale

- **National lockdowns (from March 25, 2020):** With movement restricted, digital discovery and delivery became default for many households—e-retail and digital payments saw a step-change in adoption. Consumer Protection (E-commerce) Rules, 2020 (July 23) clarified marketplace vs. inventory models and platform duties.

2022 Open Networks

- **ONDC pilots (April 2022):** India's next public digital infrastructure after Aadhaar/UPI—an attempt to “unbundle” digital commerce and widen participation via open protocols.

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