

Redesigning Retail Identities amid Creative Destruction: Quick Commerce Disruption and Traditional Resilience in India

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Abstract

The retail landscape in India is undergoing a significant transformation due to the rapid rise of Quick Commerce (Q-commerce). Platforms like Blinkit and Swiggy Instamart utilize algorithmic logistics to offer 10–30-minute deliveries, catering to the modern consumer's desire for instant gratification. This research paper examines the impact of this innovation on traditional brick-and-mortar retailers, specifically Kirana stores, through the lens of Joseph Schumpeter's economic theory of "Creative Destruction".

While Schumpeterian theory suggests that innovation inevitably leads to the obsolescence of traditional methods, this study presents a divergent perspective. The analysis confirms that Q-commerce has generated significant economic growth and created 'incremental demand' of 6-8%. However, the research argues that this disruption does not signify the end of traditional retail. The findings highlight that Kirana stores possess unique competitive advantages such as established social trust, personalized service, and credit facilities (Khata) which Q-commerce platforms struggle to replicate.

Furthermore, traditional retailers are adapting by using digital tools to offer the same level of convenience as modern apps. As a result, the paper concludes that the market is evolving towards a 'competitive coexistence' rather than total displacement. In this shared environment, Quick Commerce provides speed and efficiency for urgent needs, while traditional stores remain vital due to their community trust and flexible credit options. This demonstrates that innovation ultimately expands the overall market size instead of destroying established businesses. The findings also suggest that policymakers must establish comprehensive legal frameworks to ensure fair competition, enabling both retail models to coexist beneficially in India's consumer market.

Keywords: Q-commerce, Creative Destruction, Brick and Mortar stores, Competitive Coexistence

Introduction

Quick commerce (Q-commerce) is rapidly changing India's retail market by focusing on speed. This model is driven by the modern consumer's desire for 'instant gratification,' i.e they want their orders immediately. To achieve this, Q-commerce relies on advanced technology and 'algorithmic logistics systems' rather than traditional store layouts. These also helps them to shape what consumers want to buy through their digital apps and interfaces.

Despite the rise of digital apps, traditional brick-and-mortar stores (Kirana stores) remain very strong. Their identity is built on 'trust and social inherence', which sets them apart from these q-comm apps. Unlike the automated nature of Q-commerce, these stores thrive on 'relationship-based demand,' relying on personal connections with their customers. This social value keeps them intact, especially for older generations and people who prefer not to shop online.

Currently, the market is not seeing one model replace the other. Instead, we are seeing the time where both Q-commerce and traditional stores exist side-by-side. This situation is an example of 'creative destruction,' where new innovation disrupts the market but does not completely

wipe out the old ways. Therefore, the current landscape is a mix that combines the efficiency of digital platforms with the community value of traditional stores.

Literature Review

According to a recent report by Kearney (2025), the rapid expansion of quick commerce in India is projected to coexist with, rather than displace, traditional general trade (kirana stores). The research indicates that while quick commerce absorbs some demand from existing channels, it significantly contributes to market expansion by generating 6 to 8 percent in 'incremental demand' consumption that would not have occurred otherwise. Furthermore, the report suggests that these retail models serve different consumer needs; while quick commerce capitalizes on the premium convenience of speed, traditional and modern trade formats often retain a competitive advantage regarding pricing and depth of assortment in specific categories like fresh produce. Consequently, the study forecasts a diversified retail ecosystem where quick commerce and traditional stores operate in parallel to serve distinct market segments.

Research by Patil (2025) suggests that the emergence of quick commerce platforms is unlikely to replace traditional kirana stores entirely; instead, it is fostering a dual retail ecosystem where both models coexist. The study highlights that while online platforms compete on speed, local stores retain a distinct competitive advantage through personalized customer service, the provision of credit facilities (*khata*), and the assurance of physical product inspection. Furthermore, traditional retailers are demonstrating resilience by hybridizing their operations; the majority of surveyed shopkeepers have adopted digital payment systems and home delivery services to match the convenience of their digital counterparts. Consequently, the literature indicates that rather than facing obsolescence, kirana stores are evolving into modernized entities that leverage their traditional strengths alongside digital tools to serve consumer needs that quick commerce cannot fulfill.

Research by Singh and Tomar (2024) in Thane City suggests that quick commerce and traditional retail can coexist by serving different consumer needs and forming strategic partnerships. While the study found that quick commerce is preferred for its superior speed and convenience rated 'much faster' by 28% of respondents, it also highlighted significant gaps in customer service and pricing satisfaction where traditional models often remain competitive. Furthermore, it is proposed that rather than displacing local merchants, quick commerce platforms should actively collaborate with local businesses to diversify their product inventories and foster community engagement. This perspective supports a hybrid retail future where digital platforms integrate with local stores to combine the efficiency of technology with the established trust of traditional retailers.

Research Objectives

- To analyze the impact of Quick Commerce (Q-commerce) innovation on traditional Brick-and-Mortar (Kirana) stores.
- To evaluate the applicability of Schumpeter's theory of "Creative Destruction" to the current Indian retail market.
- To identify the factors contributing to the rapid growth of the Quick Commerce industry.
- To assess the competitive advantages and limitations of both Q-commerce platforms and traditional Kirana stores.
- To explore the 'Competitive Coexistence' between digital and traditional retail formats.
- To measure the economic contribution of Quick Commerce in terms of incremental demand.

Research Methodology

This study employs a qualitative research method based on secondary data analysis to evaluate the impact of Quick Commerce on traditional retail in India. The research primarily utilizes Joseph Schumpeter's economic theory of "Creative Destruction" as a theoretical framework to interpret the scenario and by analysing these existing studies, the paper examines whether the rise of quick commerce represents a complete displacement of traditional stores or a shift toward a coexisting retail ecosystem.

Problem Statement

Schumpeter suggested that the economy grows through 'creative destruction,' where it is noticed that new innovations disrupts old methods. This research attempts to look at the rise of Quick Commerce identifying how this new model drives economic growth and examines how it affects traditional brick-and-mortar stores

Discussion

Economic Growth through Innovation of Quick Commerce

In 2021, Swiggy instamart launched an innovative method of procurement and order fulfilment of online shopping in FMCG market. This was the first time when Quick Commerce term became popular and after that, players like Blinkit and Zepto entered market. This turned out to be a revolution for shopping experience for Indian market.

Followings are the current data for Quick commerce market:

Metric (Q4 FY25)	Blinkit (Zomato)	Swiggy Instamart	Zepto
YoY GOV Growth	134%	101%	~129% (Estimated)*
QoQ GOV Growth	~25%	19.5%	~20%
Gross Order Value (GOV)	₹9,421 Cr	₹4,670 Cr	~₹3,000 Cr/month
Market Share (Sep '25)	>50%	~27%	~21%

(Source: IPO filings and Media Reports of the companies)

From the above table it is observed that within the span of 4 years, the Quick Commerce industry has achieved significant growth and have great future scope for the expansion of the market. There are various reasons behind this rapid growth of industry. The hyper local delivery model, the fast delivery and ease of shopping are some of those reasons.

Furthermore, Gen-Z and Gen Alpha prefers convenience and instant gratification by Quick commerce over traditional kirana stores. The market can deliver items in 10 to 30 minutes which is the main selling point of the market also it avails the niche items which is hard to find with local kiranas and mostly demanded by new generations.

Hence, Quick deliveries, availability of niche goods and ability for instant gratification make the segment popular among the youth and spreading in all the age groups, the Quick commerce market has increased the demand by 6 to 8% in 2025.

Quick Commerce market has made the substantial changes in consumption and changes the consumption pattern which increased the overall demand and pushed the economic growth. This aligns with the Schumpeterian theory and proves that innovation leads to economic growth.

Present scenario between Quick Commerce and Kirana Stores

Available choices and quick delivery has made the Quick Commerce market one of the fastest growing markets, the rapid movement and fulfilments of orders have even changed the infrastructure of FMCG market. Kirana stores are the most impacted segment due to the emergence of quick commerce.

Kirana stores follows the traditional methods which are slow in order fulfilment process. Even the availability of all the products and brands are also a major concern with small shops. Due to this, the popularity of such stores is declining. Also the main shift to online shopping is made because of the offers and discount coupons availed to the consumers which the kiranas can't afford currently.

If we look at the recent scenario, kirana stores are adversely impacted with emergence of quick commerce and it is hard for them to compete with the giant industry with new services and techniques.

This proves the second stage of Schumpeterian theory where the traditional methods in the market are at the urge of destruction because of the innovation in the market.

The Coexistence of Both Models

As per Creative Destruction theory, Innovations are driver of economic growth. Any innovation put into the market brings significant impact on the economy and these innovations create disruption in the market which impacts the old or traditional methods existing or prevailing in the market. Creative destruction theory with recent innovation of Quick Commerce have changed the pattern of consumption and have also caused incremental demand in the economy as per the theory whereas the old method i.e. Brick and Mortar stores or Kirana stores are adversely affected or thrown out of the market due to new emergence.

But the reality is quite different, there will prevail competitive coexistence of both the markets and it will create a competitive duopoly sort of situation where they have their own market share and it will boost each other's game.

Logically the current scenario of Quick commerce leads us to believe that it will wipe out the traditional kirana stores but certain facts suggest that quick commerce is not having utmost potential to run the market alone.

Factors like higher surge fees in high demand or high traffic situations, less connectivity in rural areas and low trustworthiness have been the main reason behind the lower market control of the Quick commerce market. On the other hand, kirana stores have the advantage of personalized relation with consumers, they have the policy to provide monthly or by monthly credit which makes it easier for both the parties involved. Moreover that, the kirana stores have earned the trust and credibility of the customers which will be difficult for quick commerce to earn.

Limitations of Quick commerce are difficult to overcome whereas traditional market is already enriched by its benefits and mainly creditworthiness which is almost impossible for Quick commerce to take over. So, the ultimate result will turn out to be a competitive coexistence of both i.e. Traditional kiranas or Brick and Mortar stores and the new generation innovation of Quick Commerce.

For example, To compete with quick commerce, local kiranas can also start the services like WhatsApp ordering and can expand their product and Brand collection by providing niche items as well.

This creates a new finding that while the initial disruption resembles Schumpeter's 'destruction,' the long-term trend indicates 'adaptation' rather than total elimination.

Conclusion

From the above discussion, it can be concluded that the current scenario of kiranas vs. q commerce have higher resemblance with Schumpeterian theory of creative destruction. As theory suggests that the old and traditional methods goes out of the market by the emergence of innovation, this paper suggests new approach that the innovation having their own limitations, bring the opportunity of growth for the traditional market or methods and brings a competitive coexistence for both the traditional and modern market i.e. kiranas and Quick Commerce. Both the market satisfies the needs of their consumers with their own strong USPs and one doesn't completely wipes out the other and rather shares the market with each other.

Suggestions

To ensure survival in this competitive landscape, traditional Kirana stores must adopt a hybrid approach that combines their traditional strengths with modern technology. On the other hand, Quick Commerce platforms should focus on bridging the gaps in trust and customer service to sustain their growth. Although they excel at speed, research indicates they often lag behind local stores in service quality and pricing satisfaction. Instead of viewing local merchants solely as competitors, these platforms should consider strategic collaborations. By partnering with local businesses for inventory or community engagement, Q-commerce companies can diversify their offerings and gain the credibility that traditional retailers already possess.

Finally, the retail ecosystem should move toward a model of 'competitive coexistence' rather than displacement. Since Quick Commerce generates 'incremental demand' creating new consumption rather than just stealing existing customers there is room for both models to grow. The market should be viewed as a diversified space where digital apps serve the need for speed and premium convenience, while traditional stores fulfil the demand for value, fresh produce, and social connection. Recognizing these distinct roles will help stakeholders focus on their specific strengths rather than engaging in a destructive war.

For policymakers, it is essential to recognize that the rise of Quick Commerce does not signal the end of traditional retail but rather the emergence of a dual ecosystem. Evidence suggests that these platforms contribute to economic growth by generating incremental demand rather than simply displacing existing sales. Therefore, policy frameworks should focus on supporting the modernization of Kirana stores, encouraging the adoption of digitization to enhance their competitiveness. By fostering an environment where innovation and traditional community values coexist, the economy can benefit from both the efficiency of digital platforms and the social stability provided by local merchants.

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