



A Comparative Study on the Indian Hyperlocal Grocery Delivery Industry: Blinkit V/S Big Basket

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ABSTRACT

This research paper is a comparative study of Blinkit and Big basket for the period 2022-2024. A number of reasons contribute for the study there is a speedy increase in valuation, such as the growing acceptance of quick commerce, robust expansion, and the company's tactical alliances with large retailers. To make comparative analysis of financial performances of Blinkit and Big basket over the period of time. To make comparative analysis of profitability of Blinkit and Big basket over the period of time. The results demonstrate that both businesses are trending positively. The profits of both companies are rising. The financial performance is positive and are growing successfully.

Key words: Hyper local, e-commerce, Blinkit, Big basket, profitability.

Introduction

Online shopping had already gained significant importance in Indian cities and towns before pandemic. The e-commerce sector has grown as a result of the accessibility of mobile internet, rise in e-commerce adoption, and multichannel distribution. E-commerce saw an unprecedented surge in 2020 after the lockdown, with doorstep delivery of necessities becoming a basic requirement. Soon after the lockdown was removed, several local store owners, grocers, and pharmacies joined the trend and began offering instant, free home delivery of items. This trend continued unabated. In certain respects, the pandemic helped spur the development of hyper local delivery, today a standard feature of daily logistics Shewan, D. (2023, November 20).

Delivering items straight from a vendor to a customer is known as hyper local delivery. It entails a courier agent selecting items from a vendor and delivering them straight to the customer's address. Delivery times are typically a few hours, and it is done within a limited geographic area. Hyper local delivery benefits both the buyer and the supplier by being efficient and convenient at the same time.

Hyper local delivery services are becoming popular since they deliver goods to clients in a much less amount of time. The popularity of hyper local marketplaces and the accompanying smartphone apps is rapidly growing. Startups offering hyper local delivery are proliferating in Indian markets.

Blinkit is an online store established in 27th December 2013 that delivers goods to your home in a variety of categories, including groceries, wellness, cosmetics, and baby and pet care. Blinkit was established with the intention of giving customers a simple and effective purchasing experience. It has been well-known for its intuitive user interface and rapid delivery services.

Blinkit is a well-known online retailer for high-quality products because of its extensive product selection and affordable prices. They guarantee ten minutes for merchandise delivery. At the moment, Blinkit is operational in twenty six Indian cities. Every day, Blinkit offers more than three thousand things at less money than supermarkets. Blinkit's primary business strategy is to allow vendors to list their goods on its marketplace and collect certain fees from the vendors. These costs consist of commission and transaction fees.

Big basket established in December 2011, the company's main products include food supplies, home necessities, and groceries that are often found at convenience stores. With its main office in Bengaluru, Big Basket is presently regarded as the biggest online grocery store in India, processing more than 150,000 orders daily.

Review of Literature

(Sanghi et al., 2024), this case examines the development of India's hyper local grocery delivery market and compares Dunzo with Blinkit. The case explains the requirements at the macro and industrial levels, the dynamics of growth and competition, and how alternative business models have evolved as a result. The development, spread, and expansion of the hyper local delivery business model is an interesting tale in the context of an emerging economy that is typically marked by institutional gaps, technological and infrastructural difficulties, and a dearth of entrepreneurial resources. In order to assess

the value proposition and offering that these companies have for customers, we want to educate readers about the dynamics of the industry and provide them with the tools to use strategy, technological innovation, and the foundations of platform businesses frameworks.

(Mahalakshmi et al., 2024), Big basket, India's top online grocery and food delivery service, was founded in 2011 and has revolutionized the way people buy for daily necessities. It has made doorstep delivery easier by offering a large selection of goods, such as fresh fruit and basic household items. Big basket meticulous supply chain management, which puts sustainability and quality first, is the key to its success. With its state of the art e-commerce platform, it has expeditiously emerged as a household name, serving millions of customers in numerous places across India and simplifying and enhancing the grocery shopping experience. In the era of big data, artificial intelligence, and machine learning, business dynamics are drastically shifting, and supply chains and logistics are no exception.

(Ariker, 2021), the outbreak caused an unanticipated increase in consumer demand for supermarket supplies to be delivered quickly. Consequently, this led to a significant rise in the workload for delivery staff employed by rapid commerce companies. The working conditions of couriers during the epidemic were widely reported. The author's goal in this study is to examine how information about working conditions influences the assessment of brand reputation and retail patronage intention, following the theoretical framework of the Stimulus-Organism-reaction model. Due to their substantial growth potential, e-commerce grocery retailers are the only ones included in the study's framework.

(Eriksson & Stenius, 2020), Covid-19 has had a significant impact on consumers, businesses, industries, and countries worldwide as both a health and economic issue. This study used a qualitative inductive analysis of news items about the matter published in Finland to find tendencies in customers' shifting grocery shopping behavioral patterns during the early stages of the Covid-19 crisis. Six consumer responses with a common theme were found. Significantly, the study clearly showed that people were beginning to purchase for groceries online, which could lead to more significant and long-lasting changes in the grocery retail industry. Moreover, the research indicates that the growing curiosity of customers towards novel services is likely to persist, hence stimulating additional advancements.

(Guru et al., 2023), stated Covid-19 SARS-II pandemic's subsequent waves and the global lockdown that followed caused economic activity to come to a complete stop. Production of goods and services decreased, offices and factories closed, and supply chains were badly affected. Numerous businesses were confronted with the sobering fact that aggregate demand was contracting, initially as a result of supply shock and then as a result of wage and employment losses. Commodity handling and shipping became very complicated in the midst of all of this. A growing number of fast-moving consumer goods (FMCG) companies had to choose between several strategies and an acceptable distribution channel as the pandemic changed customer preferences toward digital platforms. This was necessary to ensure the seamless delivery of products and raw materials. The goal of the current study is to examine this change and its effects within India.

(Altay et al., 2021), owing to the COVID-19 epidemic, supermarket buyers are increasingly choosing on-demand food delivery services—which integrate mobile technology with municipal logistics—instead of self-service grocery shopping at the store. The analytical hierarchy process (AHP) method and fuzzy logic are combined in this paper's intelligent comparative approach to determine the importance weights of the criteria for the marketing mix elements (7Ps) of the on-demand grocery delivery service for the time frame prior to and during COVID-19.

(Sanghi et al., 2024) examines the case and compares Dunzo and Blinkit in the development of India's hyper local grocery delivery market. The requirements at the macro and industrial levels, the dynamics of growth and competition, and the way alternative business models have developed as a result, are all explained in the case. The turn of events, spread, and extension of the Hyper local Conveyance plan of action is an intriguing story with regards to the setting of an arising economy that is ordinarily set apart by institutional holes, innovative and infrastructural hardships, and a lack of pioneering assets. We want to provide readers with the tools to use strategy, technological innovation, and the foundations of platform businesses frameworks in order to evaluate the value proposition and offering that these businesses have for customers.

Objectives

- a) To make comparative analysis of financial performances of Blinkit and Big basket over the period of time.
- b) To make comparative analysis of profitability of Blinkit and Big basket over the period of time.

Research Methodology

The data is collected from the annual reports of the company. Three years data is considered for the research from 2022 to 2024 to study the profitability and financial performances of Blinkit and Big basket.

YEAR	BLINKIT PROFIT (CRORES)	BIGBASKET PROFIT (CRORES)
2022	236	7098
2023	725	9695
2024	2301	12000

Table 1: Profitability Position



Figure 1: Blinkit Profit

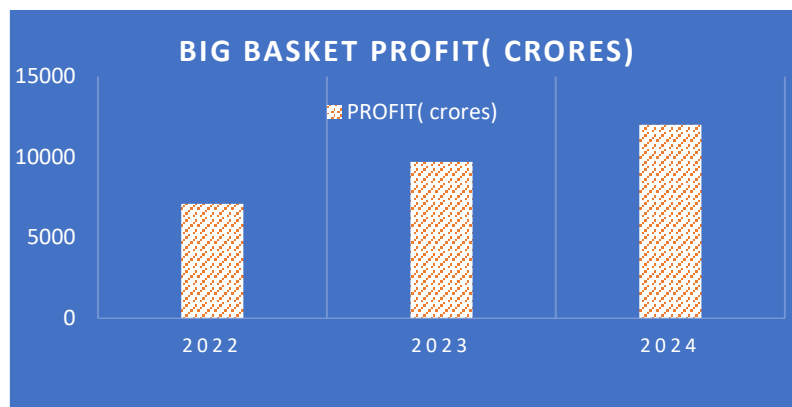


Figure 2: Big Basket Profit

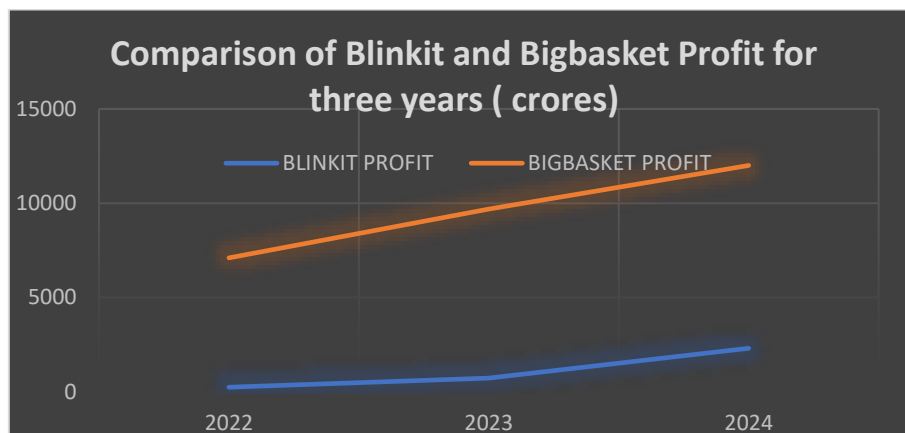


Figure 3: Comparison of Blinkit and Big basket

The study reveals that both the companies are showing positive trend. After pandemic all hyper local model is based on convenience. Let's say you own a small grocery store. Today's consumers are busy and want speedy service. You may reach them by offering hyper local delivery, which allows you to deliver products in a matter of minutes. Profit for both the companies are progressive in nature. To analyze the financial performance various financial ratios were studied for three years. The financials showed a positive and scaling trend. Both companies are growing at their own pace and have their growth plans for the upcoming years.

Findings

1. The findings reveal that both the companies show positive trend. The companies' respective profits are increasing.
2. The financial performance is positive and are growing successfully.

Conclusion

Blinkit and Big basket had suffered a loss prior to the pandemic, gained sales and popularity during the pandemic. A number of reasons contribute for the study there is a speedy increase in valuation, such as the growing acceptance of quick commerce, robust expansion, and the company's tactical alliances with large retailers. However, in order to be successful in this lucrative opportunity, you must offer better services than those of established market rivals. Customer convenience makes the hyper local model competitive. As a result, hyper local retail has become an essential part of our new normal.

Blinkit provides a wide variety of products and targets the urban and semi-urban markets, whereas Big Basket has built a solid footprint in numerous cities and focuses on pleasing customers with high-quality items and prompt services. Each firm possesses distinct advantages and showing the possibility for additional expansion and creativity in the Indian local grocery delivery industry.

Limitations of the study

This study only focused on two hyper local grocery delivery industries Blinkit and Big basket. The scope for future research is researchers can do situational analysis and factor analysis.

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