

"A man is
great by
deeds, not by
birth"

-Chanakya

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Case Study

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Blinkit – Grofers' Instant Commerce With 10-minute Delivery

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Blinkit – Grofers' Instant Commerce With 10-minute Delivery

Abstract:

Grofers, the online supermarket, rebranded as Blinkit a week ago on December 13th, with the goal of becoming the first e-commerce company to deliver groceries and other essentials within 10 minutes of a customer's order — in the blink of an eye, as the company put it! However, due to a lack of partner retailers and other infrastructure in several cities, Blinkit was unable to deliver essentials in ten minutes. Blinkit wanted customers to be able to shop for all of their essentials on the go and have them delivered to their door in the quickest and most secure manner possible. When the company launched its 10-minute delivery service, it had 30 locations, but was now considering offering the service in only 12 cities. This meant that the remaining 18 cities would receive standard same-day delivery rather than the 10-minute service. Dhindsa, Blinkit's founder and CEO, faced a difficult decision: whether to discontinue the company's 10-minute grocery delivery service in areas where faster deliveries could not be guaranteed.

The decision to discontinue 10-minute delivery service in 18 locations would have a significant impact on Grofers' business size in the short term. Dhindsa estimated that the disruption would affect approximately 75,000 of Grofers' 200,000 daily clients. On the other hand, Swiggy, the food delivery service, as well as the quick delivery companies Dunzo and Zepto, had all invested heavily in fast commerce. BigBasket, which is owned by Tata Digital and is Grofers' primary competitor, also planned to enter this market with a 10-20 minute delivery option. Meanwhile, Reliance Industries was courting Dunzo for a possible investment in its JioMart grocery and ecommerce business. The losses accumulated year after year. Dhindsa reasoned that instant commerce was a more viable and robust business model for Grofers to grow and capitalise on this opportunity. If he were to suspend the Blinkit 10-minute delivery service in these 18 cities within a week of its launch, it would garner national attention and provide a strong foothold for competitors. On the other hand, if Blinkit's order fulfilment times continued to exceed 10 minutes, the rebranding to 'Blinkit' would be meaningless.

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