

India Online Grocery Market Growth Analysis - Forecast Trends and Outlook (2025-2034)

Market Report | 2025-08-13 | 106 pages | EMR Inc.

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Report description:

The India online grocery market attained a value of USD 12.00 Billion in 2024 . The market is expected to grow at a CAGR of 24.36% during the forecast period of 2025-2034. By 2034, the market is expected to reach USD 106.17 Billion .

The rapid growth of quick commerce is significantly transforming the India online grocery market for meeting the increasing consumer demand for speed and convenience. Several platforms are delivering essentials within 10-30 minutes, especially in urban areas. In March 2025, Swiggy Instamart hit a milestone by launching quickcommerce services in 100 cities, including Raipur, Siliguri, and Jodhpur. This model caters to last-minute shopping needs, encouraging higher order frequency and impulse purchases.

With India's young and tech-savvy population and busy urban lifestyles, online grocery shopping fits seamlessly into daily routines. These consumers are highly comfortable with mobile apps, digital payments, and on-demand services. As per Home Credit India Study in 2025, 59% of millennials and 58% of Gen Z were online consumers in India. The speed and mobile-first experience align perfectly with this demographic's habits, fuelling the ongoing market growth. The convenience of fast delivery, combined with app-exclusive deals, is driving the user retention and expanding the customer base.

The growing demand for organic, and functional foods is significantly driving the India online grocery market share, especially among health-conscious urban consumers. Rising awareness about nutrition and fitness has led to the surge in the consumption of organic fruits, gluten-free products, immunity boosters, and superfoods. Online grocery platforms have responded by expanding their wellness-focused product ranges and creating dedicated health food sections. In June 2025, Swiggy's Instamart signed an MoU with Bharat Organics to introduce 21 certified organic staples, such as pulses, spices, cereals, oils, jaggery, and herbal teas on its quickcommerce platform in metros and Tier1 cities. This trend is particularly strong among millennials and upper-income households, fuelling premium segment growth.

Key Trends and Recent Developments

February 2025

Swiggy revealed plans to invest up to ₹10 billion in its supply-chain arm Scootsy to bolster its quickcommerce platform, Instamart. This injection follows a ₹16 billion infusion for enhancing warehouse management, fulfilment, and processing to support rapid 10-minute deliveries of groceries and electronics.

January 2025

Amazon Fresh extended its fullbasket grocery service to over 170 cities and towns in India, including tier2 and tier3 locations for delivering fresh produce, dairy, frozen foods, personal care, baby care, and pet supplies. These products are sourced from 11,000+ farmers with two-hour doorstep delivery and competitive pricing.

December 2024

Ola Consumer rolled out a 10-minute grocery delivery service in select Bengaluru areas via ONDC. Leveraging darkstore fulfilment and a hyperlocal inventory of essentials, such as fresh produce, dairy, eggs, beverages, personal and home care items, this offering ensures ultrafast delivery at no added fee, signalling a significant push into India's quickcommerce market.

May 2024

City Mart Supermarket launched free 10-minute grocery delivery across India, leveraging its extensive franchise network. This rapid delivery service enhances customer convenience, offering fresh groceries and essentials swiftly, positioning City Mart as a competitive player in India's fast-growing online grocery market.

Smartphone Penetration & Affordable Data

The surge in affordable smartphones and the access to cheaper data services for supporting app-led grocery growth, adding to the India online grocery market expansion. As per DataReportal, about 1.10 billion cellular mobile connections were active in India in 2023. This digital accessibility allows millions to browse, compare, and order groceries from their phones. As a result, app-led grocery shopping has become the norm for younger, mobile-first consumers and budget-conscious families, significantly broadening the market beyond major urban centres.

Expanding Hyperlocal Models & Dark Stores

To deliver speed and freshness, grocers in India are deploying dark stores and small warehouses that are strategically located close to customers. Unlike traditional retail outlets, dark stores are designed solely for processing online grocery orders, allowing faster picking, packing, and dispatch. Many platforms use these facilities to quickly ensure deliveries. For example, Swiggy added 316 new dark stores in Q4 of FY25 alone, surpassing the total additions made in the previous eight quarters. This model is crucial for meeting rising consumer expectations for quick commerce, especially in crowded urban markets where speed and efficiency are key.

AI-Powered Personalization & Predictive Analytics

Retailers are largely deploying AI and machine learning to offer personalized recommendations, optimize inventory, and forecast demand in the India online grocery industry. These technologies enable platforms to analyse vast amounts of customer data and

deliver personalized product recommendations, boosting engagement and conversion rates. In June 2023, Zomato and Blinkit revealed plans to adopt AI tools to enhance delivery efficiency and customer personalization. This tech-driven approach is critical for scalability and competitiveness in the rapidly growing grocery market.

Sustainability & Reduced Food Miles

Online grocers are largely supporting local produce and eco-friendly packaging, further impacting the online grocery market outlook. By sourcing fruits, vegetables, and staples directly from regional farmers and small-scale producers, platforms are promoting sustainable agriculture and ensuring fresher, seasonal products for customers. Additionally, many online grocers are switching to biodegradable bags and minimal plastic packaging to address growing environmental concerns. For instance, in February 2025, Tetra Pak introduced packaging by incorporating 5% certified recycled polymers for Q-Commerce applications.

Tech?Driven Supply?Chain Efficiency

Online grocery firms in India are largely investing in demand forecasting, cold storage, and localized fulfilment to reduce last-mile inefficiencies and ensure produce freshness. Demand forecasting is helping retailers optimize inventory levels and reduce waste, while cold storage facilities preserve product quality during transit and storage. During the third quarter of FY25, Blinkit allocated ₹370 crore towards expanding its warehousing network, including investments in cold storage units, IT hardware, and shelving systems. These moves collectively improve efficiency, reduce spoilage, and boost consumer trust in online grocery platforms.

India Online Grocery Industry Segmentation

The EMR's report titled "India Online Grocery Market Report and Forecast 2025-2034" offers a detailed analysis of the market based on the following segments:

Market Breakup by Category

- Grocery and Staples
- Fruits and Vegetables
- Others

Key Insight: The grocery and staples segment dominates the India online grocery market and includes essential items which form the daily diet of most Indian households. Due to their non-perishable nature and recurring demand, staples account for the bulk of online grocery sales. Various platforms are focusing on this category for offering competitive prices, subscription plans, and express delivery. In April 2023, B2B platform Udaan secured USD 114 million to deepen its presence in the staples business in Tier2 and Tier3 markets. With increasing consumer trust in online platforms and the convenience of home delivery, the segment will continue to drive volume and repeat purchases.

Market Breakup by Average Spend per Transaction (in Rupees)

- <1,000
- 1,000 to 1,500
- >1,500

Key Insight: The <1,000 segment is leading the India online grocery market. This category includes frequent, low-ticket purchases of daily essentials, such as milk, bread, fruits, vegetables, and snacks. This model suits the urban lifestyle, where convenience outweighs bulk buying. According to industry reports, Swiggy Instamart's average order value (AOV) hit ₹527 in Q4

FY2025, indicating that most transactions fall below the ₹1,000 mark. Consumers, especially in metros, prefer smaller, frequent orders rather than monthly bulk shopping, making the segment active and transaction-heavy in the current online grocery ecosystem.

Market Breakup by Platform

- Website
- Mobile Application

Key Insight: Mobile applications have quickly become the most widely used medium in the India online grocery market dynamics, driven by the booming smartphone penetration and affordable internet access. According to industry reports, the cost of mobile data reduced to ₹ 9.08 per GB in December 2024, showcasing a 96.6% decrease. Mobile apps also offer hyper-local deliveries, personalized user experiences, and convenience with features, such as voice search and real-time tracking, adding to the segment growth.

Market Breakup by Payment Method

- Online
- Cash on Delivery

Key Insight: Online payments impact the India online grocery market analysis, driven by higher UPI adoption, digital wallets, and credit/debit cards. According to the National Payments Corporation of India (NPCI), the total volume of UPI transactions hit 14,435.55 million in July 2024. Additionally, digital payments come with incentives including cashback and discounts are encouraging users to shift from traditional payment methods. This growing digital ecosystem has made online payments the most preferred mode, especially in metros and among tech-savvy younger consumers.

Market Breakup by Region

- North Region
- East and Central Region
- West Region
- South Region

Key Insight: The North region is increasing the online grocery market share in India, led by metro hubs, high internet penetration, smartphone usage, and a fast-paced urban lifestyles. Swiggy Instamart and BigBasket thrive due to high order volumes and digital payment adoption. Consumer behaviour in this region favours convenience and timesaving, making mobile app usage particularly strong. As per Kantar's FMCG Pulse 2025 report, West Delhi households spend ₹39,325 on average annually on FMCG products. Loyalty programs, quick commerce, and festive season promotions further cement the North's dominance in online grocery activity.

India Online Grocery Market Share

Online Delivery of Fruits and Vegetables to Gain Traction in India

The fruits and vegetables segment of the India online grocery market is rapidly growing due to increasing consumer preference for convenience and hygiene. Companies are making significant strides by offering same-day or 10-minute delivery, cold storage logistics, and quality guarantees. In September 2024, Origin launched quick commerce services in India and overseas for offering

fresh vegetables and fruits sourced from 15,000 farmers and global markets. The segment is also crucial for attracting daily users and boosting basket size, especially in metro areas while evolving with tech-driven supply chains and farm-to-door models.

1,000-1,500 & >1,500 Transactions to Gain Traction in the Market

The 1,000-1,500 segment of the India online grocery industry, includes a mix of staples, packaged foods, cleaning supplies, and fresh items. Platforms, such as Amazon Fresh, BigBasket, and Flipkart Grocery cater to this segment with scheduled delivery slots and attractive combo deals. These orders offer better margins and larger average order values. This segment is further gaining traction during festive seasons as well as monthly planning by urban nuclear families.

The >1,500 segment is associated with monthly stock-ups, bulk staples, premium products, organic food, and imported goods. Nature's Basket and BigBasket's BB Star cater to affluent, health-conscious buyers who prefer planned purchases and subscription models. In March 2022, SBI Card launched two cobranded cards, Nature's Basket SBI Card and Elite to target high-value customers with reward points, exclusive grocery deals, lounge access, and travel perks, encouraging premium grocery purchases well above ₹1,500. This segment is also critical for platforms targeting profitability and customer lifetime value.

Website Applications to Drive Online Grocery Sales in India

Websites are a leading platform in the online grocery market in India, especially amongst urban households with access to desktops or laptops. Consumers prefer websites for bulk purchases, detailed product comparisons, and better navigation when shopping for monthly groceries. Established players have robust desktop interfaces to cater to both individuals and businesses. For instance, in January 2025, Aap Ka Bazar debuted with a full-featured website for delivering fresh produce, pantry staples, and household essentials across India. Additionally, websites are commonly used by older consumers who find larger screens and keyboard input more convenient than mobile typing.

Cash on Delivery to Boost Online Grocery Adoption in India

The Cash on Delivery (COD) segment remains significant in the India online grocery market, especially in Tier-2 and Tier-3 cities and among first-time or hesitant digital buyers. Despite the rise of digital payments, a sizable population still trusts this payment mode for its perceived safety. Companies are introducing COD in quick commerce to serve rural and semi-urban users, leading to the rise in local store revenues. For instance, in May 2025, Kiko Live partnered with local kiranas to introduce cash-on-delivery for online grocery orders. This segment also supports customers without access to UPI or cards.

India Online Grocery Market Regional Analysis

Surging Online Grocery Penetration in South & West Region of India

The South region holds a major share in the India online grocery market, anchored by tech-savvy cities, such as Bangalore, Hyderabad, and Chennai. With a highly literate population and early tech adoption, this region is recording strong growth in app-based grocery services. South Indian consumers show consistent spending habits, and platforms respond with curated offerings including regional foods. High internet reliability and a culture of online payments also contribute to sustained growth. The region's multilingual digital infrastructure makes it more inclusive and competitive in this segment.

The West region contributes to the online grocery demand forecast in India, led by Mumbai, Pune, and Ahmedabad. While Mumbai has high demand and order frequency, the region witnesses varied adoption due to income disparities. For instance, in June 2024, JioMart began a hyperlocal quick-grocery pilot in select areas in Mumbai and Navi Mumbai with the goal of later reducing to 30-45 minutes. Consumers in the West region are further value-conscious and responsive to price promotions, cashback, and free

delivery offers.

Competitive Landscape

Key players in the India online grocery market are employing several key strategies to drive growth and customer retention. One major strategy is hyperlocal delivery, leveraging local warehouses and dark stores to ensure fast, often same-day, deliveries. Companies, such as BigBasket and Blinkit are using this model to enhance convenience. Personalized offerings and data analytics are helping platforms tailor product recommendations, discounts, and promotions based on customer behaviour. Subscription models are incentivizing customer loyalty via exclusive benefits and discounts.

Another critical strategy is strategic partnerships and acquisitions to strengthen the digital ecosystem. Competitive pricing and bundling are attracting price-sensitive customers, with frequent deals and cashback offers via payment apps including Paytm or PhonePe. Focusing on private labels allows players to boost margins and ensure product availability. Also, expanding into tier 2 and tier 3 cities taps into a growing online customer base beyond metros. Lastly, investments in technology and automation improves inventory management and delivery efficiency for creating a seamless shopping experience.

Retail Concepts Private Limited

Founded in 1995, Retail Concepts Private Limited is headquartered in Mumbai and runs the Nature's Basket grocery franchise via a franchise partnership model to offer fresh produce, gourmet and organic foods, imported delicacies, and private-label staples. The company operates both physical stores and an online platform.

Blink Commerce Private Limited

Founded in December 2013 and headquartered in Gurgaon, India, Blink Commerce Private operates as an Indian quick-commerce grocery service. Customers are using their mobile app to order daily essentials, which are picked from local dark stores and delivered within 10 minutes across 30+ cities.

Amazon.com, Inc.

Amazon was founded in July 1994 and is headquartered in Seattle, the United States. This global tech conglomerate offers e-commerce, AWS cloud services, digital streaming, smart devices online advertising, and grocery services, including Whole Foods and Amazon Fresh.

Nature's Basket

Nature's Basket, founded in 2005 and headquartered in Mumbai, India, is a Spencer's Retail subsidiary. This brand specializes in premium groceries, such as fresh fruits, vegetables, meats, artisanal cheeses, organic staples, and international gourmet products, available via 30+ stores and its online app.

Other players in the India online grocery market are Spencer's Retail Limited, Flipkart Private Limited, Paytm, Avenue Supermarts Limited, Reliance Retail Limited, and Fiora Online Limited, among others.

Key Features of the India Online Grocery Market Report:

- In-depth market valuation and forecasts through 2025, segmented by category, average spend, platform, mode of payment and region.

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- Quantitative insights on consumer behaviour, ordering frequency, and digital payment adoption.
- Competitive landscape featuring key players like BigBasket, Zepto, and JioMart.
- Analysis of quick-commerce growth and regional penetration across Tier 1-3 cities.
- Evaluation of distribution channels including apps, websites, and ONDC platforms.
- Market drivers, challenges, and opportunities shaping India's evolving grocery ecosystem.

Why Choose Expert Market Research?

- Trusted source for verified, data-driven industry and market intelligence.
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- Timely updates aligned with current India online grocery market trends.

Call to Action:

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