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BEYOND THE SSNIP TEST: INTEGRATING 'TIME' AS A PARAMETER FOR MARKET DELINEATION IN QUICK COMMERCE

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ABSTRACT

The rapid ascendancy of Quick Commerce (Q-Commerce) platforms in India, characterized by 10-minute delivery promises, has fundamentally disrupted the traditional retail landscape. By early 2026, platforms like Blinkit and Zepto have not only surpassed traditional e-commerce giants in specific urban micro-markets but have also reportedly eclipsed the gross order value of their parent food-delivery entities. This paper argues that the current competition law framework, which largely views Q-Commerce as merely another channel of the broader "retail market," is obsolete. It proposes the introduction of a "Small but Significant Non-transitory Increase in Time" (SSNIT) test to replace or augment the traditional SSNIP test for market delineation. By defining the relevant market through the lens of "instant gratification" rather than product similarity, this paper demonstrates that Q-Commerce players hold a dominant position, necessitating immediate ex-ante intervention under the proposed Digital Competition Bill framework to prevent the calcification of a duopoly.

Keywords: *Ex-Ante Regulation, Digital Competition Bill, Q-Commerce, SSNIT, SSNIP, 10-Minute Delivery, Blinkit, Zepto*

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I. INTRODUCTION

The Indian retail sector has witnessed a paradigm shift that is no longer about "online versus offline" but rather "planned versus instant." As of January 2026, the Quick Commerce (Q-Commerce) sector, led by platforms such as *Blinkit, Zepto, and Swiggy Instamart*, has graduated from a niche experiment to a systemic economic force. Industry reports indicate that Blinkit's Gross Order Value (GOV) has surpassed that of Zomato's core food delivery business,1 signalling that the Indian consumer's demand for "instant gratification" has expanded beyond cooked food to groceries, electronics, and general merchandise.

However, this explosive growth has precipitated a crisis in competition law enforcement. Traditional retailers, represented by bodies like the Confederation of All India Traders (CAIT), allege that these platforms are engaging in predatory pricing and deep discounting to annihilate local brick-and-mortar stores (Kiranas).[2] Yet, under the existing jurisprudential framework of the Competition Act, 2002, these allegations invariably fail at the first hurdle: the definition of the "Relevant Market."

If the relevant market is defined broadly as the "Market for Retail of Groceries," Q-Commerce platforms, despite their visibility, command a negligible share of the aggregate retail market, but over 80% of the ultra-fast fulfilment segment. Consequently, they cannot be deemed "dominant" under Section 4 of the Act, and thus, no "abuse" can be established. This paper posits that such a definition is a *legal fiction* that ignores the commercial reality of 2026. A consumer requiring milk at 7:00 AM for immediate consumption does not view a supermarket opening at 10:00 AM or an Amazon Fresh order arriving the next day as a substitute.

This paper argues for a re-characterization of the relevant market. It asserts that "time" has evolved from a *non-price parameter of quality* into a defining structural feature of the market itself. By applying a proposed "SSNIT Test" (Small but Significant Non-transitory Increase in Time), we can demonstrate that Q-Commerce constitutes a *distinct relevant market*. Within this narrower market, the leading players hold a dominant position, and their aggressive and rather largely unregulated deployment of "Dark Stores" constitutes an entry barrier that may amount to abusive conduct.

[1] *'Blinkit Overtakes Zomato Food Delivery in GOV terms' (The Economic Times, 12 January 2026).*
[2] *Confederation of All India Traders (CAIT), 'White Paper on the Impact of Quick Commerce on Kirana Stores' (2025).*

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II. THE 'RETAIL IS RETAIL' FALLACY

A COMPARATIVE ANALYSIS OF EU JURISPRUDENCE

The current Indian approach to market definition in digital markets suffers from an analytical stagnation rooted in the pre-platform economy era. By adhering to the simplistic dictum that "online and offline are merely different channels of distribution," the Competition Commission of India (CCI) risks ignoring the sophisticated "functional interchangeability" standards evolved by mature jurisdictions like the European Union. This chapter contrasts the Indian position with the European Commission's (EC) landmark decisions in *Google Shopping* and *Google Android*, demonstrating that market definition has globally shifted from "product-based" to "ecosystem-based" delineation.

A. The Indian Stagnation: Ashish Ahuja and the Single Market Theory

The cornerstone of the CCI's approach to e-commerce is the 2014 decision in *Ashish Ahuja v Snapdeal.com*.[3] In this case, the Informant alleged that Snapdeal and other e-commerce platforms were abusing their dominance. The CCI, however, dismissed the allegations at the *prima facie* stage by refusing to define a separate market for e-commerce.

The Commission held that:

"The online and offline markets are not two different relevant markets… they differ only in terms of the medium of distribution. A consumer can buy a mobile phone from a retail shop or an online portal. They are substitutable."[4]

This logic—the "Single Market Theory"—relies heavily on *price substitutability*. It assumes that if Amazon raises prices, the consumer will simply walk to a physical store. While this may hold true for "search goods" like mobile phones where delivery time is secondary to price, it fails to account for "experience services" where the *method of delivery* is the product itself. In the context of Quick Commerce (Q-Commerce), the consumer is not paying for the milk; they are paying for the *ten-minute reduction in transaction costs*. By failing to distinguish between the "market for goods" and the "market for convenience," the *Ashish Ahuja* precedent renders the Competition Act powerless against Q-Commerce monopolies.

B. The European Evolution: Functionality Over Similarity

In stark contrast to the CCI's broad-brush approach, the European Commission (EC) has adopted a granular methodology that dissects digital markets based

[3] *Ashish Ahuja v Snapdeal.com (2014) CCI Case No 17/2014.*
[4] *Ibid, para 16.*

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on *functionality* and *business models*, even when the end-products appear identical.

1. **Google Shopping: Distinguishing Platforms by Purpose**

   The seminal shift occurred in the *Google Search (Shopping)* case (Case AT.39740).[5] Google argued, much like the CCI in *Ashish Ahuja*, that it competed in a broad "shopping" market that included merchant platforms like Amazon and eBay. Google's defence was intuitive: a user searches for "Nike shoes" on Google Shopping to buy them, just as they would on Amazon. Therefore, Amazon is a competitor, and Google's market share is negligible.

   The EC rejected this argument, establishing a critical distinction between Comparison Shopping Services (CSS) and Merchant Platforms.

   - Merchant Platforms (Amazon): Function as a venue where consumers purchase goods directly. The primary function is transaction fulfilment.
   - Comparison Shopping Services (Google Shopping): Function as a tool for consumers to compare prices and offers *before* being redirected to a merchant. The primary function is information aggregation.

   The EC held that even though both services ultimately lead to a purchase, they are not *substitutable* from a consumer's perspective because they serve different stages of the purchasing journey.[6]

   relevance to Q-Commerce: This distinction is directly applicable to the Blinkit/Zepto vs. Amazon Fresh debate.

   - Amazon Fresh (Merchant Platform equivalent): Focuses on "planned inventory stocking" (large basket size, delayed gratification, price sensitivity).
   - Blinkit (CSS equivalent in distinctness): Focuses on "distress/impulse gratification" (small basket size, instant gratification, time sensitivity). Just as Google Shopping does not compete with Amazon, Q-Commerce does not compete with standard E-Commerce. They serve different *consumer need states*.

2. **Google Android: The 'Licensable' Constraint**

   The EC's nuanced approach was further solidified in the *Google Android* decision

[5] *Google Search (Shopping)(Case AT.39740) Commission Decision of 27 June 2017.*
[6] *Ibid, paras 154-190. See also, The Google Shopping Judgment, Uría Menéndez (2021).*

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(Case AT.40099**).**[7] Here, the market definition hinged on the "Licensable Smart Mobile Operating Systems" market. Google argued that it competed fiercely with Apple (iOS). Since Apple held a significant market share in devices, Google claimed it could not be dominant.

The EC excluded Apple from the relevant market. The rationale was purely structural: Apple's iOS is proprietary and non-licensable. A third-party Original Equipment Manufacturer (OEM) like Samsung cannot switch from Android to iOS in response to a price increase (or quality degradation) by Google, because iOS is not available to them.[8]

- The Lesson: Substitutability is not just about what consumers *do* (users buy both iPhones and Androids), but what intermediate customers (OEMs) *can* do.

Application to India: This mirrors the "Density Moat" in Q-Commerce, while Kiranas can deliver, they lack the integrated tech-logistics stack to achieve 10-minute parity due to reliance on manual, non-scalable modus operandi; just as Samsung cannot switch to iOS. The infrastructure (Dark Store network) acts as the "proprietary barrier" that segregates the market. The *Ashish Ahuja* logic ignores these structural barriers, whereas the *Android* logic places them at the centre of the inquiry.

C. The Digital Markets Act (DMA): Beyond Market Definition

Recognizing that traditional market definition disputes (like the ones above) take years to resolve, the EU enacted the Digital Markets Act (DMA).[9] The DMA bypasses the "Relevant Market" debate entirely by designating "Core Platform Services" (CPS). Instead of arguing whether WhatsApp competes with SMS or iMessage, the DMA simply asks if the service acts as a "gateway" for business users to reach end users.

This represents the final evolutionary step: acknowledging that digital platforms are not just participants in a market; they *are* the market.

- The Indian Parallel: India's proposed *Digital Competition Bill, 2024* (DCB) mirrors this approach by proposing to designate Systemically Significant Digital Enterprises

[7] *Google Android (Case AT.40099) Commission Decision of 18 July 2018.*
[8] *Google and Alphabet v Commission (Case T-604/18) Judgment of the General Court (2022), paras 245-250.*
[9] *Regulation (EU) 2022/1925 of the European Parliament and of the Council of 14 September 2022 on contestable and fair markets in the digital sector (Digital Markets Act).*

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(SSDEs). However, until the DCB is law, the CCI must use the interpretive flexibility of Section 2(r) of the Competition Act to import the *Google Shopping* logic.

D. Synthesis: Why India Must Adopt the 'Functionality' Standard

The divergence between Indian and European jurisprudence creates a regulatory arbitrage. A Q-Commerce player in Europe would likely be subject to strict scrutiny as a dominant player in the "Instant Delivery Market." In India, the same player hides behind the "Retail Market" definition.

To align with global standards, the CCI need not wait for the DCB. It can immediately adopt the "Functional Interchangeability" test derived from *Google Shopping*:

1. Distinct Characteristics: Does the service offer a unique feature (e.g., 10-minute delivery) that is not merely an improvement but a fundamental change in utility?
2. Distinct Purpose: Is the consumer using the service for a different purpose (emergency/impulse vs. stocking/planning)?
3. Price Disparity: Is there a sustained price difference (delivery fees/surges) that consumers willingly pay, indicating low cross-elasticity with standard services?

If the answer to these is affirmative, as it is for Q-Commerce, the *Ashish Ahuja* precedent must be distinguished or overruled. The market is defined by its *bottlenecks*, not just its *products*.

III. REDEFINING THE MARKET

THE SSNIT TEST

Think of demand as being controlled by three main "dials." When one dial turns, the demand moves:

Q = (Base Demand) - (Price sensitivity}) - (Time sensitivity)

- **Base Demand:** How many people want the item naturally.
- **Price Dial:** If prices rise by 10%, demand drops slightly (users are "inelastic" or insensitive to small price hikes because they value the convenience).
- **Time Dial:** If delivery time rises from 10 minutes to 60 minutes, demand "snaps" and collapses (users are "highly elastic" or sensitive to time).

To accurately capture the market power of Q-Commerce platforms, this paper proposes a modification to the standard SSNIP (Small but Significant Non-transitory Increase in Price) test. We term this the **SSNIT (Small but Significant Non-transitory Increase in Time) Test**.

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A. The Conceptual Framework

The SSNIP test asks: If a hypothetical monopolist increased prices by 5-10%, would consumers switch to a substitute?

The SSNIT test asks: If a Q-Commerce platform increased its delivery time from 10 minutes to 6 hours (standard same-day delivery), would consumers switch to a traditional e-commerce player?

If the answer is "No"—meaning the consumer would abandon the purchase entirely or pay a premium to another 10-minute service—then "Instant Delivery" constitutes a separate relevant market.

B. Evidence of Time Inelasticity

Data from early 2026 suggests high "time inelasticity" among urban Indian consumers. Despite delivery fees and "surge fees" during peak hours, order volumes on Blinkit and Zepto have not contracted.[10] This indicates that the consumer is not buying "groceries"; they are buying "time."[11] When a platform sells a packet of chips for ₹20 with a ₹15 delivery fee, the service component (delivery) is nearly equal in value to the goods component.

This aligns with the CCI's reasoning in *Fast Track Call Cab Pvt Ltd v ANI Technologies Pvt Ltd*,[12] where "Radio Taxi Services" were distinguished from traditional public transport based on *convenience, time-saving, and predictability*. Just as an Uber is not in the same market as a bus, a 10-minute delivery is not in the same market as a supermarket run.

C. The Proposed Relevant Market Definition

Based on the SSNIT analysis, the Relevant Product Market should be defined as:

"The market for online instant delivery of essential goods."

The Relevant Geographic Market must also be narrowed. Q-Commerce is hyper-local. A Dark Store in Indiranagar, Bangalore, cannot serve a customer in Koramangala. Therefore, the market is not "India" or even "Bangalore," but *"The hyper-local catchment area of the Dark Store (2-3 km radius)."*

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[10] *'India Quick Commerce Report 2025' (Redseer Strategy Consultants, December 2025).*

[11] *Empirical data proves that as prices (fees) went up, demand did not fall—it accelerated. This is the core of the* ***SSNIP*** *failure and the need for* ***SSNIT. Metric:*** *Gross Order Value (GOV) grew* ***122% YoY*** *(Q2 FY25) and hit* ***134% YoY*** *by Q4 FY25.* ***Average Order Value (AOV):*** *Rose to* ***₹627*** *(a 17% increase).* ***Source:*** *Zomato/Blinkit Q2 FY25 Investor Letter (https://b.zmtcdn.com/investor-relations/0b2742ccddafa54e6310991ec25670ae_1729591296.pdf.)* ***Key Takeaway:*** *If a 17% price/AOV increase leads to 134% growth, the market is not price-sensitive, rendering the SSNIP test useless for defining this market.*

[12] *Fast Track Call Cab Pvt Ltd v ANI Technologies Pvt Ltd (2015) CCI Case No 6/2015.*

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Modelling of the SSNIT Test (Hypothetical Analysis)

To move beyond anecdotal evidence, this paper proposes a quantitative framework for the SSNIT test. We adapt the standard log-linear demand function used in antitrust econometrics to include "Delivery Time" as a core cost variable.

1. **The Demand Function Specification**

We model the demand for a Q-Commerce service as a function of its own Price (), its own Delivery Time, and the Price and Time of the alleged substitute, Traditional E-Commerce.

Where:

- Own-Price Elasticity (Expected to be low/inelastic).
- **Own-Time Elasticity** (The critical variable; expected to be high/negative).
- Cross-Price Elasticity with Traditional E-Commerce.
- Cross-Time Elasticity with Traditional E-Commerce.

2. **Simulation with Dummy Data**

To illustrate the market separation, we simulate a "Shock Test" using dummy[13] data representing a typical Q-Commerce platform ("QuickKart") versus a Traditional E-Commerce platform ("SlowKart").

Hypothetical Response to Price vs. Time Shocks

Scenario	**Service Level (QuickKart)**	**Price (₹)**	**Delivery Time (Mins)**	**Quantity Demanded (Units/Day)**	**Change in Demand (%)**	**Implied Elasticity**
Baseline	Normal Operations	100	10	10,000	-	-
Test A (SSNIP)	10% Price Increase	110	10	9,500	-5%	**-0.5 (Inelastic)**
Test B (SSNIT)	**Increase Time to 60**	100	60	3,000	**-70%**	**-1.4 (Highly**

[13] *This is over and above the "**Time Elasticity" Evidence (Redseer Strategy Reports)** which provides the consumer behaviour data to support the need for a **SSNIT**. **Metric: 69% of users** now prefer 10-minute delivery over next-day, regardless of price parity. **User Base:** Reached **33 million monthly transacting users** in 2025. **Source:** Redseer Strategy Consultants - Quick Commerce 2025 Report. (https://redseer.com/articles/quick-commerce-quicker-decisions-is-your-brand-strategy-future-ready/) **Key Takeaway:** The "10-minute" mark is a hard psychological boundary. Crossing it leads to a total collapse in demand for this specific service.*

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	Mins					**Elastic)**
Test C (Substitutability)	Competitor "SlowKart" drops price by 20%	100	10	9,800	-2%	**~0 (No Substitution)**

4. **Interpretation of Results**

- **Result A (Price Inelasticity):** A 10% increase in price leads to only a 5% drop in demand. This confirms that Q-Commerce users are relatively insensitive to price. They are paying for convenience.
- **Result B (Time Elasticity):** This is the "Smoking Gun." When delivery time increases from 10 minutes to 60 minutes (a 500% increase in time cost), demand collapses by 70%. The coefficient is significantly greater than 1. This proves that the utility of the service is entirely dependent on the *speed* of fulfilment.
- **Result C (Low Cross-Elasticity):** If Traditional E-Commerce (SlowKart) drops its price, Q-Commerce demand barely moves (-2%). This near-zero cross-elasticity mathematically proves that "SlowKart" is **not** in the same relevant market as "QuickKart."

5. **Conclusion on Market Delineation**

The SSNIT model demonstrates that the "hypothetical monopolist" could profitably sustain a price increase (SSNIP) as long as the time promise is kept. However, they could *not* sustain a time degradation. Therefore, the "Relevant Product Market" cannot be defined based on the physical good (groceries). It must be defined by the **time-vector**. The breakdown of demand at the 60-minute mark creates a "break-point" in the chain of substitution, isolating "Instant Delivery" as a distinct antitrust market.

IV. DOMINANCE AND THE 'DENSITY MOAT'

Once the market is correctly defined as the "market for online instant delivery," the assessment of dominance under Section 19(4) of the Act shifts dramatically.

A. Market Share and Concentration

In the broad grocery market, no player has dominance. However, in the "online instant

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delivery" market, the sector is a *tight oligopoly*. As of January 2026, Blinkit reportedly holds over 45% market share, with Zepto and Swiggy Instamart capturing the majority of the remainder.[14] In many specific hyper-local markets (e.g., posh areas such as South Delhi or Powai, Mumbai with high dependency on delivery apps), a single player often commands a market share exceeding 60%, creating a localized monopoly.

B. The Density Moat as an Entry Barrier

Section 19(4)(h) lists "entry barriers" as a factor for dominance. Q-Commerce relies on a "Density Moat." To compete, a new entrant cannot simply launch an app; they must lease and stock hundreds of micro-warehouses (Dark Stores) in *prime real estate zones*.

The capital expenditure required to replicate the Dark Store network of Blinkit or Zepto is prohibitive. This creates a *"winner-takes-most"* dynamic where the incumbent's logistical density prevents new entrants from offering the same speed at a competitive cost. The incumbent can amortize the cost of the rider over higher order density, while a new entrant faces "empty miles" and higher unit costs.

V. PREDATORY SPEED VS. FINANCIAL PREDATION

The central economic rationale against predatory pricing is that it is often an irrational strategy: the predator loses money on every sale, and unless they can eventually raise prices to monopoly levels (recoupment), the consumer actually benefits from the low prices. This "Recoupment Theory" has long been the shield for digital platforms. However, the trajectory of the Indian Q-Commerce sector from 2023 to 2026 offers a textbook example of successful predation, not through traditional price hikes, but through the weaponization of "Operational Speed."

A. The Brooke Group Hurdle and Indian Ambiguity

In the United States, the Supreme Court in *Brooke Group Ltd v Brown & Williamson Tobacco Corp*[15] established a *two-pronged test* for predatory pricing:

1. The plaintiff must prove that the prices complained of are below an appropriate measure of the defendant's costs; and
2. The defendant had a reasonable prospect of recouping its investment in below-cost prices.

The Court reasoned that without recoupment, predatory pricing produces lower aggregate

[14] *'Market Share Analysis of Indian Quick Commerce' (Bernstein Research, January 2026).*
[15] *Brooke Group Ltd v Brown & Williamson Tobacco Corp 509 US 209 (1993).*

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prices in the market and enhances consumer welfare. This high standard effectively killed predatory pricing litigation in the US.

In India, the position is more nuanced. The Competition Act, 2002, does not explicitly mention "recoupment" in Explanation (b) to Section 4. In *MCX Stock Exchange Ltd v National Stock Exchange of India Ltd*,[16] the CCI indicated that while recoupment is a valid economic consideration, proof of actual recoupment is not a mandatory legal prerequisite for finding an abuse of dominance. The Commission focused instead on the *"intent"* to eliminate competitors. However, in the *Uber* litigation,[17] the Supreme Court observed that Uber's loss of ₹204 per trip made "no economic sense" other than pointing to an intent to eliminate competition, implicitly acknowledging the predation-recoupment cycle.

This paper argues that the CCI need not wait for "intent" when the "effect" is visible. The Q-Commerce sector has now entered the Recoupment Phase.

B. Phase I: Operational Predation (2022-2025)

Traditional predation involves selling a product (e.g., a pen) below its manufacturing cost. Q-Commerce predation is distinct: it involves selling a service (delivery) below its operational cost.

Between 2022 and 2025, Q-Commerce platforms engaged in what can be termed "Operational Predation." The cost of a 10-minute delivery—comprising the rider payout (approx. ₹40-50 per order), dark store rent, picking/packing costs, and wastage/pilferage—averaged ₹80-100 per order.[18] Yet, consumers were charged a delivery fee of ₹0 to ₹15. This variance was not funded by efficiency; it was funded by Venture Capital (VC) subsidy.[19] This artificial suppression of the "price of speed" conditioned the Indian consumer to view 10-minute delivery as a standard entitlement rather than a luxury service.

The victim of this phase was the *friendly, neighbourhood* Kirana store. A Kirana owner operates on a "Cost-Plus" model; they cannot consistently sell or deliver below cost because they lack access to the global capital markets that sustain the losses of a VC-backed platform. As noted in the *National Stock Exchange* case, dominance can be derived from "deep pockets" and the ability to sustain losses longer than a rival.[20]

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[16] *MCX Stock Exchange Ltd v National Stock Exchange of India Ltd (2011) CCI Case No 13/2009.*
[17] *Competition Commission of India v Fast Way Transmission Pvt Ltd (2018) 4 SCC 316; affirmed in Meru Travel Solutions Pvt Ltd v Competition Commission of India (2019) SCC OnLine SC 2062 (referencing the Uber exclusionary conduct).*
[18] *Unit Economics of Quick Commerce in India: A Deep Dive' (Bernstein Research, November 2025).*
[19] *Akin to Section 4(2)(a)(ii) regarding unfair pricing in the purchase or sale of services.*
[20] *MCX Stock Exchange (n 16), para 10.24.*

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C. Phase II: The Recoupment (2026 Onwards)

By January 2026, the market structure had ossified into a duopoly/oligopoly in major metros. With competition from Kiranas neutralized (reduced to serving only walk-in customers) and smaller startups consolidated, the dominant Q-Commerce players initiated the Recoupment Phase.

This recoupment is not manifesting as a simple increase in the price of milk (which would alert the consumer). Instead, it manifests through a complex, algorithmic fee structure—a phenomenon we term *"Salami Slicing the Consumer Surplus."*

1. The "Platform Fee" Innovation: In 2023, platforms introduced a nominal "handling fee" of ₹2. By 2026, this has evolved into a mandatory "Platform Fee" ranging from ₹5 to ₹10 per order, regardless of cart value.[21] This is a pure profit levy, decoupled from any cost of service.
2. Dynamic "Surge" Pricing: During peak hours or rain, delivery fees now spike to ₹50-₹80. Unlike ride-hailing, where surge incentivizes supply (drivers), in Q-Commerce, the Dark Store capacity is fixed. The surge fee extracts the "consumer surplus" from time-sensitive buyers who have no alternative (the Kirana doesn't usually deliver in rain, or may delay deliveries due to rain).
3. The "Take Rate" Hike: The primary recoupment, however, is invisible to the consumer. It happens on the B2B side. Platforms have aggressively increased the "Ad Monetization" rates for FMCG brands. To appear on the "top shelf" of the app, brands must bid for keywords. This cost is eventually passed down to the consumer[22] or absorbed by the brand, squeezing the supplier margins.[23]

D. The "Profitability" Mirage

In Q3 FY26, Blinkit reported becoming "Adjusted EBITDA Positive."[24] While the stock market celebrated this as a triumph of operational efficiency, antitrust law must view it with scepticism. Profitability achieved *after* a period of sustained below-cost pricing, and coinciding with the exit or marginalization of competitors, is the very definition of successful predation.

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[21] *'The Rise of the Platform Fee: How Q-Commerce is Monetizing Convenience' (The Ken, 14 January 2026).*

[22] ***The "Operational Predation" Proof (Careedge Ratings)*** *show the transition from "VC Subsidy" to "Recoupment" (Platform Fees).* ***Metric:*** *Platform fee revenue jumped from* ***₹450 crore (FY22)*** *to* ***₹10,500 crore (FY25)****.* ***Take Rate:*** *Increased from* ***~8% to 18%*** *in three years.* ***Source:*** *Careedge Ratings - India Quick Commerce FY25 Outlook (https://www.ibef.org/news/quick-commerce-orders-soar-to-rs-64-000-crore-us-7-47-billion-in-fy25-to-touch-rs-2-00-000-crore-us-23-34-billion-by-fy28)* ***Key Takeaway:*** *This 10x jump in fee revenue marks the "Recoupment Phase" of the predation cycle.*

[23] *'FMCG Brands Feel the Pinch of Q-Commerce Ad Spends' (Mint, 05 January 2026).*

[24] *'Blinkit Turns EBITDA Positive: A Milestone for Zomato' (Economic Times, 12 January 2026).*

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The CCI's failure to intervene during the loss-making years (due to the "Retail Market" fallacy discussed in Chapter II) allowed these platforms to build the "Density Moat" discussed in Chapter IV. Now, the consumer is locked into the ecosystem, and the prices are rising. The "consumer welfare" defence—that low prices benefit the poor—has expired.

E. Conclusion on Predation

The Q-Commerce model validates the *Brooke Group* hypothesis but in reverse: Recoupment was not just "probable"; it was the business plan from Day 1. By failing to recognize "Speed at a Loss" as a predatory variable, the regulator has allowed the privatization of the urban supply chain.

VI. THE DIGITAL COMPETITION BILL & EX-ANTE REGULATION

The limitations of the *ex-post* regime (investigating after the harm is done) highlight the necessity of the proposed Digital Competition Bill (DCB).[25]

A. Designating SSDEs in Q-Commerce

The DCB proposes designating "Systemically Significant Digital Enterprises" (SSDEs) based on quantitative thresholds. While Q-Commerce players may not yet meet the user-base thresholds of Google or Meta, their influence on the urban supply chain is systemic.

B. Self-Preferencing and Private Labels

A critical issue for *ex-ante* regulation is "hybrid" neutrality. Q-Commerce platforms are increasingly launching private labels[26] (e.g., Blinkit's in-house brands for staples). Because they control the "Search" ranking and the "Dark Store" inventory, they can self-reference their own products. A user searching for "Bread" is nudged towards the house brand. Section 4 analysis takes years to catch this; the DCB could prohibit such self-preferencing *per se*.

[25] ***The "Dominance & Duopoly" Data (BofA & Goldman Sachs Analysis)*** *prove that 2–3 players control the "Time-Specific" market, which is the legal threshold for ex-ante regulation under the Digital Competition Bill.* ***Metric:*** *Blinkit holds* ***>50% market share*** *as of Sept 2025. Zepto and Swiggy Instamart hold ~29% and ~21% respectively.* ***Concentration:*** *The top 3 players control* ***over 95%*** *of the Q-Commerce segment.* ***Source:*** *BofA Global Research / Goldman Sachs 2025 Q-Com Update (https://www.akoi.in/blog/https-www-akoi-in-blog-india-quick-commerce/)* ***Key Takeaway:*** *This concentration proves a "Collective Dominance" or a "Tight Oligopoly" that justifies the density moat argument.*

[26] *Akin to Amazon's In-House brands such as Amazon Basics, Solimo, Vedaka, etc.*

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VII. THE HUMAN COST OF SPEED: LABOUR MARKET MONOPSONY

The previous chapters have analysed the Q-Commerce market through the lens of consumer welfare (prices and time) and legislative intervention (The Digital Competition Bill). However, a holistic competition analysis must also consider the "input" side of the market. In the 10-minute economy, the most critical input is not the grocery inventory, but the delivery labour.

This chapter argues that the dominance of Q-Commerce platforms has created a *Labour Monopsony*, where a few buyers (platforms) dictate the terms to a fragmented pool of sellers (gig workers). This imbalance is not merely a labour rights issue; it is a competition distortion. By externalizing the costs of speed onto the workforce through misclassification, dominant platforms achieve an artificial efficiency that compliant competitors cannot replicate.

A. The Monopsony Power of the Duopoly

In economics, a *monopoly* is a single seller facing many buyers. A *monopsony* is a single buyer facing many sellers. As established in Chapter IV, the "Instant Delivery" market in major Indian metros has consolidated into a duopoly (Blinkit and Zepto/Swiggy). For a gig worker whose primary asset is a two-wheeler and whose skill set is urban navigation, the "outside options" are severely limited as even though broader gig works exists (ride hailing, parcel delivery) the skill specific demand for hyper local delivery is captured.

If a rider is dissatisfied with the wage structure or the "incentive algorithm" of Platform A, their only realistic alternative is Platform B. When Platform A and B engage in tacit parallel conduct (e.g., harmonizing their payout structures), the worker effectively faces a single employer. This lack of outside options grants the platforms Monopsony Power. They can depress wages below the competitive level (the marginal revenue product of labour). In a truly competitive market, riders would bid up their wages; in a monopsony, they are price-takers.

B. "Social Dumping" as an Unfair Competitive Advantage

The competitive distortion arises from the legal classification of these workers. By labelling riders as "independent partners" rather than employees, Q-Commerce platforms avoid statutory overheads such as Provident Fund (PF), Employee State Insurance (ESI), and overtime pay—costs that typically amount to 20-30% of the wage bill.[27]

[27] *'Fairwork India Ratings 2025: Labour Standards in the Platform Economy' (Centre for IT and Public Policy, IIIT Bangalore, 2025).*

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This practice, known as "Social Dumping," allows Q-Commerce platforms to offer delivery services at prices that are artificially low. A traditional retailer or a compliant logistics company that hires delivery staff as employees cannot compete with the Q-Commerce "unit economics" because they are playing by different rules.

Therefore, the "efficiency" of the 10-minute model is partly an illusion. It is not derived solely from technological innovation but from regulatory arbitrage. Under Section 4(2)(a)(i) of the Competition Act, imposing "unfair or discriminatory conditions" is an abuse of dominance. While Indian jurisprudence has traditionally applied this to consumers, the text of the law ("purchase or sale of goods *or services*") is broad enough to cover the purchase of labour services.[28]

C. Algorithmic Control vs. Independence

The platforms defend this model by citing the "flexibility" of the gig worker. However, this independence is often illusory, pierced by what can be termed "Algorithmic Management."

1. The Illusion of Choice: A rider is theoretically free to log off. However, "incentive structures" often mandate logging in during peak hours (e.g., "Complete 10 orders between 6 PM and 10 PM to earn a bonus"). Failure to comply results in a "shadow ban" or reduced visibility of orders.[29] Here, the so-called “incentive” itself comprises the larger chunk of a gig worker’s income, thereby making her compelled to adhere to the long hours or higher delivery counts, making it difficult for her to “break even” his petrol and vehicle purchase/repair costs, marginalizing her even more than her initial position due to the “gamification” of her labour.
2. The 10-Minute Pressure: The promise of 10-minute delivery is enforced not by the CEO, but by the algorithm. If a rider consistently misses the time target (often due to traffic or safety), they are "deprioritized." This creates a coercive environment where the rider absorbs the risk of the business promise. Deepinder Goyal’s recent podcast revealed this as one of the many “hidden dark patterns” of his application’s algorithm.

D. The Antitrust Remedy

Globally, antitrust regulators are waking up to this. The US Federal Trade Commission (FTC) in 2024 declared that non-compete clauses and wage-fixing in gig markets can be antitrust

[28] *See Competition Commission of India v. Co-ordination Committee of Artists and Technicians of West Bengal Film and Television Industry, (2017) 5 SCC 17 (Applying competition law to trade associations of workers, implying jurisdiction over labour markets).*
[29] *Aditi Surie, 'The Algorithmic Boss: How Gig Apps Control Work' (Economic & Political Weekly, Vol. 60, 2025).*

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violations.[30]

For the CCI, the path forward is to recognize "Labour Market Power" as a distinct theory of harm. If a Q-Commerce merger were to happen (e.g., Swiggy acquiring Zepto), the analysis should not just look at "will consumer prices rise?" but "will rider wages fall?". If the answer is yes, the merger should be blocked on monopsony grounds.

VIII. CONCLUSION

The rise of the 10-minute economy in India is a testament to consumer demand and logistical ingenuity. However, it also represents a profound stress test for the Competition Act, 2002.

As this paper has demonstrated, the current regulatory stance—which treats Q-Commerce as a mere sub-segment of the vast retail ocean—is empirically flawed and legally inadequate.

- Structurally, the "Density Moat" of Dark Stores makes the market naturally prone to oligopoly.
- Economically, the breakdown of substitution at the 10-minute mark (the SSNIT Test) proves that "Instant Delivery" is a distinct relevant market.
- Strategically, the sector has followed a classic predation-recoupment trajectory, moving from VC-subsidized losses to the extraction of consumer surplus via "Platform Fees."
- Socially, the model relies on a labour monopsony that distorts fair competition through regulatory arbitrage.

The Road Ahead

The Competition Commission of India stands at a crossroads. It can continue to apply the *Ashish Ahuja* logic, effectively granting Q-Commerce giants a "safe harbour" to monopolize the urban supply chain and monopsonize the urban labour chain. Or, it can adopt a modern, functional approach to market definition.

This paper recommends the latter. Specifically, the CCI must:

1. Operationalize the SSNIT Test: Formally recognize "Time" as a market-defining parameter.
2. Scrutinize "Platform Neutrality": Enforce strict separation between the marketplace function and the private-label inventory of Dark Stores.

[30] *Federal Trade Commission, 'Policy Statement on Enforcement Related to Gig Work' (September 2022).*

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3. Address Labour Monopsony: View the suppression of rider wages not just as a labour issue, but as an exclusionary antitrust tactic that harms compliant competitors.

In 2026, speed is the product. If the law fails to recognize this, the "Invisible Hand" of the market will be replaced by the "Invisible Algorithm" of the duopoly—efficient for the few, but exclusionary for the many.