

Comparative Study on Customer Retention of Blinkit and Zepto

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Abstract

Quick commerce's explosive growth in India has completely changed how people buy everyday necessities. Businesses like Blinkit and Zepto have become major players in the rapid commerce sector because to the rising demand for convenience and instant delivery. In a fiercely competitive industry, customer retention has emerged as a crucial component of these platforms' growth and viability. The purpose of this study is to evaluate and contrast Zepto's and Blinkit's client retention tactics.

The study focuses on important elements that affect client retention, such as mobile application experience, customer satisfaction, discounts and offers, delivery speed, and service quality. This study made use of both primary and secondary data. Twenty respondents completed a structured questionnaire to provide primary data, and academic publications, industry reports, research papers, and company websites provided secondary data.

The results show that in the rapid commerce industry, customer retention is highly influenced by delivery speed, price strategies, service quality, and customer experience. Zepto has an advantage in terms of perceived value and discount offerings, whereas Blinkit exhibits greater brand trust and higher usage among respondents. According to the study's findings, both businesses effectively retain clients using various tactics, underscoring the need of ongoing service enhancement in the fast commerce sector.

Keywords: Blinkit, Zepto, Quick Commerce, Customer Retention, Delivery Speed, Customer Satisfaction, Consumer Behaviour, Service Quality

Chapter 1: Introduction

The rapid growth of e-commerce, rising smartphone usage, and advances in digital technology have all had a big impact on the retail industry. The rise of fast commerce (Q-commerce), which focuses on delivering goods and necessities in a short amount of time—typically 10 to 20 minutes—is one of the most significant advancements in recent years.

Convenience and time-saving services are becoming more and more popular among urban consumers. Quick commerce platforms satisfy this need by providing a large selection of goods, quick delivery, and user-friendly mobile applications. Online shopping and home delivery services have become increasingly popular in India as a result of the COVID-19 pandemic.

Zepto and Blinkit are two of the most well-known companies in the fast commerce space. To ensure quick delivery of goods, these businesses employ sophisticated logistics systems and regional warehouses, also known as "dark stores."

Gaining clients on your own is insufficient in a market this competitive. Businesses need to concentrate on customer retention, which is the capacity of a company to sustain enduring connections with its current clientele. Positive word-of-mouth advertising, brand loyalty, and repeat business are all influenced by retained customers.

For rapid commerce businesses to continue growing and keeping a competitive edge, it is crucial to comprehend the elements that affect customer retention.

The study's objectives

The primary goals of this study are:

- To comprehend the rapid commerce industry's concept of customer retention.
- To examine Zepto's and Blinkit's customer retention tactics.
- To determine the main elements affecting client loyalty and satisfaction.

- To contrast consumer attitudes and inclinations regarding Zepto and Blinkit.

Chapter 2: Literature Review

In order to comprehend theoretical underpinnings and pinpoint research gaps, a literature review looks at previous studies on the subject of the study.

The literature on marketing and relationship management has extensively examined customer retention. Kotler and Keller (2016) define customer retention as a business's capacity to sustain long-term connections with its clients by continuously providing value and satisfaction.

According to Reichheld and Sasser (1990), a company's profitability can be greatly increased by even a slight increase in client retention. In a similar vein, Buttle (2009) highlighted that keeping current clients is more economical than finding new ones.

Retention is said to be significantly influenced by customer satisfaction. Customer satisfaction is the assessment of a good or service based on the customer's whole experience, according to Oliver (1999). Customers who are happy with a service are more likely to use it again and refer others to it.

Customer loyalty is significantly influenced by service quality as well. The SERVQUAL model, developed by Parasuraman, Zeithaml, and Berry in 1988, indicates that the difference between perceived and expected service quality determines customer satisfaction.

Delivery speed has become an important consideration in the context of fast commerce. According to research by Kumar and Shah (2021), consumers like platforms that offer dependable delivery services and reduce waiting times.

Discounts, promotions, and pricing tactics all affect consumer choices. Verma (2022) discovered that in digital commerce platforms, promotional offers have a substantial impact on client loyalty and purchase frequency.

Customer experience is also impacted by technological elements including digital payment systems, mobile application design, and simplicity of use. Well-designed mobile applications increase user engagement and convenience, claims Chaffey (2015).

According to the literature, a number of elements, such as technology infrastructure, pricing strategies, service quality, and delivery efficiency, affect client retention in the rapid commerce sector.

Chapter 3: Research Methodology

In order to accomplish the study's goals, research methodology offers a methodical strategy to data collection and analysis.

Research Design

The descriptive research design used in this study aids in the analysis of customer preferences, satisfaction levels, and retention factors associated with Zepto and Blinkit.

Data Collection

In this study, two kinds of data were used:

Primary Data:

A structured questionnaire distributed via Google Forms was used to gather primary data. Multiple-choice questions about brand preference, delivery experience, customer happiness, and usage trends were included in the survey.

Secondary Data:

Academic journals, books, business websites, industry reports, and online research publications were the sources of secondary data.

Method of Sampling

Convenience sampling was utilised in the study, and participants were chosen based on their availability and desire to take part.

The size of the sample

Twenty respondents in all, comprising working professionals and students who regularly utilise rapid commerce platforms, made up the sample size for this study.

Research Tool

A structured questionnaire served as the main research tool, helping to gather standardised information from participants on their experiences with Zepto and Blinkit.

Method of Data Analysis

To find trends in customer behaviour and preferences, the gathered data was examined using percentage analysis and graphical interpretation.

Chapter 4: Data Analysis and Interpretation

In order to comprehend consumer behaviour, usage trends, and retention aspects pertaining to Blinkit and Zepto, the survey data was analysed.

Demographic Analysis

Age group
20 responses



Young customers are the main users of rapid commerce platforms, as evidenced by the fact that **90% of respondents are in the 18–25 age range**. This segment feels more at ease utilising online delivery services and digital applications.

Gender
20 responses



With **55% of respondents being men and 45% being women**, the gender distribution of participants was comparatively balanced.

Usage Patterns

Which quick commerce app do you use most frequently?

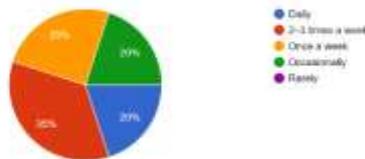
25 responses



According to the findings, **30% of respondents utilise Zepto**, while **55% of respondents predominantly use Blinkit**. Depending on their needs, **about 10% use both platforms**.

How often do you order from quick commerce apps?

30 responses

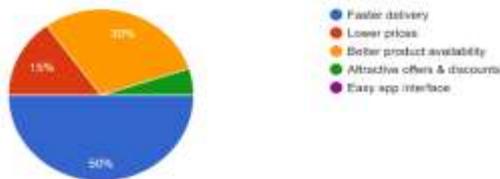


The most prevalent usage pattern, according to the survey results, is that **35% of respondents place orders two or three times a week**. About **25% place orders once a week**, **20% use rapid commerce apps every day**, and **another 20% use them seldom**. All things considered, this suggests that rapid commerce platforms are starting to play a significant role in routine shopping behaviours.

Service Experience

What is the main reason for using your preferred app?

20 responses



Faster delivery is the most crucial factor, according to the poll results, with **50% of respondents selecting their favourite rapid commerce app for this reason**. About **30% of users like apps that provide greater product availability**, making it easier for them to locate the things they require. Decisions are also influenced by price; roughly **15% of respondents choose an app because it is less expensive**. Overall, the results show that the primary determinants of consumer preference in rapid commerce platforms are product availability and delivery speed.

How satisfied are you with delivery speed?

20 responses

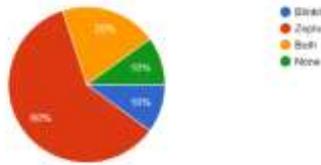


The findings indicate that **40% of consumers are extremely satisfied and 45% are satisfied with the rapid commerce apps' delivery time**. Just a tiny portion of respondents said they had neutral or bad experiences. This suggests that speedy delivery is a key component of quick commerce platforms and contributes significantly to consumer happiness.

Customer Retention Factors

Which app provides better discounts and offers?

23 responses



According to the survey's findings, Zepto is the most favoured platform for financial advantages since **60% of participants think it provides superior offers and discounts**. Just **10% of respondents say Blinkit offers better prices, 20% think both sites offer comparable offers, and 10% think neither offers superior deals**. Overall, the results show that Zepto is thought to be more appealing when it comes to sales and discounts.

How important is customer support in choosing an app?

20 responses



According to the survey results, **20% of respondents think customer service is crucial when selecting a rapid commerce app, while 65% of respondents think it is extremely important**. **15% of respondents are neutral**, suggesting that it might not have a significant impact on their choice. Overall, the results show how important it is to provide excellent customer service in order to foster confidence and keep clients.

Brand Trust and Value

Which app do you trust more?

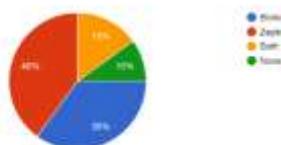
22 responses



According to the poll results, **Blinkit is the most trusted quick commerce app among participants, with 50% of respondents saying they trust it more**. **Zepto is trusted by about 25% of respondents, while another 25% think both platforms are equally dependable**. Overall, the results show that, in comparison to Zepto, Blinkit has a little greater degree of customer trust.

Which app do you feel gives better value for money?

22 responses



According to the survey's findings, **40% of participants think Zepto offers superior value for money, making it the best choice in terms of both price and advantages**. About **35% of respondents think Blinkit is more cost-effective**,

15% think both platforms are comparable, and 10% think neither is. All things considered, the results indicate that Zepto is somewhat more cost-effective than Blinkit.

Chapter 5: Limitations of the Study

This study has some limitations even if it offers insightful information.

With just 20 respondents, the study's sample size was comparatively tiny. As a result, the findings might not accurately reflect the views of all Indian fast commerce users.

Furthermore, the bulk of responders came from a small geographic location, which could have an impact on the results.

A larger and more diversified sample was not possible due to the study's short duration.

Additionally, the study mostly relied on survey responses and client evaluations, which can contain subjective biases.

Future studies that cover a wider geographic area and have a larger sample size may offer more thorough insights into customer retention in the rapid commerce sector.

Chapter 6: Conclusion

India's quick commerce sector has grown quickly as a result of rising customer demand for quick delivery and convenience. Businesses like Blinkit and Zepto have effectively used logistics and technology to meet these demands.

The results of this study show that a number of important criteria, such as delivery speed, service quality, discounts, customer support, and mobile application experience, affect customer retention in rapid commerce.

According to respondents, Blinkit appears to have a larger user base and higher levels of brand trust. This could be explained by its competitive pricing tactics, extensive product selection, and special deals.

However, Zepto is appealing to clients who value affordability and quickness because of its strengths in perceived value for money and delivery efficiency.

Although their methods are different, both businesses have generally created successful customer retention strategies. Zepto prioritises quick delivery and operational effectiveness, while Blinkit concentrates on promotional offers and product diversity.

Businesses must constantly improve service quality, streamline logistics, and provide better client experiences if they want to succeed in the rapid commerce sector.

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