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# Dark-store surge casts a shadow on rider pay

Quick-commerce expansion is shrinking trips and cutting rider incentives

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**C**onsumers of quick commerce are thrilled by speed, but for the delivery guy, it's hardly a joyride. Companies, including Instamart, Blinkit and Zepto that deliver grocery and other household essentials within minutes have expanded their network of dark stores - distribution centres set up in densely populated areas to fulfil online orders - in a bid to save costs and accelerate deliveries.

A surge in these dark stores is surely speeding up deliveries but shrinking rider paychecks, as shorter trips slash distance-linked incentives. As a result, average per-order payouts to quick commerce riders have tumbled, and delivery workers are now quitting platforms within 3-6 months of joining, say industry experts.

"Store density has gone up, and, hence longer distance orders aren't in the picture anymore," said Kartik Narayan, chief executive officer at staffing firm Team-Lease Services Ltd.

As the dark-store density has increased, the delivery guys are expected to collect multiple customer orders, which means they have to stop at several hubs to pick up the ordered goods, before starting the delivery. So, while the distance may have shrunk, the time taken to complete deliveries has risen, hurting riders financially.

Delivery workers typically get a minimum pay per order (₹12-₹20 for short trips of 1 km), which is topped up by distance-linked bonuses, peak-hour surges, or weather fees, boosting their income. "The more colourful your order is—that is, the more variety of items it has—the higher the chance we'll need to stop at multiple hubs to collect them. That adds extra time and effort before we can start the delivery," said Ankur, 22, a Blinkit delivery worker.

"Closer the hub is, distance decreases, but we might have to stop at multiple hubs for batching. That means we end up riding



Riders are now being forced to pick up multiple orders from different hubs, lengthening the delivery times despite shorter distances. **MINT**

all day for the same money or less," said Ranjan, 26, a Swiggy Instamart delivery worker in Delhi, adding that it's "pretty much the same across all three platforms."

Queries to Swiggy, Zomato, and Zepto did not elicit a response till press time.

Swiggy's quick-commerce arm Instamart added 498 dark stores in FY25—nearly matching its total openings over the previ-

ous four years. Its network has ballooned to 1,021 stores and four million sq ft of space, a 2.6x jump fuelled by larger-format facilities and store expansions.

It also added 44 megapods—large dark stores, each measuring 10,000-12,000 sq ft—in metros capable of storing 50,000 SKUs (stock-keeping units), offering customers a far wider range of products to choose from. But, it has paused its dark-

store expansion since the March quarter. Zomato's quick commerce arm, Blinkit, grew aggressively in FY25, boosting its store count 147% year-on-year to 1,301 and expanding its warehousing footprint to 5.2 million sq. ft. The Eternal Ltd's unit remains in growth mode, targeting 2,000 stores by December, while Zepto has paused expansion after hitting about 1,000 stores.

"As dark stores have moved closer to customers, average metro trip lengths have fallen by 20-30% over the past year, meaning fewer orders now qualify for these bonuses," Nilaya Varma, co-founder at Primus Partners, a management consultancy firm in Delhi, said.

Platforms may need consistently high batching rates - meaning more orders per ride - or a fixed-pay guarantee to maintain rider incomes, as the current model risks leading to more frequent but lower-value trips and higher churn in metro markets, added Varma.

For an extended version of the story go to [livemint.com](https://www.livemint.com)

## DARK SIDE OF DARK STORES

**PAY** per order is low — ₹12-20 for short trips; bonuses only for longer runs, peak hours, bad weather

**IN** metros, average trip lengths for delivery agents have fallen 20-30% in the past year alone

**PLATFORMS** may need more batching or fixed pay to stop low-value trips from raising rider churn