PRODUCT TEARDOWN

Zepto product teardown

Why India's second-largest quick-commerce app has the smallest basket, and what to test about it.

Existing product · Lens: average order value · Data: FY26 (April 2025 to March 2026)

01 · PRODUCT

An existing product, a new lens

PRODUCT	Consumer app launched in 2021, delivering groceries in about 10 minutes from dark stores
STAGE	IPO cleared by SEBI in May 2026; no price band announced as of October 2026
LENS	Growth and unit economics, specifically average order value (AOV)
OUT OF SCOPE	Zepto Cafe, the brand ad portal and the delivery-partner app

₹387

Zepto's average order in FY26, the smallest of the big three

Blinkit ₹665 to 669

Instamart ₹700

Source: Inc42. Other estimates put Zepto between ₹330 and ₹388, depending on definition.

Big scale, thin margins

4.79 cr
annual transacting users, up 25% year on year

640M
orders in FY26, about a third of the big three's total

1,139
dark stores across 66 cities

₹22,624 cr
FY26 revenue, more than double FY25's ₹11,110 cr

₹79
adjusted EBITDA loss per order in FY26

~$7B
last priced valuation, October 2025

Best store productivity, smallest basket

FY26	Blinkit	Zepto	Instamart
Orders (million)	916.6	640.2	412.2
Share of the three's orders	about 46.5%	about 32.5%	20.9%
Dark stores (Mar 2026)	2,243	1,139	1,143
Orders per store per day	~1,357*	2,140	~1,095*
Average order	₹665 to 669	₹387	₹700
Adjusted EBITDA	-₹277 cr	-₹5,042 cr	-₹3,511 cr

* Estimate from public data. Sources: Apparel Resources, Outlook Money, Inc42.

03 · PROBLEM

Users come for one item and leave with one item.

Fixed delivery and store costs sit on a ₹387 basket, and each order lost about ₹59 in Q4 FY26 (adjusted EBITDA).

HOW MIGHT WE

help a user who came for milk leave with ₹100 to ₹150 more, without a bigger discount or a new fee?

04 · USERS

Four shoppers, one to serve first

SERVE FIRST · 17 OF 20

Urgent-Need Shopper

One item, in a hurry, skips the homepage. Small, frequent baskets with the most room to grow.

SECOND · 14 OF 20

Premium Convenience User

Pays for speed and buys across categories. Likely Zepto Club member.

THIRD · 13 OF 20

Weekly Planner

Family restock across categories. The basket is already large.

NOT THE TARGET · 12 OF 20

Discount Seeker

Buys when an offer is live. Rewards cost margin without building loyalty.

Scored on segment size, AOV headroom, fit with a cart fix and strategic value. My judgement, to validate with research.

05 · JOURNEY

Where the journey breaks, and where to act

Stage	Pain point	Opportunity
Open app	Banners and offers are ignored	Keep it fast; add nothing here
Search and add	One item added, no prompt for related items	Show a small “goes with this” cue
Cart	The ₹199 free-delivery bar feels like a penalty; suggestions are generic	Cheap, relevant add-ons that close the gap to free delivery
Checkout	Past hidden fees hurt trust	One all-in price before paying
Delivery and after	Late or “delivered, not received” orders	Fast status and refunds; reorder with top-up

Home and search rows: one observed user. Other rows: public reports.

06 · PAIN POINTS

Five pain points, two worth fixing first

#	Pain point	Evidence	Score
1	Fee and threshold friction	Free-delivery bar moved from ₹99 to ₹199 (₹299 at peak); past fee backlash	18
2	Weak discovery	Mission shoppers skip banners; suggestions feel generic	17
3	Discount whiplash	Discounts cut from 18 to 20% of MRP to 14 to 16%	13
4	Delivery and refund trust	“Delivered, not received” disputes (user reports)	12
5	Reliability and quality	Delays and bad or expired items (user reports)	10

Score out of 20 on frequency, severity, link to AOV and fixability (my judgement). User reports are anecdotes.

07 · SOLUTIONS

Five ideas, one to build first

ID	Solution	How it works	Pain
A	Smart Cart Builder	Cart rail of cheap, relevant add-ons plus an “add ₹X for free delivery” nudge	1, 2
B	Basket Milestones	Progress bar with rewards beyond free delivery	1
C	Repeat basket + top-up	One-tap reorder, then suggest items running out	2
D	Occasion bundles	Ready kits (breakfast, dinner in 10) priced ₹250 to ₹400	2
E	All-in price at cart	One total, every charge explained	1, 3

Cashback of ₹30 on a ₹299 basket is 10% of the order, so milestone rewards need a margin check.

RICE says build the cart rail first

Rank	Solution	Reach	Impact	Confidence	Effort	Score
1	E. All-in price at cart	90	0.5	70%	1	31.5
2	A. Smart Cart Builder	80	1	80%	3	21.3
3	B. Basket Milestones	70	1	50%	2	17.5
4	D. Occasion bundles	50	2	50%	4	12.5
5	C. Repeat basket + top-up	40	0.5	60%	1.5	8.0

Reach in % of monthly users; effort in person-months. Illustrative inputs, not Zepto data.

E is a trust fix, so it ships alongside A, the first build.

09 · MVP

MVP: one cart rail, three weeks, one number

In the MVP

+ Cart rail of 6 to 8 items, one-tap add
+ “Add ₹X for free delivery” nudge with items that close the gap
+ Rule-based picks: bought together, plus the user's usual items
+ Price cap per suggestion, for example under ₹99
+ All-in price summary before pay

Left out for now

– Machine-learned ranking
– Milestone rewards and cashback
– Occasion bundles
– Any new fee or pre-selected item
– Reorder shortcut (phase 2)

09 · MVP

Test design and success criteria

Test

50/50 A/B test

Two dense cities

About three weeks

Randomised by user

Win

AOV up ₹20 or more (about 5%)

Rail add rate of 10 to 15%

More items per order

Guardrails

Delivery time

Cancellations and complaints

Checkout conversion

Margin per order must not fall

₹20 more per order is about ₹4.7 crore of extra order value a day, or about ₹1,700 crore a year at full rollout.

Order value, not profit. Based on 2.33 million orders a day in Q4 FY26.

10 · GO TO MARKET

Roll out in four gated phases

PHASE 0 · 1 WEEK

Internal

Employees and a small beta group

Gate

No checkout bugs; cart loads at normal speed

PHASE 1 · 3 WEEKS

Test

5% of users in two dense cities

Gate

AOV up ₹20 or more; delivery time and conversion flat

PHASE 2 · 4 WEEKS

Expand

50% of users in the top 10 cities, Zepto Club members first

Gate

Lift holds across user types; margin per order not lower

PHASE 3 · ONGOING

Launch

All users, with sponsored slots in the rail

Gate

Weekly review of AOV, add rate and complaints

To users: “Forgot something? Add it in one tap.” In-app only, no paid media.

10 · GO TO MARKET

Risks and when to stop

Clutter slows the cart	One row, dismissible; hide slow-to-pick items
Dark-pattern backlash	No pre-selected items, no hidden fees, all-in price shown
Rivals copy it	Blinkit and Instamart can; the edge is order data and store speed
Stop if	Delivery time, cancellations or complaints worsen, or the AOV lift is under ₹10 after three weeks

TAKEAWAYS

Three things to remember

1. Zepto's stores are efficient but its baskets are small: ₹387 against ₹665 to ₹700.
2. The cart, not the homepage, is where a mission-driven shopper adds more.
3. Test a cart rail first. A win is +₹20 AOV with delivery time, margin and conversion flat.

What would you test first?

SOURCES

Sources and caveats

Sources

Zepto updated DRHP (8 June 2026), via Apparel Resources, Outlook Money, Upstox and Indian Retailer

Inc42: AOV, delivery threshold, discounts, Zepto Club

The Daily Brief; Inc42 Datalabs; Premier Alternatives; Revelio Labs

Storyboard18, DesiDime, Trustpilot, Curly Tales

Airtribe group assignment (S. Saxena, V. Suvarna, T. Bhaskar): mission-driven shopper insight

Caveats

AOV varies by source: ₹330 to ₹388

Blinkit and Instamart per-store orders are estimates

Persona, pain-point and RICE scores are my own estimates

Figures as of 12 October 2026. FY26 = April 2025 to March 2026

Thank you

Questions, or a different ranking? I'd like to hear it.