1Lattice

B2C and SaaS e-commerce opportunities in India

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GLOSSARY OF ABBREVIATIONS USED

S. No	Abbreviation used	Full form
1	3PL	Third-party logistics
2	AI	Artificial intelligence
3	ASEAN	Association of Southeast Asian Nations
4	ATV	Average transaction value
5	B&M	Brick and Mortar
6	B2C	Business to Consumer
7	BPC	Beauty and Personal Care
8	CAGR	Compound annual growth rate
9	CoD	Cash on Delivery
10	CY	Calendar year
11	D2C	Direct to Consumer
12	F&B	Food and Beverages
13	FDI	Foreign direct investment
14	FMCG	Fast-moving consumer goods
15	FY	Financial year
16	GDP	Gross domestic product
17	Gen-X	Generation X
18	Gen-Z	Generation Z
19	INR	Indian rupee
20	MSME	Micro, Small, and Medium Enterprises
21	PFCE	Private final consumption expenditure
22	QR	Quick response (code)
23	RBI	Reserve Bank of India
24	SKU	Stock keeping unit
25	SLA	Service level agreement
26	UK	United Kingdom
27	UPI	Unified Payments Interface
28	USA	United States of America
29	Y-o-Y	Year-on-Year

EXCHANGE RATE TABLE

Year (FY)	Rs. Equivalent of one USD	Euro equivalent of one USD	Year (CY)	Rs. Equivalent of one USD	Euro equivalent of one USD
2015-16	66.33	0.88	2016	67.95	0.95
2016-17	64.84	0.93	2017	63.93	0.83
2017-18	65.04	0.81	2018	68.36	0.88
2018-19	69.17	0.89	2019	69.89	0.89
2019-20	70.49	0.93	2020	74.18	0.83
2020-21	73.20	0.85	2021	74.50	0.83
2021-22	74.50	0.86	2022	76.10	0.91
2022-23	80.32	0.96	2023	82.31	0.93
2023-24	82.59	0.93	2024	83.67	0.92
2024-25	84.56	0.93	2025 (YTD)	86.60	0.95
2025-26 (YTD)	86.95	0.87	2026	NA	NA

Source: X-rates Monthly average

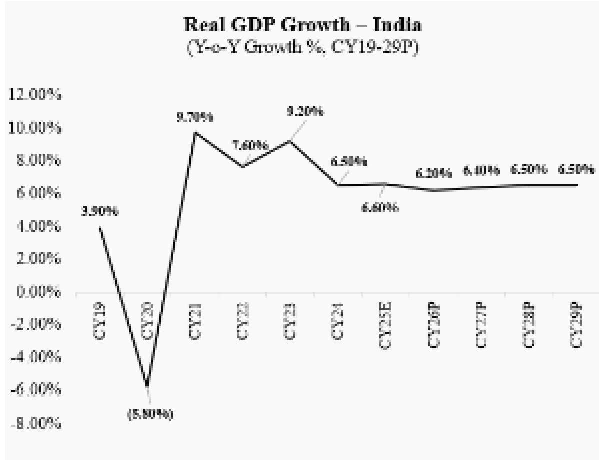
1. Macroeconomic overview

1.1. Global real GDP is projected to grow at a CAGR of approximately 3.20% from CY24-29, while India's economy is expected to expand at a growth rate of approximately 6.45% over the same timeframe

According to International Monetary Fund (IMF), global real GDP in CY24 grew at a rate of 3.30%, despite challenges such as higher interest rates, tighter financial conditions, and geopolitical tensions, including Russia's ongoing war in Ukraine, escalating conflict in the Middle East, and turbulent US-China relations. In comparison, India is expected to sustain the highest growth rate, with its current year-on-year growth rate at 6.50% in CY24, expected to grow at 6.45% until CY29. The rise in the growth rate is attributed to the robustness of domestic demand and a rising working-age population.

Real GDP Growth – India, China, Germany, USA, UK & World
(Y-o-Y Growth %, CY19-29P)

Top economies	India	China	Germany	USA	UK	World
CY19	3.90%	6.10%	1.00%	2.60%	1.60%	3.00%
CY20	(5.80%)	2.30%	(4.10%)	(2.10%)	(10.30%)	(2.70%)
CY21	9.70%	8.60%	3.90%	6.20%	8.60%	6.60%
CY22	7.60%	3.10%	1.80%	2.50%	4.80%	3.80%
CY23	9.20%	5.40%	(0.90%)	2.90%	0.40%	3.50%
CY24	6.50%	5.00%	(0.50%)	2.80%	1.10%	3.30%
CY25E	6.60%	4.80%	0.20%	2.00%	1.30%	3.20%
CY26P	6.20%	4.20%	0.90%	2.10%	1.30%	3.10%
CY27P	6.40%	4.20%	1.50%	2.10%	1.50%	3.20%
CY28P	6.50%	4.00%	1.20%	2.10%	1.40%	3.20%
CY29P	6.50%	3.70%	1.00%	1.90%	1.40%	3.20%



Note(s): CY refers to Calendar Year
Source(s): International Monetary Fund, 1Lattice analysis

India is the fourth-largest economy in the world and is expected to be the third-largest by CY28. India is expected to cross the USD 5.00 trillion GDP mark within the next 5 years, on the back of robust growth in various sectors, and increased private consumption. Indian private consumption expenditure is expected to be driven by an increasing proportion of the working-age population and a rise in household income. India’s GDP growth is driven by factors like:

- **Population growth & expanding middle class**: India’s growing population, especially the expanding middle class, is increasing demand for goods and services, thereby boosting consumption-driven growth. India’s middle class is expected to reach 1,031.85 million (approximately 61% of the population) by CY47, from 521.97 million (approximately 35% of the population) in CY24. As of CY24, the total population of India currently stands at 1,450.94 million.

- **Rise in consumer spending**: India, currently the world’s fourth-largest economy, is the fastest-growing major economy and is expected to become the third-largest by CY28, with a projected GDP of USD 5.70 trillion. According to the World Economic Forum (WEF), India’s private consumption, which accounts for over 60% of GDP, continues to grow and is projected to exceed USD 4.00 trillion by CY30.

- **Infrastructure investments**: The government's focus on infrastructure, including roads, railways, and urban development, enhances productivity and supports long-term economic growth. In the FY25-26 budget, the government has allocated INR 11.21 trillion towards capital expenditure.

- **Foreign Direct Investment (FDI):** FDI inflows boost industrial growth, employment, and exports, strengthening the economy.

- **'Make in India' initiative:** The Make in India initiative aims to transform India into a global manufacturing hub. This initiative is part of a broader strategy to enhance the country's economic growth, attract foreign investment, and promote domestic production across various sectors. Since the inception of “Make in India,” the FDI inflows in India have increased from USD 45.15 billion in FY15 to USD 71.36 billion in FY24.

- **Technological advancements & digital economy**: Growing internet penetration and adoption of digital technologies are transforming sectors like e-commerce, fintech, and manufacturing, contributing significantly to GDP growth.

1.2. The Emerging Asia region is expected to have the highest GDP growth rates when compared to other regions

According to the IMF, global GDP growth is expected to be steady in CY24 and CY25. However, regional variations have resulted in stronger growth rates in certain areas compared to other regions. Notably, Asia is expected to maintain the highest growth rate, with its current Y-o-Y growth rate at 5.30% in CY24. This growth is driven by robust domestic consumption in most ASEAN countries and significant public and private investments in China and India.

Real GDP Growth – Global Economies
(Y-o-Y Growth %, CY19-29P)

Global Economies	CY19	CY20	CY21	CY22	CY23	CY24	CY25E	CY29P
Emerging Asia	5.40%	(0.50%)	7.80%	4.70%	6.10%	5.30%	5.20%	4.70%
Emerging Europe	2.60%	(1.80%)	7.20%	0.50%	3.60%	3.50%	1.80%	2.40%
Euro Area	1.60%	(6.00%)	6.40%	3.60%	0.40%	0.90%	1.20%	1.20%
Latin America and the Caribbean	0.20%	(6.90%)	7.40%	4.30%	2.40%	2.40%	2.40%	2.80%
Major Advanced Economies (G7)	1.70%	(4.20%)	5.90%	2.70%	1.80%	1.70%	1.40%	1.50%
Middle East and Central Asia	2.10%	(2.30%)	4.70%	6.40%	2.60%	2.60%	3.50%	3.70%
Sub-Saharan Africa	3.10%	(3.10%)	3.80%	4.40%	3.70%	4.10%	4.10%	4.60%

*Note(s): Euro area consists of advanced Economies like Germany, France, Italy, Spain, Netherlands, etc. *G7 includes Canada, France, Germany, Italy, Japan, the USA, and the UK*
Source(s): International Monetary Fund, 1Lattice analysis

1.3. India's per capita income stood at approximately USD 2.69 thousand in CY24 and is expected to reach approximately USD 3.97 thousand by CY29

India's per capita income is expected to rise from USD 2.69 thousand in CY24 to approximately USD 3.97 thousand by CY29, growing at a CAGR of 8.09%, according to IMF. The growth in GDP per capita is driven by factors such as- strong manufacturing, higher agricultural output, and robust government spending, making it the fastest-growing major economy, followed by China (6.05%), the UK (5.52%), Japan (4.80%), and the USA (3.49%).

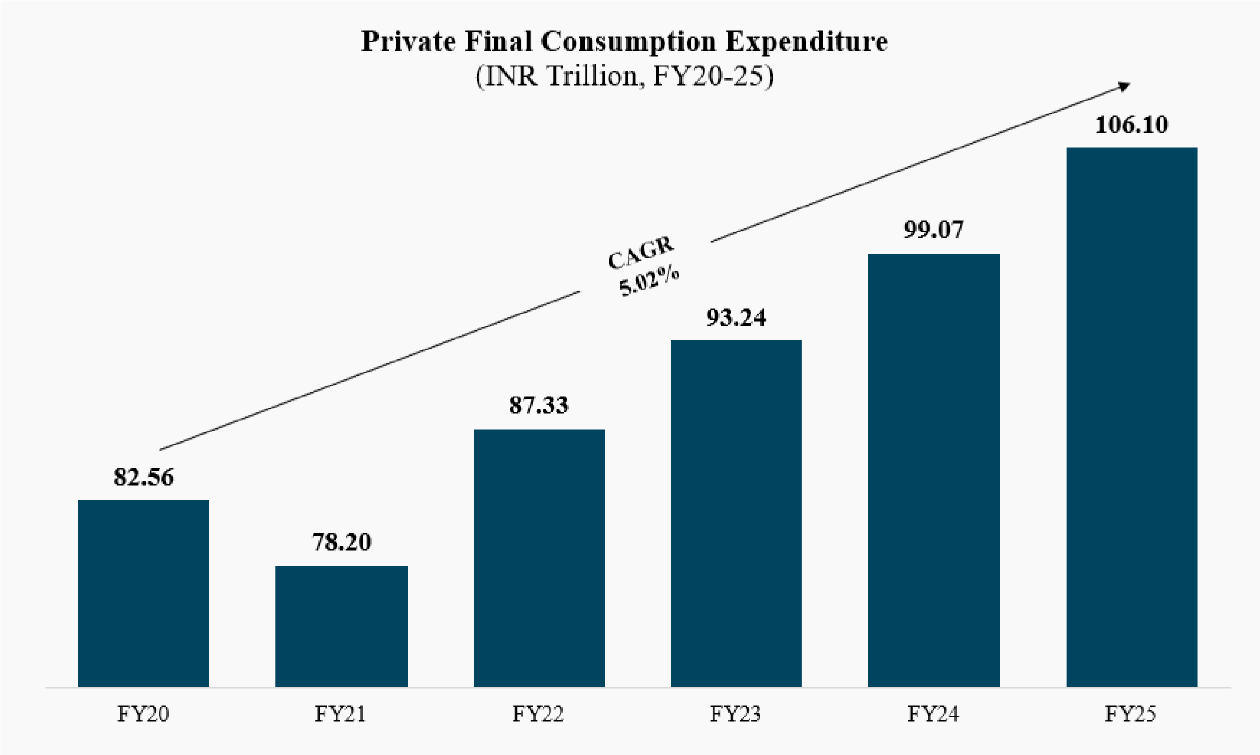
Global GDP Per Capita – Top Economies
(USD, CY19-29P)

Top Economies	CY19	CY24	CY25E	CY29P	CAGR CY19-24	CAGR 24-29P
World	11,569.30	13,904.73	14,613.20	17,174.16	3.75%	4.31%
India	2,041.43	2,694.74	2,818.03	3,975.09	5.71%	8.09%
USA	65,561.32	86,144.80	89,598.86	102,275.84	5.61%	3.49%
Germany	48,177.61	56,086.90	59,925.32	69,713.38	3.09%	4.45%
UK	42,712.61	52,648.19	56,660.87	68,886.03	4.27%	5.52%
France	40,487.30	46,187.30	48,981.97	56,050.84	2.67%	3.95%
Japan	40,547.97	32,443.02	34,713.25	41,019.53	(4.36%)	4.80%
China	10,334.46	13,313.94	13,806.03	17,861.76	5.20%	6.05%

Source(s): International Monetary Fund, 1Lattice analysis

1.4. Private final consumption expenditure is projected to grow by 7.62% in FY25, up from 6.25% growth in the previous year, indicating a rebound in household spending

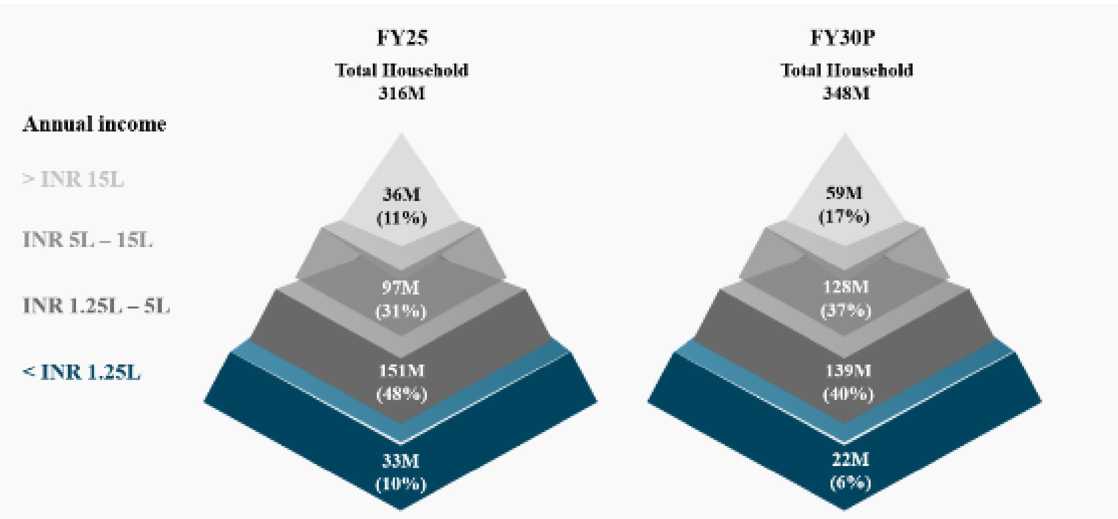
Private final consumption expenditure (PFCE), a critical component of GDP, measures household spending on goods and services and is a key barometer of domestic demand and overall economic momentum. In India, PFCE remains a primary driver of growth, highlighting the country's consumption-led economic model. According to Ministry of Statistics and Programme Implementation (MoSPI), for FY23 and FY24, PFCE was estimated at approximately USD 1.10 trillion (INR 93.24 trillion) and USD 1.17 trillion (INR 99.07 trillion), respectively, with projections indicating a growth rate of 7.6% in FY25. While consumption continues to be the largest contributor to GDP, the PFCE-to-GDP ratio declined slightly from 58.10% to 56.10%, reflecting a broader shift in growth dynamics as investment and export activity gain greater prominence. A significant part of this growth is being driven by digital channels. Between FY20 and FY25, annual online consumption expenditure per person rose by approximately 40%, reflecting a clear shift toward digital purchasing behaviour. This trend underscores growing consumer trust, ease of access, and the deepening reach of e-commerce across categories, reinforcing the role of digital consumption in shaping India's evolving retail landscape.



Source(s): Ministry of Statistics and Programme Implementation, 1Lattice analysis

1.5. India is seeing an increase in household incomes that is propelling a shift across income tiers, fuelling greater demand for organised retail channels

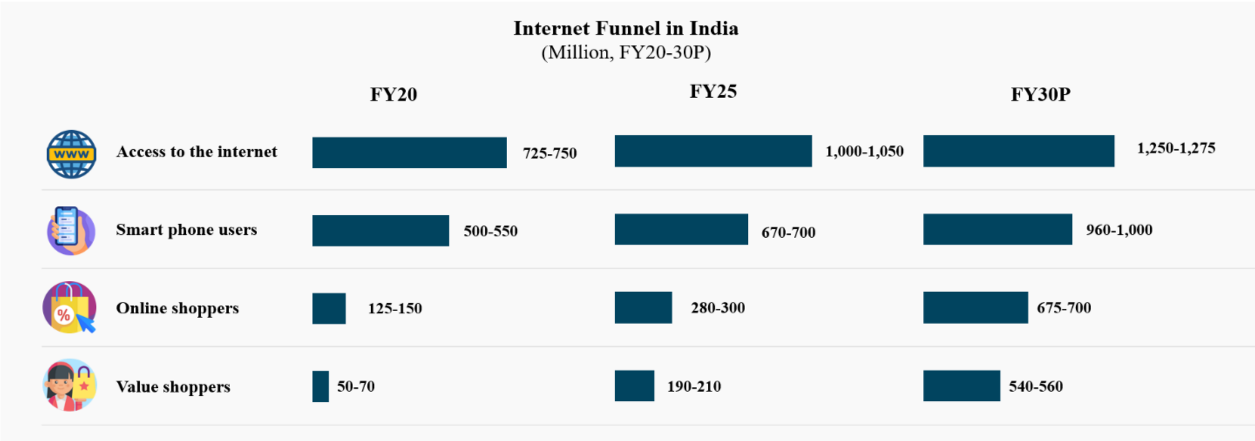
The steady upward mobility across income brackets in India is poised to significantly boost spending on organised retail formats. The number of lower-middle-income households earning (INR 1.25–5 lacs or approximately $1,500–$5,900) annually is expected to decline from 151 million in FY25 to 139 million in FY30, as many will move up into higher income brackets. At the same time, upper-middle-income households earning (INR 5–15 lacs or approximately $5,900–$17,700) are projected to grow from about 97 million to 128 million, reflecting the rise of aspirational and brand-conscious consumers. India's transition from an agriculture-led economy to one driven by manufacturing and services is accelerating, supported by strong economic growth and increasing formalisation of employment. In aggregate, 79% of total households or 248 million households represented the middle class in FY25, presenting a significant market opportunity. This base is expected to grow to 267 million households or 77% of total households by FY30. This structural shift is fostering the steady expansion of organised retail, which in turn reinforces manufacturing and entrepreneurship by generating consistent demand, improving digital visibility, and enabling access to a nationwide customer base.



Source(s): People Research on India's Consumer Economy, 1Lattice analysis

1.6. India is projected to have approximately 700 million online shoppers by the end of FY30

The rapid increase in digital adoption is further amplifying the shift toward organised retail in India. Internet access is projected to rise from approximately 725-750 million users in FY20 to over 1,250-1,275 million by FY30, creating a vast digital ecosystem. Further, with India's current pace of digital adoption, increasing smartphone penetration, growing disposable income, and economic growth, the online shopper base is expected to grow from 280-300 million in FY25 to nearly 675-700 million by FY30, and a significant portion of this new user base is anticipated to emerge from Tier 2 cities and smaller towns, creating substantial growth opportunities. This is further leading to an increase in value shoppers, increasing 2.5x over 5 years from 190-210 million in FY25 to 540-560 million in FY30. This growth not only reflects expanding digital literacy but also the growing comfort with e-commerce platforms across urban and rural regions, coupled with rising incomes, the expanding digital base is set to unlock massive consumption potential through organised and online retail formats.

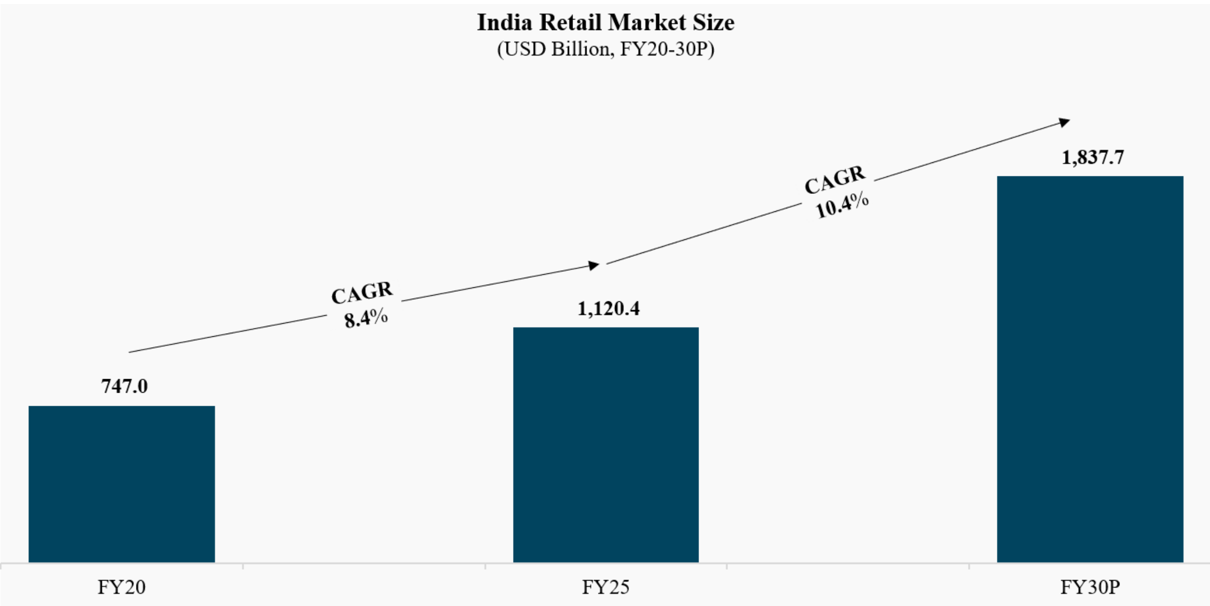


Source(s): 1Lattice analysis

2. India retail market overview

2.1. Indian retail market is valued at USD 1,120.4 billion in FY25, projected to grow at a CAGR of 10.4% during FY25-30 to reach USD 1,837.7 billion by FY30

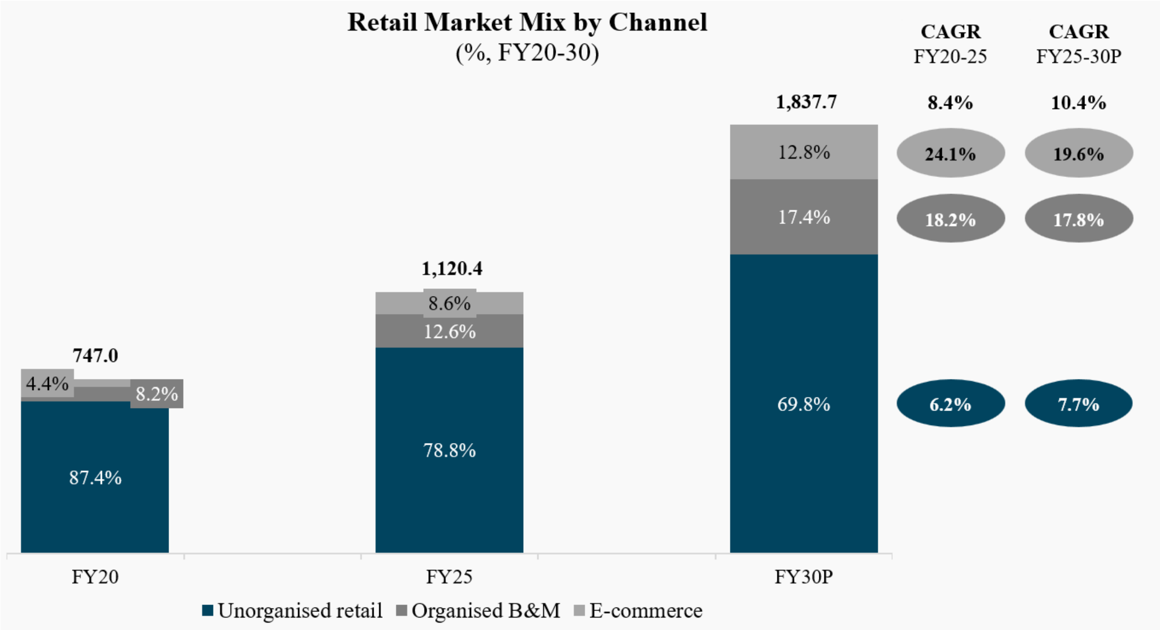
The Indian retail market is valued at USD 1,120.4 billion in FY25 and is projected to grow at a CAGR of 10.4% between FY25 and FY30, reaching USD 1,837.7 billion by FY30. According to Indian budget portal (IndiaBudget), this growth is driven by strong macroeconomic and demographic drivers such as rise in gross national income, increasing from INR 171.3 trillion in FY24 to INR 182.0 trillion in FY25. Other contributing factors include growing expenditure by the millennial population, rapid digital adoption, and expansion of retail formats in Tier 2 and 3 cities. The retail sector has maintained a strong presence in India's GDP, ranging between approximately 26-29% during FY20-25. It stayed steady at approximately 28% in the past few years and reached approximately 29% by FY25, reflecting strong consumer demand and the sector's resilience.



Source(s): 1Lattice analysis

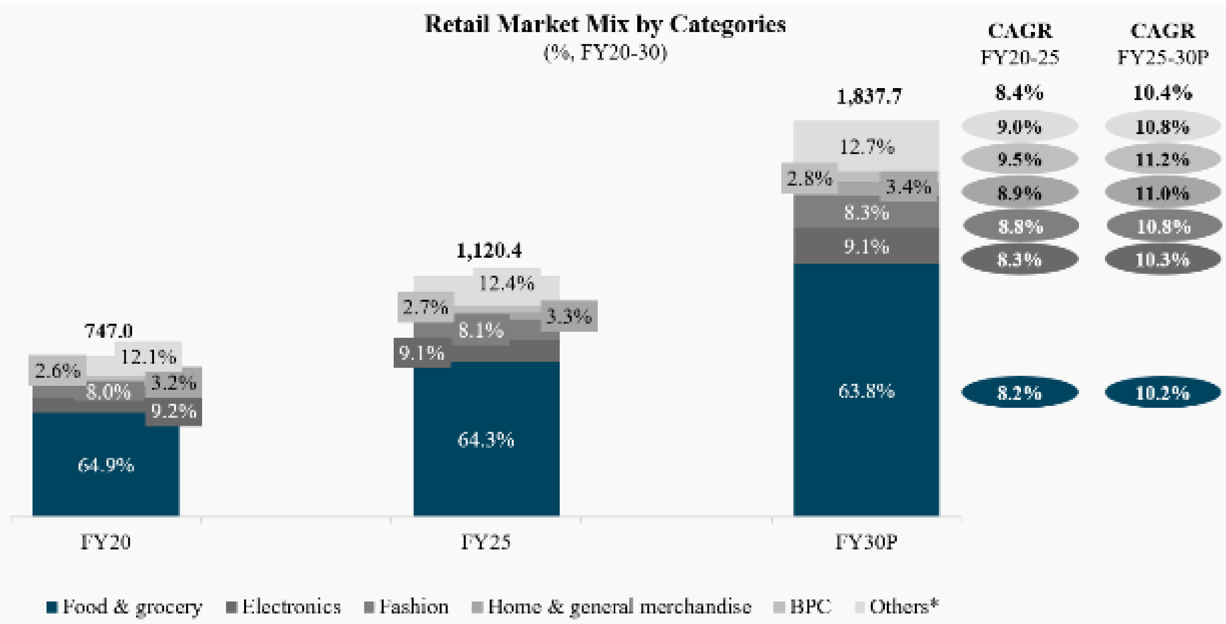
2.1.1. Unorganised retail accounts for the highest share in the retail market with 78.8% share in FY25, whereas e-commerce accounts for a share of 8.6% in FY25, which is expected to grow to 12.8% in FY30

India's retail market is broadly split into three channels: organised brick-and-mortar, unorganised retail, and e-commerce. Unorganised retail, comprising local kirana stores, mom-and-pop stores, and independent retailers, still dominates, contributing 78.8% in FY25, but it is expected to decline to 69.8% by FY30. This decline is primarily driven by increasing consumer preference for modern retail formats, better pricing, and assortment in organised retail. Organised brick-and-mortar retail, including supermarkets and branded retail chains, is projected to grow from 12.6% in FY25 to 17.4% in FY30. E-commerce, a rapidly emerging channel driven by hyper-local fulfilment and digital adoption, is expected to rise from 8.6% in FY25 to 12.8% in FY30.



Source(s): 1Lattice analysis

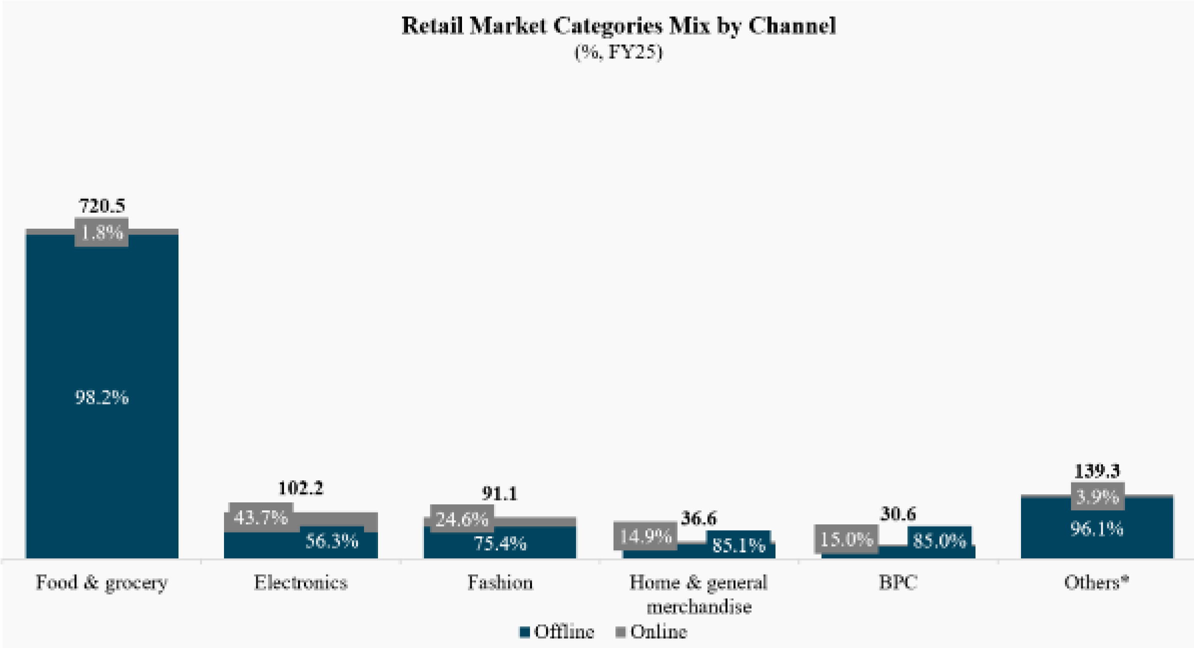
2.1.2. Indian retail market is witnessing a shift towards discretionary categories, with the share of fashion growing at a CAGR of 10.8% from FY25-30



*Note(s): *Includes Pharma, gems & jewellery, books, toys, etc.*
Source(s): 1Lattice analysis

The Indian retail market continues to witness a shift towards discretionary categories, driven by rising income levels, urbanisation, and increasing consumer aspirations. As income levels grow, consumers are allocating a larger share of their budgets towards non-essential categories to enhance comfort and lifestyle. This has led to a gradual shift from essential food & grocery spending (which is expected to decline from 64.3% in FY25 to 63.8% in FY30) towards categories such as fashion (apparel and footwear) and home and general merchandise (furniture and furnishing). This trend is more pronounced in urban markets with higher income levels and greater retail penetration. Urban centres are witnessing faster growth in non-food categories, while rural regions are evolving in a similar direction, albeit at a slower pace. Overall, the share of fashion is projected to grow at a CAGR of 10.8% over the period FY25-30, reflecting faster movement towards lifestyle-driven consumption.

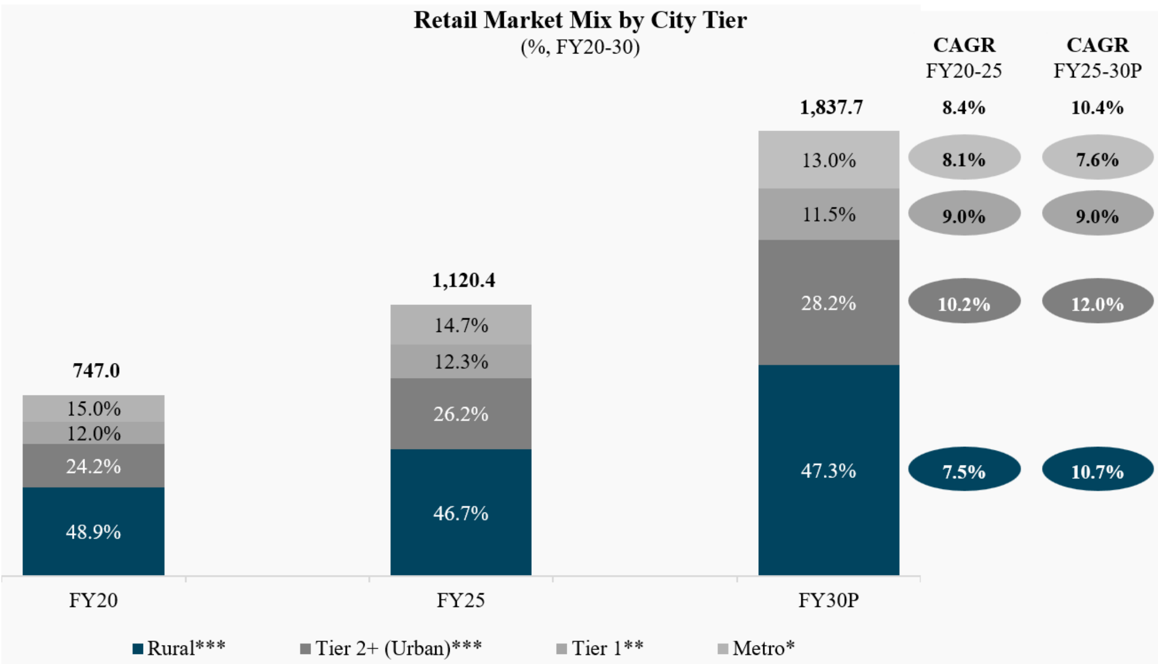
2.1.3. Retail market in India displays distinct offline and online penetration across product categories. In food & grocery, offline dominates with 98.2% share of the market, while online holds 1.8% share of the market



*Note(s): *Includes Pharma, gems & jewellery, books, toys, etc.*
Source(s): 1Lattice analysis

The retail market in India displays distinct offline and online penetration across product categories. In food & grocery, offline dominates with 98.2% share of the market, given the strong presence of kirana stores and local mom-and-pop stores. Online holds a modest 1.8% share of the market, driven primarily by quick commerce in urban centres, currently limited to the top 10-12 cities. This is attributed to high population density, strong digital readiness, established delivery infrastructure, and a customer base influenced by convenience-oriented behaviour and brand perception. Online retail growth continues to be strongest in discretionary categories and Tier 2+ (urban) and rural region markets, progressively increasing its share across all product categories as consumer trust, assortment availability and fulfilment capabilities improve.

2.1.4. India's retail market is witnessing a structural shift with Tier 2+ (urban) and rural region markets emerging as high-growth engines, expanding with a CAGR of 12.0% for FY25-30



*Note(s): *Metros refer to cities with a population exceeding 5 million and includes Mumbai, Delhi NCR, Bengaluru, Chennai, Hyderabad, Kolkata,*

Pune, and Ahmedabad.
*** Tier 1 cities refer to cities with population of more than 1 million.*
**** Tier 2+ cities and towns refer to Tier 2+ (urban) and rural regions with population less than 1 million.*
Source(s): 1Lattice analysis

India's retail market is witnessing a structural shift, with Tier 2+ (urban) and rural region markets emerging as high-growth engines. While metros and Tier 1 cities still account for a sizable share, growth is now being driven by smaller towns, Tier 2+ (urban) and rural regions. Tier 2+ (urban) regions contributed 26.2% of retail consumption in FY25. It is expected to grow at a CAGR of 12.0% over the period FY25-30, reaching 28.2% of the retail market in FY30. This is led by rising incomes, better infrastructure, and increasing internet access. Consumers in these regions, earlier dependent on metros for trends and shopping, are now well-informed through social media and video platforms and are increasingly comfortable shopping online.

2.1.5. Omni-channel retailing offers customers a seamless and integrated shopping experience by combining physical stores, online platforms, and mobile apps

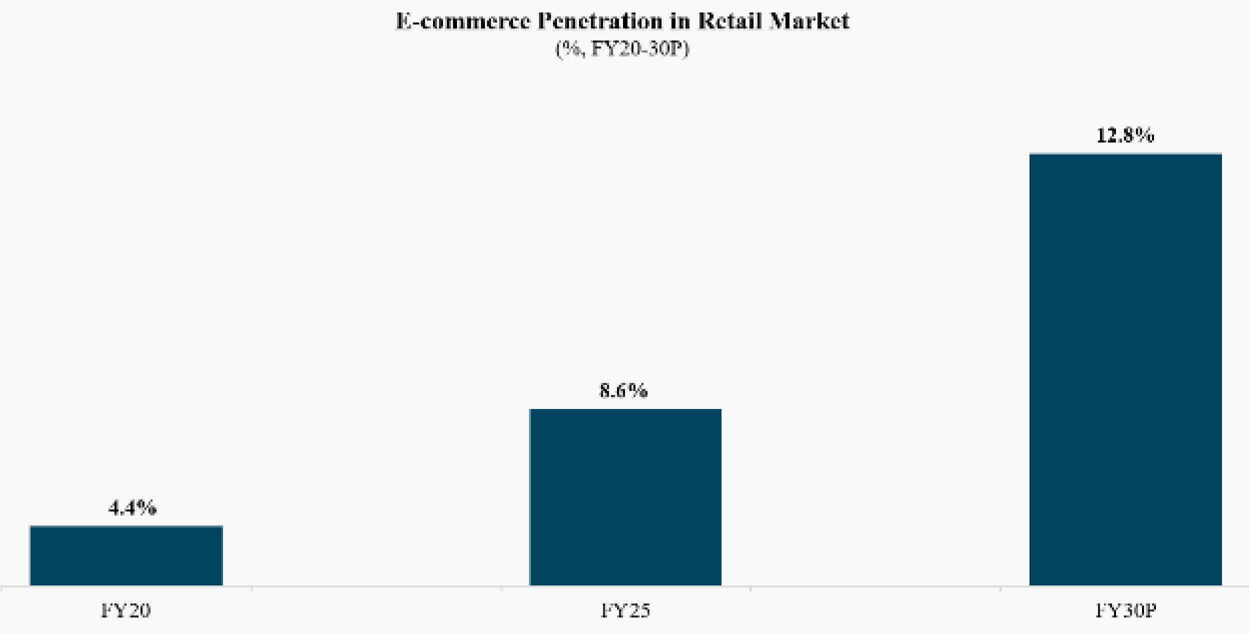
Omni-channel retailing offers customers a seamless and integrated shopping experience by combining physical stores, online platforms, and mobile apps. This unified approach enhances convenience, strengthens brand trust, and improves fulfilment efficiency by leveraging the benefits of both offline and online channels. E-commerce retailing, on the other hand, provides unmatched accessibility and scalability, allowing consumers to shop anytime and anywhere.

Advantages		
Parameters	**Omni-channel**	**E-commerce**
Customer Experience	• Customers can move seamlessly between online and offline channels, enabling flexible shopping journeys	• Customers can shop anytime from anywhere with 24x7 access to products and services
Brand Trust	• Physical stores allow product inspection and human interaction, which increases customer trust	• Well-designed platforms with verified reviews build digital credibility over time
Fulfilment Speed	• Local stores enable faster delivery through store - based fulfilment and in -store pickups	• Centralized warehouses support quick dispatch and scalable national delivery
Customer Engagement	• In-store staff and loyalty programs provide personalized service and higher customer retention	• Data analytics enables personalized recommendations and targeted communication
Market Reach	• Combines urban store presence with online visibility for broader coverage	• Enables deep penetration into tier 2 to tier 4 towns without the need for physical stores
Brand Experience	• Allows product trials, experiential touchpoints, and immersive brand storytelling in -store	• Offers consistent digital experience and user - friendly interfaces
Business Scalability	• Enables growth through both physical footfall and online traffic, improving overall business performance	• Scales rapidly with lower fixed costs due to asset - light operations

Source(s): 1Lattice analysis

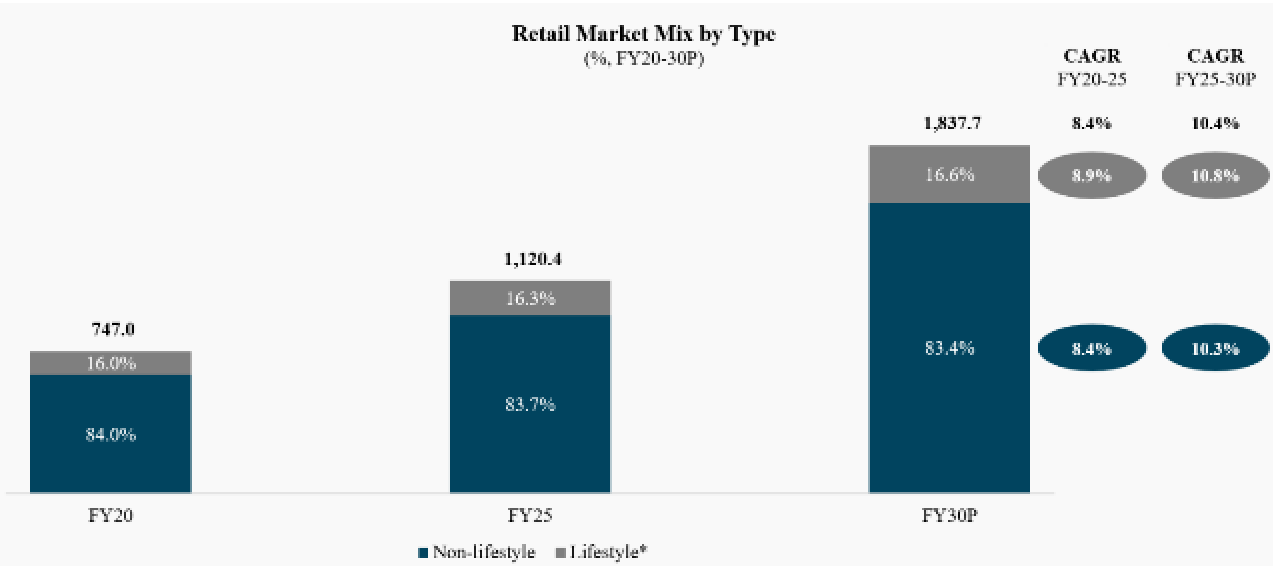
2.1.6. E-commerce market accounted for 4.4% of the retail market in FY20 and has grown to reach 8.6% of the retail market in FY25, and it is projected to reach 12.8% of the retail market by FY30

India's e-commerce market has grown rapidly from FY20-25. The e-commerce market accounted for 4.4% of the retail market in FY20 and has grown to reach 8.6% of the retail market in FY25. It is projected to reach 12.8% of the retail market in FY30. According to Press Information Bureau (PIB), this growth is driven by accelerating digital adoption, with digital payment transactions in India rising from 45.7 billion in FY20 to 181.24 billion in FY25, marking a rise of ~300%. The surge has been further supported by the widespread use of UPI, rising quick commerce usage, and improved logistics and warehousing infrastructure.



Source(s): 1Lattice analysis

2.2. India's overall retail market is divided into lifestyle and non-lifestyle categories, each accounting for 16.3% and 83.7% respectively in FY25

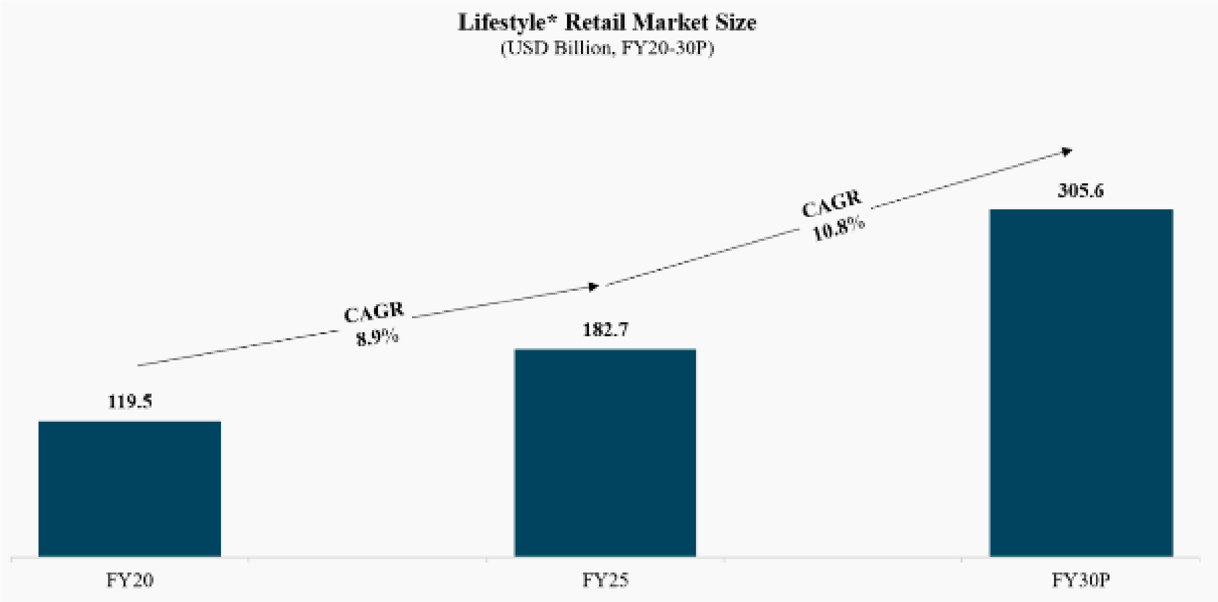


*Note(s): *Includes fashion, home and general merchandise, BPC and electronics*
Source(s): 1Lattice analysis

India's overall retail market is divided into various sub-categories, such as lifestyle and non-lifestyle. Lifestyle retail is the second-largest category of the retail market in India. It accounts for 16.3% of the total retail market in FY25 and is expected to grow to 16.6% in FY30 with a CAGR of 10.8% for FY25-30. The non-lifestyle category grew at a CAGR of 8.4% from FY20-25. It is expected to grow at a CAGR of 10.3% from FY25-30 to reach 83.4% of the retail market in FY30.

2.2.1. India's lifestyle retail market stands at USD 182.7 billion in **FY25. It is expected to grow at a CAGR of 10.8% over the period FY25-30 to reach USD 305.6 billion in FY30**

Lifestyle retail is a major driver of India's consumption. This retail market category consists of fashion, home, and general merchandise, BPC, small appliances, and electronics. India's lifestyle retail market stands at USD 182.7 billion in FY25. It is expected to grow at a CAGR of 10.8% over the period FY25-30 to reach USD 305.6 billion in FY30. This growth is enabled by the easing of short-term inflationary pressures, combined with favourable demand shifts, such as a rise in income, growth of fashion-forward, digital native Gen-Z shopper base, as well as an increase in demand for organised and branded products.



*Note(s): *Includes fashion, home, and general merchandise, BPC, and electronics*
Source(s): 1Lattice analysis

2.2.2. India's lifestyle retail market is divided into value and premium categories, each serving distinct consumer profiles shaped by income, aspiration, and brand perception

The Indian lifestyle retail market is broadly categorised into value and premium categories, each catering to distinct consumer groups based on income levels, shopping behaviour, and brand perception. This classification is especially relevant as e-commerce platforms and offline retailers increasingly tailor offerings to serve the evolving needs of middle-income and affluent-income consumers.

"Bharat Shoppers" or value shoppers, are mid-income customers across India, largely from Tier 2+ (urban) and rural regions, who prefer to shop within affordable price bands. This crucial category of India's retail and e-commerce landscape, characterised by low-to-middle household incomes, approaches the market for purchasing with a distinct methodology- they establish a budget, explore options that fit, and prioritise quality and trust in their final decision, and want an easy shopping experience without hidden charges. For Bharat Shoppers, base price typically starts as low as INR 50-150 for essentials and daily-use items, with most frequently purchased products in the INR 200-800 range across fashion, BPC, and home categories. Small appliances and basic electronics generally begin at approximately INR 250 and can go up to approximately INR 1,000.

Parameters	Value	Premium
Target Consumers & Geography	Mid-income customers, primarily from non-metro cities and smaller towns	High-income, mature buyers, concentrated in metro and tier 1 cities
Price Sensitivity & Motivation	Highly price-sensitive; motivated by affordability and functional value	Price-insensitive; motivated by exclusivity, design, and social status
Brand Engagement & Loyalty	Low loyalty; switch brands for better deals or perceived value	High loyalty; strong attachment to trusted, prestigious brands
Purchase Influencers	Word-of-mouth (family / friends), online reviews, discounts	Brand heritage, image, craftsmanship, and personal identity
Shopping & Research Behaviour	Mobile-first, extensive research, comparison-focused	Omni-channel, less research-intensive, experience-driven
Marketing Appeal	Value-for-money messaging, influencer / peer reviews, discount-led promotions	Storytelling, luxury branding, and exclusivity-based messaging
Growth Drivers	Internet penetration, rising rural / semi-urban incomes, digital retail adoption	Premiumisation trend, rising urban affluence, growing taste for luxury

Source(s): 1lattice analysis

2.2.3. India's lifestyle retail spans value to luxury, with consumer choices shaped by price sensitivity, aspiration, and brand affinity

India's lifestyle retail market features a wide range of consumer profiles shaped by income levels, aspirations, geography, and digital adoption. From value-driven shoppers in smaller towns to status-conscious buyers in urban centres, consumer behaviour varies significantly.

The value category, which includes mass and masstige consumers, tends to focus on affordability, functional needs, and discounts, though many are beginning to seek entry-level branded products that offer a balance of design and price. With increasing digital adoption across all age groups, value shoppers are exhibiting higher purchase frequencies, and this, combined with rising disposable incomes and greater e-commerce penetration, are expected to drive sustained growth in the sector. As these market dynamics continue to evolve, aspirations-led yet affordability-driven consumption will remain central to growth in India's value retail and e-commerce. On the other hand, premium consumers, including aspirational premium and luxury buyers, prioritise exclusivity, quality, and social signalling, with their purchases often linked to occasions and driven by brand heritage and uniqueness. These groups also differ in purchase frequency, brand preference, and digital engagement depending on factors such as generational cohorts, income, and access to online platforms. The following table brings together demographic, behavioural, and transactional insights to provide a comparative view of lifestyle retail consumers across the mass, masstige, aspirational premium and luxury categories.

Parameters		Value		Premium	
		Mass	Masstige	Aspirational Premium	Luxury
Generational Cohorts		• Gen-Z in Tier 2+ (urban) & rural regions • Value-seeking Millennials	• Aspirational Gen-Z • Budget-conscious Millennials	• Brand-aware Millennials • Urban Gen-X with rising income	• Affluent Gen-X • Legacy-seeking Boomers
Income Level		◔	◑	◕	●
Geography		• Tier 2+ (urban) & rural regions	• Tier 1-2 cities	• Metro cities with aspirational class	• Metro cities with high income profile
Price Sensitivity		◕	◑	◔	◔
Purchase Frequency		◕	◑	◑	◔
Purchase Triggers		• Driven by discounts & promotions • Mainly for practical or everyday use	• Trendy products within budget • Visually appealing & good quality products	• Latest seasonal trends • Brands that reflect social status or identity	• Product launches, exclusive releases, & gifting
Key Motivators		• Price-first decision-making • Focus on practical benefits	• Desire to start purchasing branded items • Quality products without spending much	• Willing to pay more for better design • Perceived quality & brand reputation	• Exclusivity & personal style • Premium experiences & expert craftsmanship
Propensity for Buying	Brand-based	◔	◑	◕	●
	Non-brand Based	◕	◑	◔	◔
Channel Preference		• Online marketplaces offering significant discounts • Local stores in smaller cities & towns	• Omnichannel platforms focused on value • Dedicated branded areas within large retail stores	• Premium D2C websites • Exclusive branded retail stores	• Flagship brand stores • Curated luxury online retailers
Product Expectation		• Basic design & reliable use • Emphasis on low cost	• Aspirational style • Good brand recognition • Affordable pricing	• Emphasis on comfort & detailing • Strong, recognizable brand identity	• Superior craftsmanship • Personalized options & exclusivity
Aspirational Value of Products		◔	◑	◕	●

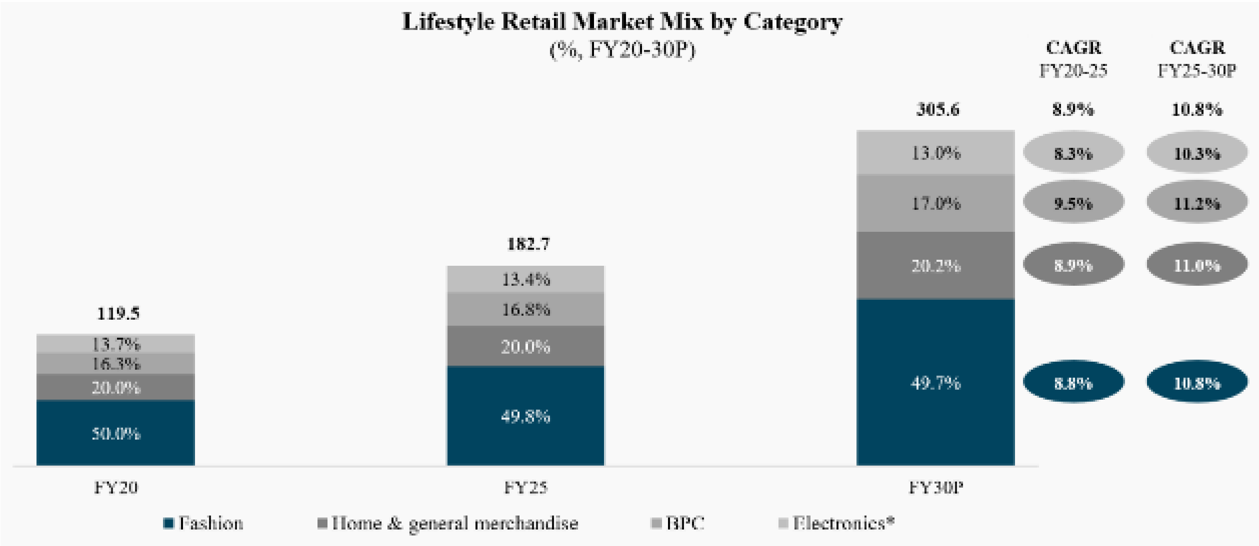
Very low ○ ◔ ◑ ◕ ● Very high

Source(s): 1Lattice analysis

2.2.4. Fashion accounts for the highest share of the lifestyle retail market with 49.8%, followed by home and general merchandise with 20.0% in FY25

Fashion (apparel and footwear) accounts for 49.8% of India's lifestyle retail market in FY25, followed by home and general merchandise (furniture and furnishing) at 20%, beauty and personal care (BPC) at 16.8%, and others at 13.4%. By FY30, fashion is projected to maintain its lead with 49.7% in lifestyle retail market, while home and general merchandise, and BPC are expected to reach 20.2% and 17.0%, respectively. India's lifestyle retail market is witnessing strong growth across categories, driven by rising disposable income, deeper online penetration, and shifting consumer preferences.

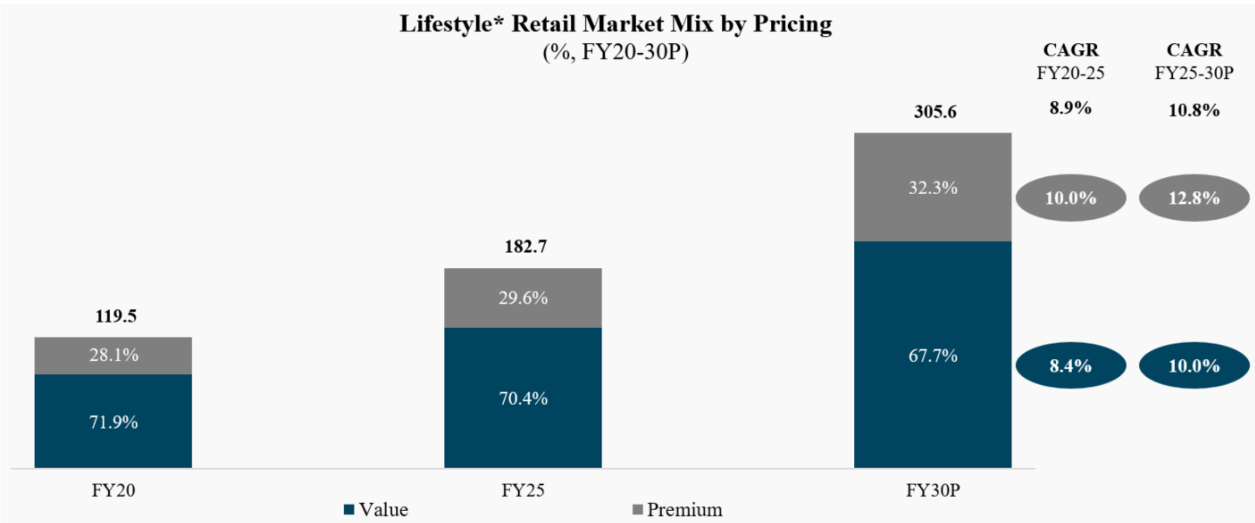
According to IMF, in FY24, India's per capita disposable income rose by approximately 8.0% to INR 0.2 million, boosting consumer spending across key lifestyle categories. Fashion remains dominant, driven by fast fashion trends, rising demand from smaller cities, and the influence of platforms like Instagram, where India leads globally with approximately 481 million users as of CY25. Home and general merchandise is gaining traction due to urbanisation and increased home ownership, while the BPC space is seeing rapid growth due to increased focus on self-care, higher adoption among men and Gen Z consumers, and growing influence of beauty influencers and social media platforms.



*Note(s): *Includes small appliances, accessories, peripherals, etc.*
Source(s): 1Lattice analysis

2.2.5. Value lifestyle retail accounted for 70.4% of India's lifestyle retail market in FY25, followed by the premium category at 29.6%

Value lifestyle retail accounted for 70.4% of India's lifestyle retail market in FY25, followed by the premium category at 29.6%. By FY30, value lifestyle retail is projected to maintain its lead at 67.7%, while the premium category is projected to reach 32.3%. India's lifestyle retail market is witnessing strong momentum, with both value and premium categories evolving to cater to the country's diverse and rapidly changing consumer preferences.



*Note(s): *Includes fashion, home, and general merchandise, BPC, and electronics*
Source(s): 1Lattice analysis

2.2.6. Value shoppers mainly use CoD for trust and ease, while premium buyers prefer pre-paid digital payments for convenience and security

India's e-commerce landscape is undergoing a significant transformation in payment preferences. While digital payments, particularly through UPI and digital wallets, are gaining momentum, CoD remains a prevalent choice, especially in specific categories and regions. The preference for payment modes varies notably between value and premium lifestyle retail categories.

Value category

- **Predominant use of CoD:** In the value category, particularly among consumers in Tier 2+ (urban) and rural regions CoD continues to be the preferred mode of payment. Various industry sources indicate that CoD accounts for approximately 65% of e-commerce orders in India, with even higher percentages in rural regions.

- **Trust and ease are key drivers of CoD preference:** CoD remains widely preferred among value-conscious consumers, as many trust cash payments more than digital modes such as cards or UPI in e-commerce transactions. It provides a safety net against online fraud and payment failures, making it easier and less risky for price-sensitive buyers to complete purchases.

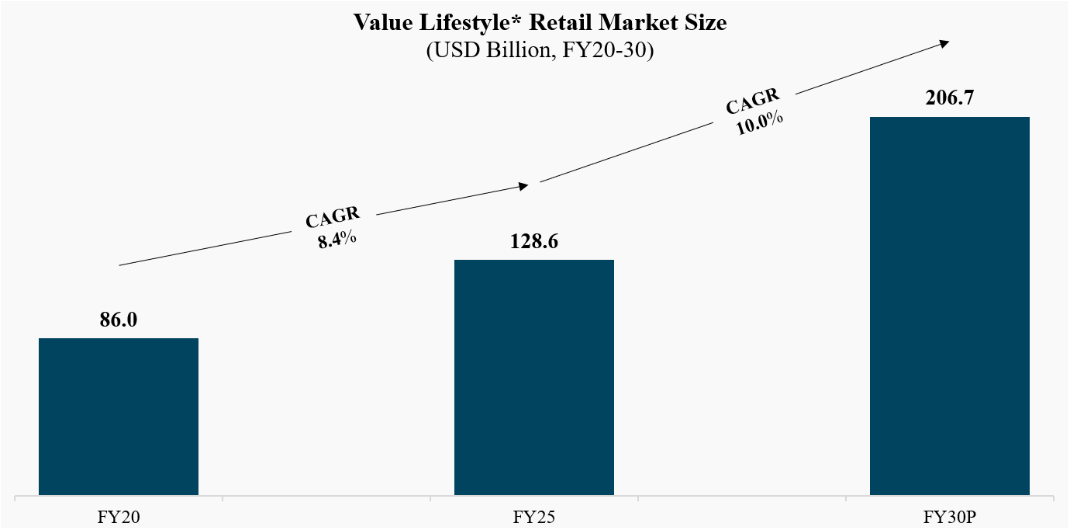
Premium category (Aspirational premium and luxury)

- **Shift towards pre-paid payments:** Urban, affluent consumers in the premium category show a higher inclination towards prepaid payment modes, including UPI, digital wallets, and co-branded credit cards offered through online marketplaces and banks. This shift is attributed to the convenience, security, and rewards associated with these payment modes.

- **Lower dependence on CoD**: Premium consumers exhibit lower reliance on CoD due to greater trust in online transactions and brand guarantees. The familiarity with digital payment systems and the desire for a seamless shopping experience contribute to the preference for prepaid payments in this category.

2.2.7. Value lifestyle retail market is valued at USD 128.6 billion in FY25, projected to grow at a CAGR of 10.0%, reaching a value of USD 206.7 billion by FY30

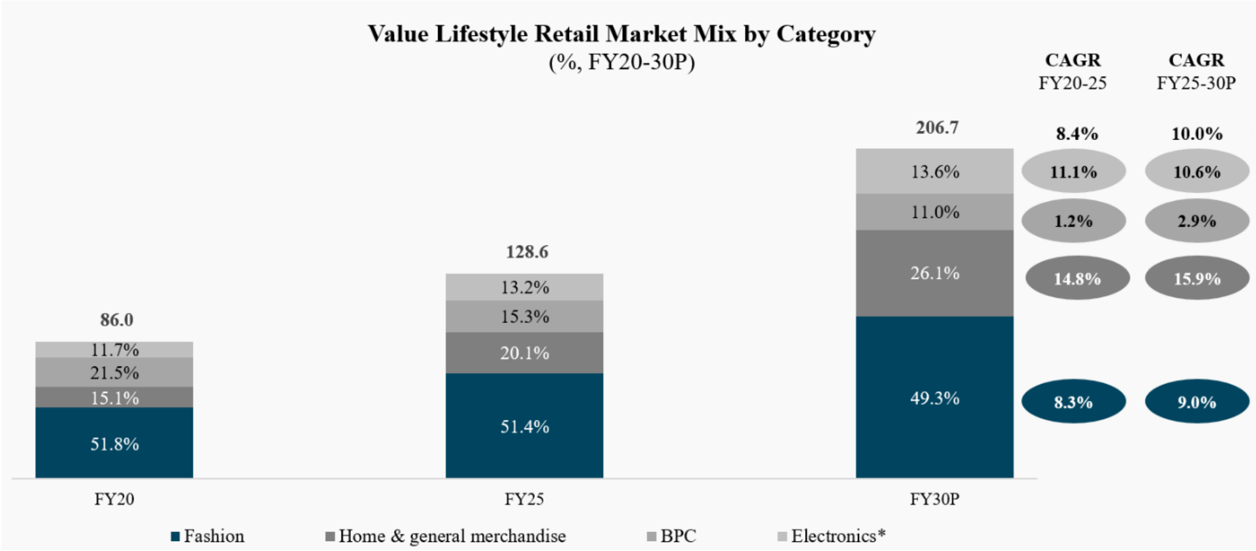
The large and fast-growing Indian value lifestyle retail market, valued at USD 128.6 billion in FY25, has demonstrated a significant growth trajectory with a CAGR of 8.4% during the period of FY20-25. It is projected to grow at a CAGR of 10.0%, reaching a value of USD 206.7 billion over the period FY25-30. The 1.6x growth over five years is likely to be driven by factors such as increasing price sensitivity among consumers, aspirational spending by a growing middle class, who are seeking affordable lifestyle products, and the expansion of retail channels catering to value-conscious shoppers in both urban and semi-urban areas.



*Note(s): *Includes fashion, home, and general merchandise, BPC, and electronics*
Source(s): 1Lattice analysis

2.2.8. Fashion accounts for the highest share in value lifestyle retail market, at 51.4%, followed by home and general merchandise with 20.1% in FY25, projected to grow at 49.3% & 26.1% respectively, by FY30,

Fashion accounted for 51.4% of India's value lifestyle retail market in FY25, followed by home and general merchandise at 20.1%, BPC at 15.3%, and electronics at 13.2%. By FY30, fashion is expected to maintain its lead at 49.3%, while home and general merchandise and BPC are projected to reach 26.1% and 11.0%, respectively. The share of electronics, including small appliances, accessories, peripherals, etc., in India's value lifestyle retail market is likely to reach 13.6% by FY30. India’s value lifestyle retail market is expanding rapidly, with strong growth across all categories driven by affordability, accessibility, and increasing demand from underserved markets. There's a significant white space in India's value and mid-premium consumer categories, as organised brands have yet to deeply penetrate into these markets. This is evident even in categories like footwear, where a substantial unorganised market, served mainly by regional MSME manufacturers, co-exists with established brands.



*Note(s): *Includes small appliances, accessories, peripherals, etc.*
Source(s): 1Lattice analysis

2.2.9. Value-conscious yet aspirational consumers from non-metro cities are seeking affordable style, quality and variety across retail formats

The typical buyer in India's value lifestyle retail category is evolving beyond traditional price sensitivity, is majorly influenced by digital adoption, aspirational consumption, and shifting retail preferences.

Demographic and Psychographic Profile	• Mid-income customers across geographies, primarily coming from non-metro cities and smaller towns • Rapidly adopting technology and using smartphones to explore online shopping and discover emerging brands
Shopping Behaviour	• Seek affordable yet durable products, with a strong focus on quality even when choosing lesser-known or emerging brands • Expecting broad, trend-driven assortments that reflect latest styles, going beyond the limited choices available in local retail stores
Retail Channel Preferences	• Shoppers turning to online platforms for access to thousands of options, transparent pricing, and effortless discovery of the latest trends • Bharat shoppers are comfortable navigating both digital and physical formats, choosing whichever offers better value, quality, and variety
Aspirational Consumption	• Aspirations for better lifestyle driving demand for stylish, status-reflecting products • Seek feel and aesthetics of premium offerings at accessible price points, blurring the line between value and aspiration

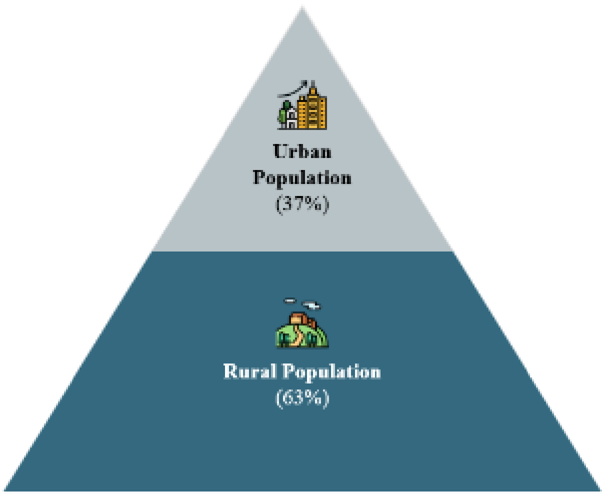
Source(s): 1Lattice analysis

2.2.10. India's value lifestyle retail category is undergoing major positive shifts, creating strong momentum and long-term growth opportunities

India's value lifestyle retail category is being re-shaped by structural tailwinds, including rising incomes, a growing middle-income population, rapid urbanisation, digital access expansion, and increased exposure to global brands. These macroeconomic and demographic developments are enlarging the consumer base and altering spending patterns, providing a foundation for long-term growth.

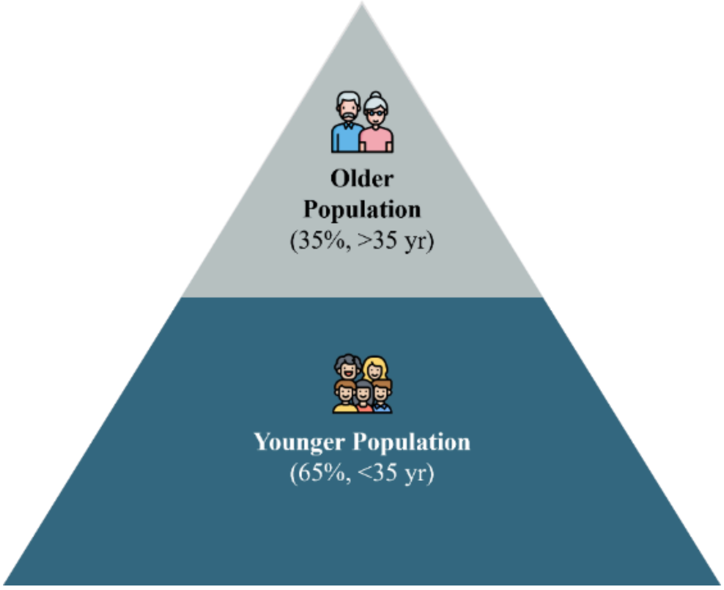
- **Rising incomes fuel demand**
    - **Salary growth boosts disposable income:** India's value lifestyle retail category is benefiting from improved income levels, with industry estimates indicating an average salary growth of 9–10% in CY25.
    - **Tax cuts and policy reforms boost disposable income:** Recent tax exemptions and government-led reforms have increased net income for middle-income households. This has expanded consumer ability to spend on discretionary and lifestyle categories, broadening the customer base for value-focused retailers.

- **Expanding middle class drives broader access to value lifestyle retail**
    - **Upper-middle class rising rapidly:** India's upper-middle-income households earning (INR 5–15 lacs) are expected to increase from 31% (97 million) of total households in FY25 to 37% (128 million) by FY30. In contrast, lower middle-income households earning (INR 1.2–5 lacs) are expected to decline from 48% (151 million) to 40% (139 million) over the same period. This clear shift toward higher income brackets is fuelling the rapid growth of organized value retail across India.
    - **Shifting consumption patterns towards value and quality:** With greater financial stability, middle-income consumers are more value-conscious but also seek quality and style. Their preferences are increasingly influenced by digital exposure, and they aspire for a better lifestyle, contributing to the growing demand for affordable, branded products.
- **Urbanisation and migration accelerate demand for lifestyle retail**
    - **Urban population reshaping consumption:** Currently, 37% of India's population resides in urban areas, as per the World Bank. This is expected to increase to approximately 40% by CY30, as noted by the Press Information Bureau. Urban growth is not limited to metro cities but extends to rapidly expanding cities such as Surat, Bangalore, Ahmedabad, and Pune.
    - **Migration driving aspirational retail demand:** Migration from rural to urban areas brings shifts in income levels and lifestyle preferences. Newly urban consumers are adopting modern retail habits, especially in lifestyle categories, contributing to an increase in demand for value retail.



Urban vs rural percentage population split (CY24)

- **Young demographic fuels growth**
    - **India's youth as key consumers:** India's median age stands at 28.8 years as of early 2025, with nearly 65% of the population below 35, making it the largest youth cohort globally, according to the Press Information Bureau.
    - **Preference for trendy, affordable options:** Young demographic exhibits strong interest in contemporary fashion and accessible pricing. Their digital fluency and willingness to explore brands make them a relevant category for value lifestyle players, particularly through online platforms.



Young vs old percentage population split (FY25)

- **Digital inclusion expands reach**

  - **Internet penetration:** India's internet user base has grown significantly due to affordable mobile data, increasing rural connectivity and government-backed digital inclusion initiatives. From 743.2 million users in FY20, penetration rose to 971.5 million users, accounting for 69.1% of the total population in FY25, reflecting a CAGR of 5.5% over the period FY20-25 as per Telecom Regulatory Authority of India (TRAI). This penetration is expected to reach 1.1-1.2 billion users by FY29, reflecting a CAGR of 5-6% over the period FY25-29. This growing base is creating large digital-ready consumer base, especially in Tier 2+ (urban) and rural regions, contributing to deeper digital engagement and opening new consumption avenues across retail categories.

  - **Smartphone users:** The rapid rise in smartphone usage across India has played a major role in how people discover products, shop online, and make payments. According to TRAI, in FY25, the number of smartphone users has increased to reach between 670-700 million. This number is expected to range between 0.9-1 billion in FY30. Affordable devices, even in rural regions, have enabled access to mobile-first shopping platforms, content-led discovery, and hyper-local commerce. This expanding digital reach continues to re-shape brands engagement with customers across both online and offline channels.

  - **UPI transaction:** UPI transaction volumes have grown increased exponentially from 12.5 billion in FY20 to 185.9 billion in FY25, with a CAGR of 71.9% from FY20 to FY25 according to TRAI. The transaction volume is expected to reach between 453.7-530.8 billion by FY29, reflecting a CAGR of 25-30% over the period FY25-29. The widespread merchant on-boarding across organised retail and kirana stores in both urban and rural regions has reduced the reliance on cash and pushed towards contactless digital payments. It is now a default mode for daily transactions, even for low ticket sizes, across both urban and semi-urban areas.

- **Global exposure and proliferation of aspiration across urban and semi-urban India**

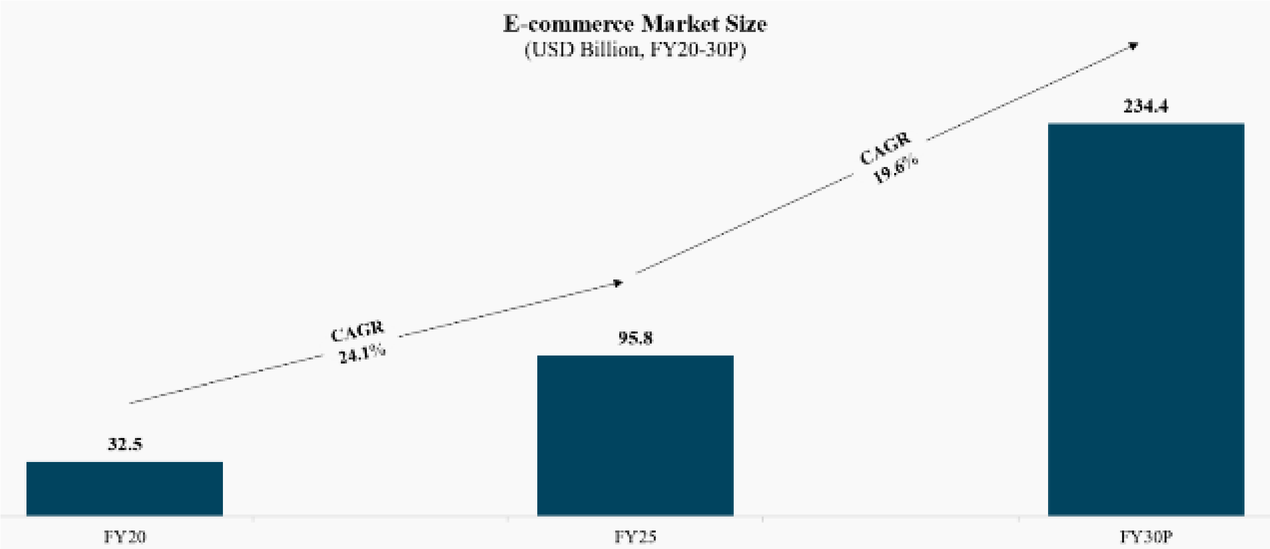
  - **Entry of global brands meets rising aspiration:** Since CY20, over 60 international brands across fashion, electronics, lifestyle, and F&B have entered India, reflecting the rising aspiration for brand experiences across urban and semi-urban locations.

  - **Social media amplifying global tastes:** Digital content has played a significant role in influencing consumer preferences, especially for value-focused shoppers. Social platforms have increased awareness of global trends across regions and income levels, with consumers in non-metro areas also seeking aspirational and style-led products. This shift has broadened the addressable market for value lifestyle retailers.

3. Indian e-commerce market and opportunities

3.1. India's e-commerce market is valued at USD 95.8 billion in FY25 and is projected to grow at a CAGR of 19.6% to reach USD 234.4 billion by FY30

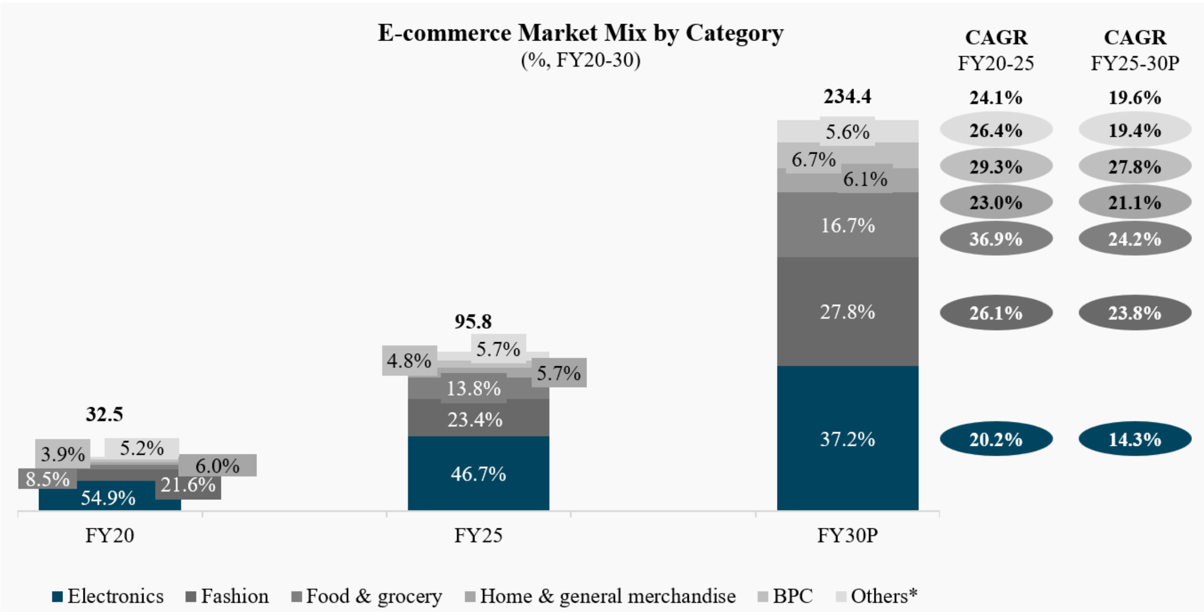
India's e-commerce market has increased from USD 32.5 billion in FY20 to USD 95.8 billion in FY25. It is projected to grow at a CAGR of 19.6% to reach USD 234.4 billion by FY30, fuelled by expanding internet access, digital payment adoption, and increasing consumer demand beyond metro cities. A key demographic driving this expansion is the "Bharat" or "value shopper" cohort, primarily located in non-metro areas, including Tier 2+ (urban) and rural regions. These regions are home to over 80% of India's population and represent the largest marketplace buying cohort who primarily come from middle-income households. The industry is being re-shaped by the rise of D2C brands, social commerce, and omnichannel retailing, while advancements in logistics and government initiatives like “Digital India” continue to drive its rapid growth. Sellers are increasingly preferring e-commerce platforms over traditional retail due to broader market access, lower overhead costs, real-time customer data, and the ability to scale faster with fewer physical infrastructure constraints. Additionally, digital platforms offer better inventory visibility, streamlined payments, and marketing support, especially for small and mid-sized sellers.



Source(s): 1Lattice analysis

3.2. In India’s e-commerce, electronics remains the leading online category, contributing 46.7% share in the e-commerce market in FY25

India’s e-commerce market has witnessed robust diversification across categories from FY20 to FY25. Electronics remain the leading online category, contributing 46.7% (44.7 billion) to the e-commerce market in FY25, driven primarily by high-value categories like mobile phones and white goods. This is driven by rising D2C brands and high repeat purchase rates. The fashion (apparel and footwear) category is projected to grow at a 23.8% CAGR to reach 27.8% (65.1 billion) by FY30. Food and grocery, which held the share of 13.8% (13.2 billion) in FY25, is projected to reach 16.7% (39.1 billion) in FY30, owing to the growth of quick commerce.

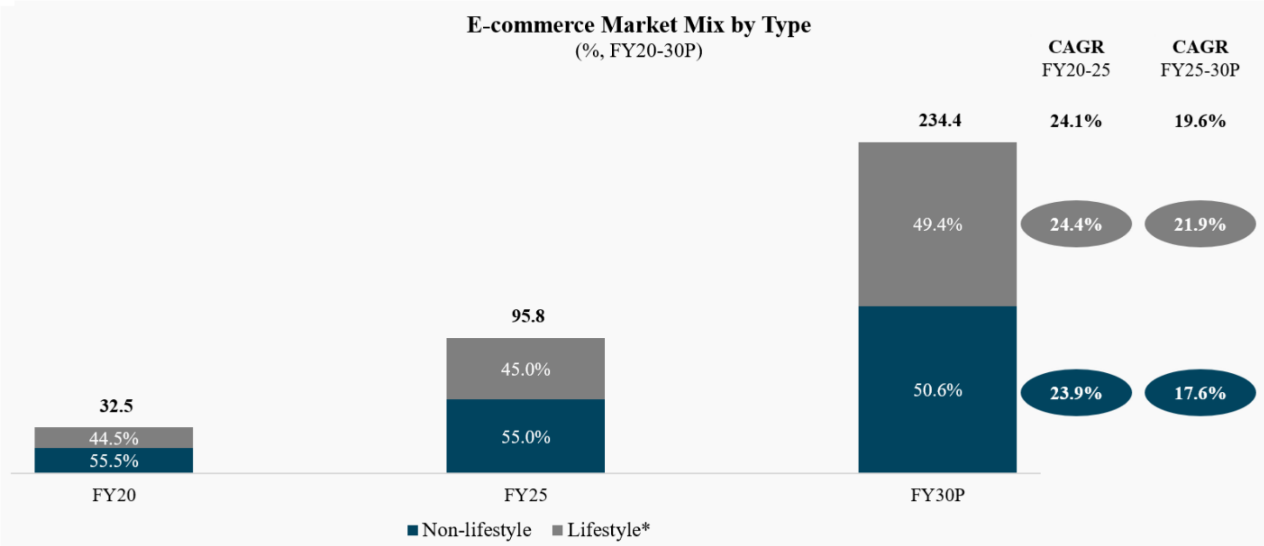


*Note(s): *Includes Pharma, gems jewellery, books, toys, etc.*
Source(s): 1Lattice analysis

3.3. In India, the e-commerce lifestyle category is witnessing growing momentum, expected to rise from 45.0% in FY25 to 49.4% by FY30

In FY25, lifestyle categories account for a share of 45.0% in the e-commerce market. This share is expected to rise

45.0% in FY25 to 49.4% by FY30. Conversely, the non-lifestyle category accounts for 55.0% of the e-commerce market and is expected to decline to 50.6% by FY30. This transition reflects a clear shift in consumer behaviour, driven by increasing internet penetration in Tier 2+ (urban) and rural regions, growing trust in online quality and return policies, and the rise of influencer-led and content-driven commerce. Platforms are also investing in AR/VR, personalisation, and curated brand experiences to capture this evolving demand.



*Note(s): *Includes fashion, home, and general merchandise, BPC, and electronics*
Source(s): 1Lattice analysis

3.4. Different fulfilment models enable e-commerce platforms to manage order processing, inventory, shipping, and returns

India's B2C e-commerce ecosystem has witnessed exponential growth in seller participation, driven by the digitalisation of small businesses, regional penetration, and platform-specific incentives. This scale-up reflects a structural shift, where platforms are evolving beyond metro demand centres to on-board regional MSMEs and unorganised sellers at an unprecedented pace. This scale-up signals a structural shift from urban, high-income consumer bases to broader inclusion of Tier 2+ (urban) and rural regions demand pockets, with platforms increasingly on-boarding regional MSMEs and unorganised sellers to cater to micro demand centres.

Supporting this growth, different fulfilment models have become critical enablers in managing the increasing complexity of order volumes and seller diversity. These operational frameworks enable e-commerce platforms to manage order processing, inventory, shipping, and returns. These models vary by the level of control of the platform holds, ranging from platform-led (centralised) to 3PL-integrated (dropship), hybrid, and self-fulfilment models. The chosen model impacts service levels, delivery speed, cost structure, and customer experience.

Fulfilment Model		Fulfilled by Platform	Marketplace With 3PL Partnership (Dropship)	Self-fulfilled Sellers	Hybrid Fulfilment
Description		• Platform manages inventory, warehousing, packaging, and last-mile delivery • Higher SLA compliance and visibility	• Sellers store inventory and platform coordinates shipping via integrated logistics partners	• Long-tail sellers handle packing, dispatch, and logistics coordination independently • Often for low-volume or niche SKUs	• Sellers choose fulfilment mode dynamically based on region, SKU velocity, or seasonality
Parameters	Platform Control	◕	◑	◔	◑
	Cost Efficiency	◑	◑	●	◑
	SLA / Service Quality	◕	◑	◔	◑
	Suitability for Value Segment	◑	◑	●	●

Low importance ○ ◔ ◑ ◕ ● High importance

Source(s): 1Lattice analysis

3.5. Average annual shipments in the e-commerce market stand at 5.9 billion in FY25, growing at a CAGR of 33.1% from FY20-25

Average annual shipments in the e-commerce market stand at 5.9 billion in FY25. The number is growing at a CAGR of 33.1% over the period FY20-25. The surge in forward shipments in the e-commerce space reflects the deepening penetration of online retail across Tier 2 and Tier 3 cities. Growth is primarily driven by improved consumer confidence, broader assortment access, and quicker delivery timelines. Purchase frequency is increasing, supported by convenience, competitive pricing, and repeat consumption patterns. Platforms that optimise inventory visibility and last-mile distribution are better aligned to serve expanding demand across these regions. At the operational level, forward logistics is being shaped by evolving consumer expectations for speed and reliability. Players are investing heavily in regional fulfilment centres, demand forecasting, and route optimisation to reduce delivery timelines and improve order fill rates. A key enabler of this scale is digital integration across warehousing and transportation networks, allowing platforms to respond dynamically to regional and seasonal fluctuations in demand.

3.6. Return shipments in India have increased to 1.0 billion in FY25, growing at a CAGR of 41.4% from FY20-25

The growth in reverse shipments is a growing concern, prompting e-commerce players to double down on supply chain refinement. Return shipments in India have increased to 1.0 billion in FY25, growing at a CAGR of 41.4% over the period FY20-25. Returns often stem from quality mismatches, delivery delays, or inaccurate product descriptions, especially in categories like fashion, electronics, and FMCG. Reducing this friction requires tighter control over catalogue accuracy, improved seller accountability, and better last-mile experiences. High return rates materially impact the unit economics of e-commerce players by increasing logistics costs and straining margins, especially in low-value, high-return categories like fashion.

On the ground, companies are increasingly prioritising return management as a strategic function, rather than just a cost centre. This includes building more robust reverse logistics infrastructure, improving pickup coordination in non-urban areas, and leveraging AI to predict and pre-empt potential returns. Additionally, clear communication policies, reliable tracking, and faster refund cycles are being deployed to enhance customer satisfaction while containing operational inefficiencies linked to returns.

3.7. Average selling price in India's value e-commerce market ranges between USD 2.4-6.0 (INR 200-500), with growing orders from Tier 2+ (urban) and rural regions

The average selling price in India's value e-commerce market ranges between USD 2.4-6.0 (INR 200-500) across categories like apparel, healthcare products, fashion accessories, personal grooming, etc., with growing orders from Tier 2 and 3 cities. In comparison, electronics within the value category tend to have a slightly higher average selling price, typically ranging between USD 5.9-11.8 (INR 500-1,000). This reflects the growing participation of value-conscious consumers, especially from Tier 2+ (urban) and rural regions, where individual order sizes are lower, but shopping frequency is rising. The average selling price suggests that e-commerce is no longer limited to high-value discretionary spending but is becoming part of everyday consumption.

This shift signals a broader growth in the market. Platforms are now focusing less on increasing basket size and more on driving volumes, repeat purchases, and affordability. As low-ticket, high-frequency purchase becomes the norm, future growth will depend on deeper regional reach, efficient last-mile logistics, and personalised shopping experiences tailored to price-sensitive buyers. Additionally, the emergence of UPI and embedded finance is making smaller digital transactions more seamless, further accelerating this trend. For platforms, this means balancing scale with profitability by investing in operational efficiency, customer retention, and localised assortment strategies.

3.8. Digital empowerment, rising UPI penetration, and unique offerings are driving the growth in the value e-commerce market

Digitally empowered and value-driven online shoppers from India's Tier 2+ (urban) and rural regions are reshaping the e-commerce landscape, driving growth in affordable and convenient online shopping. Despite being from smaller towns, they see themselves as part of a modern and connected world, not defined by their geography. Demand is gradually shifting towards low-cost essentials. Rising financial independence, and widespread UPI adoption are further accelerating digital transactions and influencing individual purchasing behaviour. This evolving shopper profile is fuelling innovations in personalised service, competitive pricing, and cost-effective fulfilment.

- **Digitally empowered, value-driven shoppers from Tier 2+ (urban) and rural regions are driving the growth of value e-commerce**
    - **New online users from non-metros reshape demand:** A growing base of new users is now shopping online, which is changing how people buy products and helping value-focused e-commerce grow faster. Customers are looking for low-cost daily items and fashion, and platforms are adjusting their offerings to meet this rising demand from price-sensitive buyers.

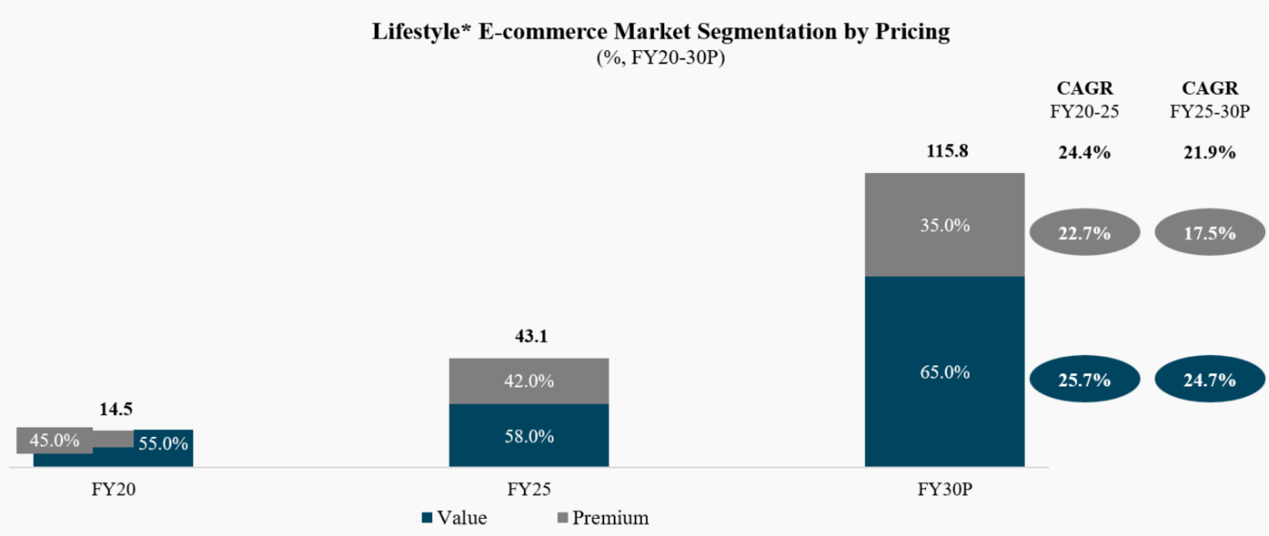
- **Value-conscious shoppers from smaller towns:** Shoppers in Tier 2+ (urban) and rural regions are strongly driven by price sensitivity, often influenced by attractive deals and value-led offers. In contrast, consumers in metros and Tier 1 cities tend to prioritise speed and convenience, with fast delivery playing a key role in their purchase decisions.
- **Rise in financial independence driving individual behaviour:** With growing digital literacy and financial autonomy, especially among women, shopping has shifted from collective decision-making to individual-driven behaviour, even in rural and semi-urban regions.

- **Rising UPI adoption is fuelling digital transactions, driving growth in value e-commerce across India**
  - **Digital payments boost repeat purchases:** The growing use of digital payment methods, especially UPI, credit cards, and wallets, has improved trust and convenience in online shopping. This ease of transaction is driving more repeat purchases, particularly in value lifestyle categories, as consumers become more confident with secure and seamless checkout experiences.
  - **UPI drives inclusion, but CoD remains dominant:** While CoD continues to be the most preferred mode of payment for most online shoppers, accounting for 60-65% of orders. UPI is rapidly gaining traction, particularly through the digital "Pay-on-Delivery" option that lets customers pay using UPI when the product is delivered. As per the RBI's report, nearly 4 in 5 digital transactions are now done via UPI. The platform has become the default mode of payment for many new digital users, especially Tier 2+ (urban) and rural regions, thereby reducing friction and accelerating participation in value-led e-commerce.
- **Unique preferences and unmet needs of value shoppers have evolved the e-commerce models**
  - **Deal-seeking behaviour drives platform and brand preference:** Indian consumers are highly price-sensitive, actively seeking attractive prices while shopping. Value shoppers often wait for sales, cashback, or bundles before making a purchase. This deal-focused behaviour drives many Indian consumers to shop online for better value, fuelling the growth of value e-commerce platforms and seasonal sales.
  - **Digital fluency and cultural relevance:** Younger, digitally advanced consumers in India exhibit highly intentional shopping behaviour, prioritising value and authenticity over impulse buying. Their preferences are strongly influenced by local culture, social media exposure, and a desire to make cost-effective yet meaningful purchases.
  - **Seller ecosystem expansion through e-commerce:** A seller ecosystem already exists that understands the needs of value shoppers but has historically operated in limited geographies. With growing access to e-commerce platforms, these sellers are now reaching broader audiences, enabling better supply-demand alignment across regions.
- **Indian online value shoppers prioritise trendiness and good product quality within a certain budget**
  - **Price competitiveness:** Indian consumers are highly value-conscious and often prioritise price above all else in their purchase decisions. Many online shoppers actively seek deals, discounts, cashback, and flash sales, highlighting a strong preference for value and affordability across the market.
  - **Aspirational merchandising**: Gen-Z shoppers in India seek products that reflect style, identity, and cultural relevance, blending affordability with aspiration. Their preferences are shaped by social media, cultural influences, and a desire for authenticity in categories such as fashion, beauty, and electronics.
  - **Personalised journey:** Indian consumers value AI-driven product recommendations, showing an inclination toward hyper-personalised experiences. These insights are drawn from behavioural data, regional preferences, and past purchases, enhancing relevance and brand loyalty.
  - **Affordable fulfilment:** India's e-commerce fulfilment market is expanding rapidly, with declining logistics costs and growing warehouse networks enabling cost-effective last-mile delivery, particularly in Tier 2+ (urban) and rural regions.
  - **Smart value-seekers:** Confident and discerning, today's shoppers are value-seekers who enjoy smart finds without compromise, especially on quality, reflecting a shift towards an informed and purposeful consumption.

- **Cash on delivery trust:** Despite UPI growth, Indian online shoppers still prefer CoD, particularly for fashion and high-return categories. CoD lowers entry barriers for new shoppers who may not trust digital pre-payments, highlighting the need for flexible payment options.
- **Customer support:** Indian consumers prefer human support when shopping online, and customer dissatisfaction often stems from poor support quality. Seamless resolution, real-time updates, and trust-building features (like easy returns and transparent tracking) are crucial to win repeat shoppers.
- **Transparency in pricing**: Shoppers strongly prefer platforms with no hidden charges, unexpected delivery fees, taxes, or packaging costs often results in cart abandonment and reduced trust. Transparent pricing helps drive conversion and long-term loyalty.

3.9. In lifestyle e-commerce, value lifestyle e-commerce continues to account for a larger share of 58.0% in the e-commerce market in FY25

Value-priced products form most of the lifestyle e-commerce, contributing 58.0% in FY25 and projected to rise to 65.0% by FY30. This is led by demand for affordable offerings across Tier 2+ (urban) and rural regions. The premium market currently stands at 42.0% of the e-commerce market in FY 25 and is projected to decline to 35.0% by FY30.



*Note(s): *Includes fashion, home and general merchandise, BPC, and electronics*
Source(s): 1Lattice analysis

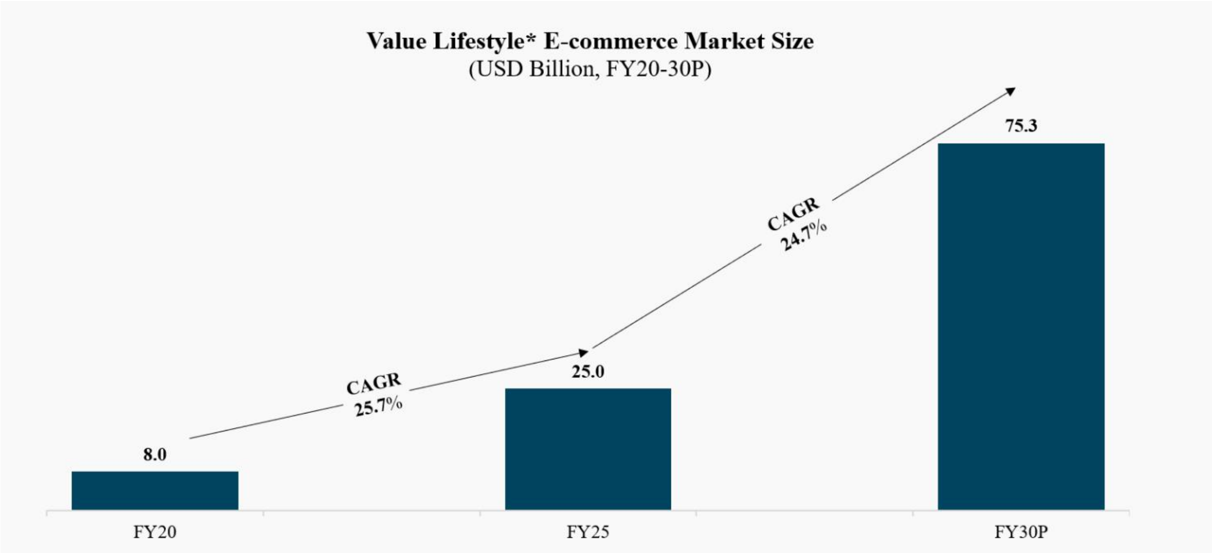
3.10. Opportunities in e-commerce

3.10.1. B2C: Value lifestyle e-commerce is a great opportunity in the e-commerce market, offering low-cost, unbranded, or seller-label products

Value lifestyle e-commerce refers to sales of low-to mid-priced products, in fashion, accessories, and personal care (BPC) categories, targeting price-conscious and quality-sensitive consumers. A large share of these are "Bharat Shoppers". These shoppers typically belong to mid-income households from Tier 2+ (urban) and rural regions and have a distinct purchase process. They decide a budget first, explore options within the budget, and choose based on quality and trust over brand association. Unlike premium shoppers who look for branded goods at a discount, value shoppers seek quality and trendiness within a defined budget range. Base price point for Bharat shoppers typically starts as low as INR 50-150 for essentials and daily-use items, with most frequently purchased products falling in the INR 200-800 range, particularly across fashion, beauty, and personal care (BPC), and home products. The price range for small appliances and basic electronics usually begins at around INR 250 and extends up to INR 1,000. This category holds significant growth potential, particularly in Tier 2+ (urban) regions, where consumer demand is highly priced and quality sensitive. Platforms have been using vernacular interface, influencer-led discovery, and attractive pricing to attract customers in the value segment. With the market still underpenetrated and fragmented, players like Snapdeal have an opportunity to consolidate demand and growth in this volume-driven space, where operational efficiency and last-mile delivery are key factors for growth.

3.10.2. Value lifestyle e-commerce market is expected to grow significantly from USD 25.0 billion in FY25 to USD 75.3 billion in FY30

The value lifestyle e-commerce sector in India is experiencing rapid growth, with an estimated market size of USD 25 billion in FY25. This category is projected to reach USD 75.3 billion by FY30, demonstrating a CAGR of 24.7%. The 3.0x expansion over five years is primarily fuelled by the increasing number of value-conscious shoppers in India, a distinct consumer category characterised by unique purchasing behaviours. By FY30, India's online shopper base is projected to reach 675-700 million, increasing from 280-300 million shoppers as of FY25. Similar growth is expected in value shoppers, estimated at 190-210 million in FY25, which is expected to increase to 540-560 million by FY30, with most of these new users being value-conscious and digitally savvy. Value lifestyle e-commerce is currently less penetrated as a percentage of value lifestyle retail, than premium lifestyle e-commerce as a percentage of premium lifestyle retail. Its limited penetration is expected to grow from 19.4% in FY25 to 36.4% in FY30, compared to premium e-commerce, which is projected to increase from 33.5% in FY25 to 41.0% in FY30. This massive influx of budget-aware consumers further underscores the growth potential, as it's precisely this expanding value category in both e-commerce and the broader retail market that's driving this exciting trend.



*Note(s): *Includes fashion, home, and general merchandise, BPC, and electronics*
Source(s): 1Lattice analysis

3.10.3. Competitive view of the value e-commerce market

3.10.3.1. India's retail market has developed into a structured ecosystem with distinct online and offline models tailored to consumer needs, product categories, and price points

India's retail market has evolved into a diverse ecosystem, with distinct models emerging across both online and offline channels. Retailers and e-commerce platforms have carved out unique positions based on customer needs, product categories, pricing bands, and fulfilment strategies. From value-driven platforms focused on fashion, home, and BPC to capital-intensive, inventory-led models in premium categories, each format serves a specific market niche. This classification highlights how the Indian retail landscape is structured around targeted consumer categories, ranging from affordable, mass-market options to premium and specialised offerings across various fulfilment models.

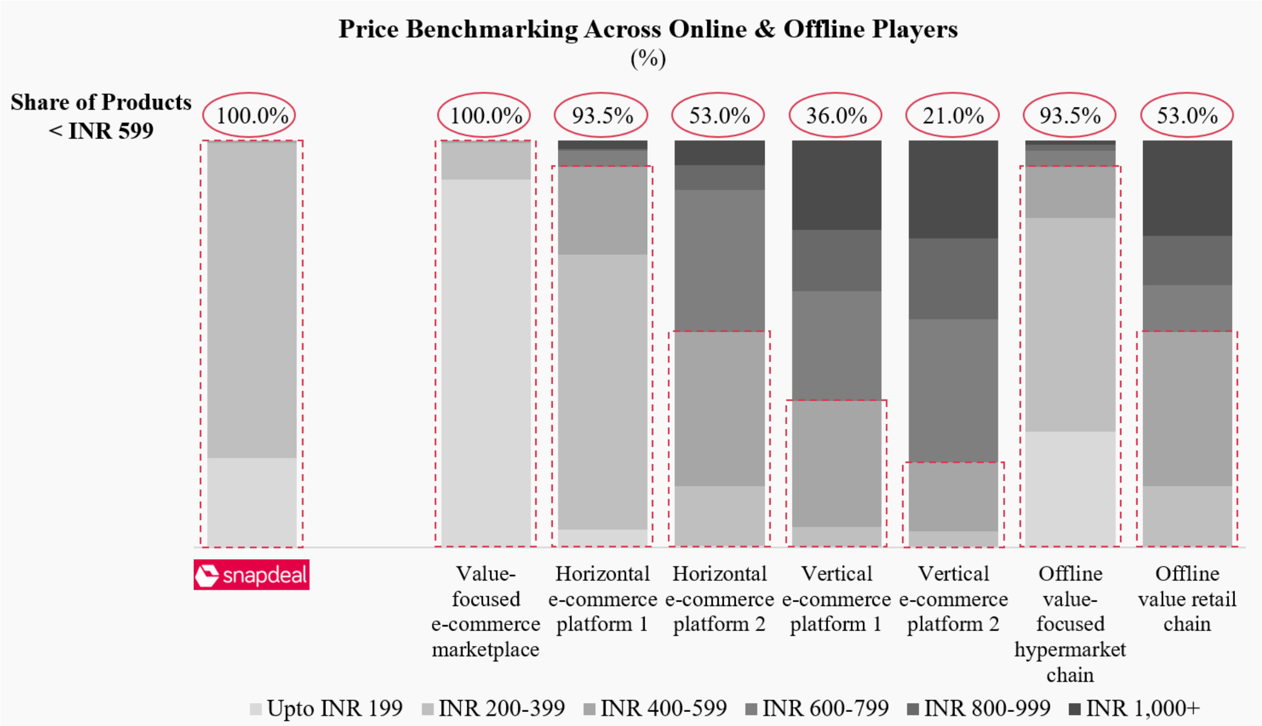
	Online					Offline/Omnichannel	
Features	**Value Lifestyle E-commerce**		**Horizontal Traditional E-commerce**	**Vertical Brand E-commerce**	**Social E-commerce**	**Value Retailers**	**Brand Retailers**
	snapdeal	**Others**					
Key Categories	• Fashion • Home and kitchen • BPC	• Fashion • Home and kitchen • BPC	• Fashion • Home and kitchen • Electronics (Mobile/ white goods) • BPC	• Fashion • BPC	• Fashion	• Fashion • Home and kitchen • BPC	• Fashion • BPC
Price Band	◔	◔	◕	●	◔	◑	●
Business Fulfillment Type	• Asset-light • 3PL partners	• Asset-light • Captive logistics platform • 3PL partners	• Capital-intensive • Captive logistics platform • Hybrid model	• Capital-intensive • Captive logistics platform • Marketplace	• Marketplace • 3PL partners	• Centralized warehouse • In-store fulfillment	• Inventory-led model • In-store fulfillment • Omnichannel delivery

Low price band ○ ◔ ◑ ◕ ● High price band

Source(s): 1Lattice analysis

3.10.3.2. Value-focused e-commerce marketplaces lead in the contribution of value-price brands (up to INR 599), while horizontal and other vertical e-commerce players cater primarily to incrementally higher price bands

The pricing landscape in India's lifestyle retail sector reveals sharp contrasts between value-driven platforms and premium-oriented players. For value-focused retailers, the listings are below the price range of INR 599. Snapdeal, a value-driven e-commerce marketplace, operates a pure-play model that makes it one of the most price-competitive online shopping destinations in India as of November 25, 2025. India has a limited number of value-focused e-commerce marketplaces, Snapdeal is one such platform and is ranked among India's top two pure-play value-focused lifestyle marketplaces in terms of its revenue, i.e. INR 2,795.05 million in FY23, INR 2,528.87 million in FY24, and INR 2,498.67 million in FY25.

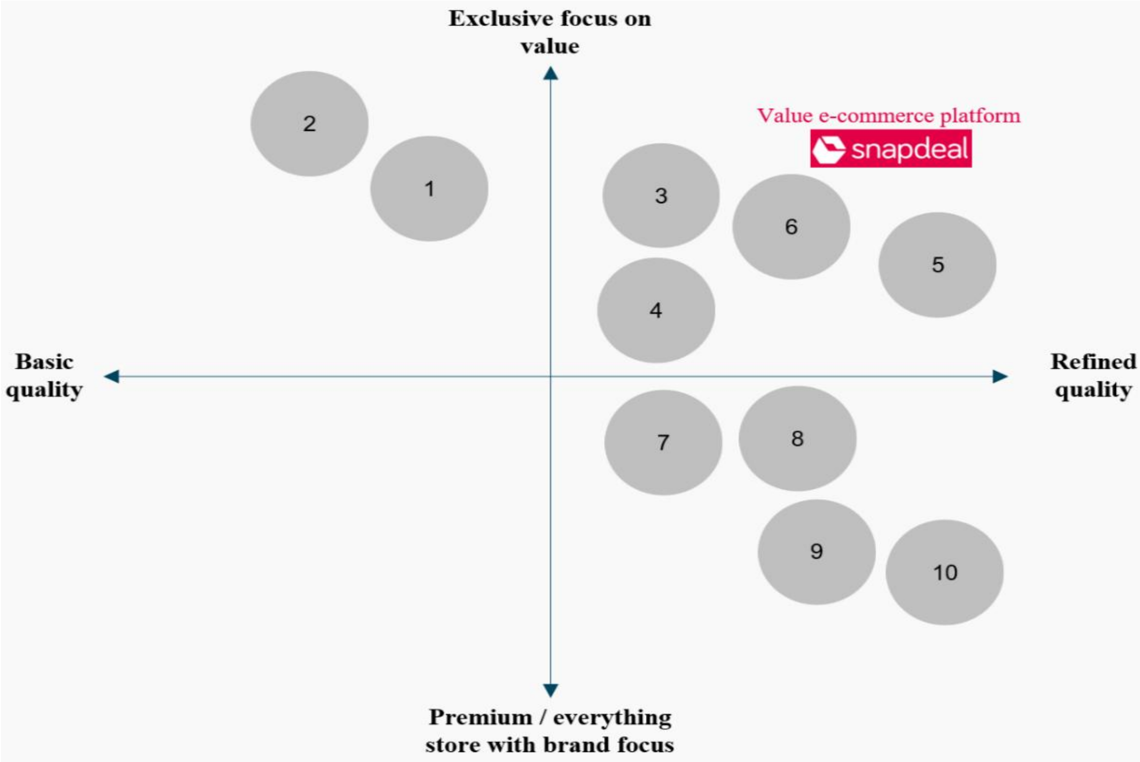


Note(s):
1. *Prices are taken from each player's mobile application (listing price after platform discount); shipping fees and additional discounts are excluded to ensure comparability across online/offline formats.*
2. *Analysis covers men's T-shirts and women's Kurtis / Kurtas; high-selling, standardized categories across all players.*
3. *Categories are accessed via each application's navigation menu to maintain consistency in the data recording process.*
4. *The first 100 products per category are recorded, excluding bundles or packs to simulate a customer's browsing experience, resulting in 200 data points per player and 1,600 in total.*
5. *Data recording for the analysis is completed as on 25th November 2025 and reflects the comparison of pricing across all players on that day.*

Source(s): 1Lattice analysis

3.10.3.3. Indian fashion retail is divided by value and quality, with players strategically positioned by both price and channel, from mass-market value chains to premium, brand-driven format

The fashion retail landscape in India covers a broad spectrum, with players positioned based on their emphasis on value or quality and their mode of operation, whether offline or online. The following strategic positioning map presents a clear view of how different retail formats align across these dimensions.

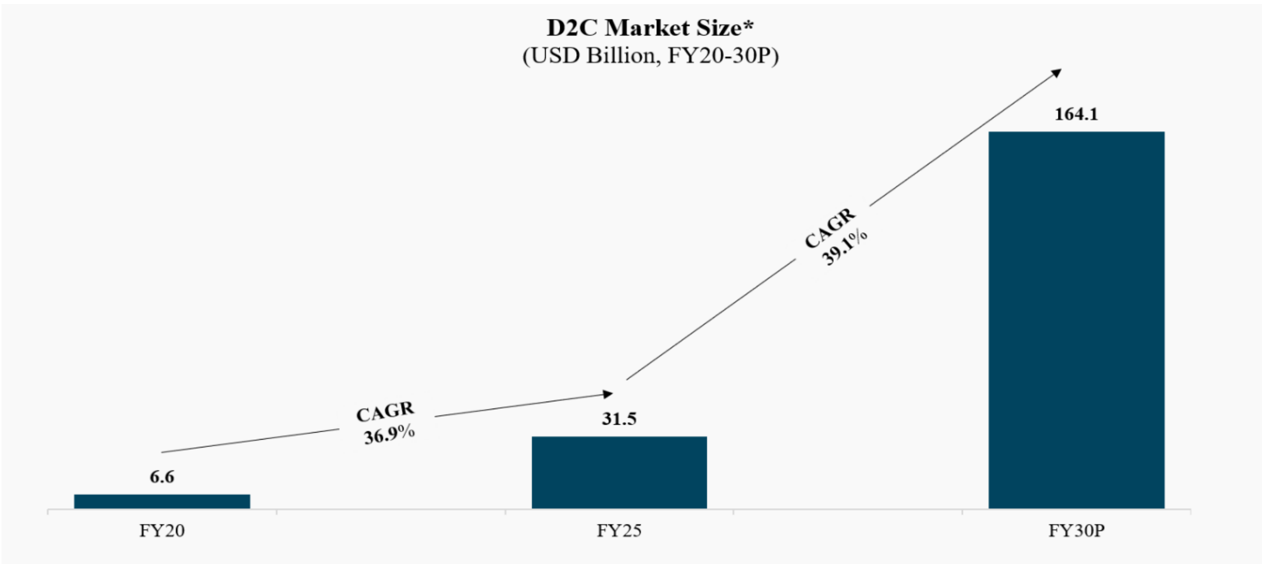


Note(s): 1- Offline value focused hypermarket chain, 2- Value-focused e-commerce marketplace, 3- Offline fast fashion value chain, 4- Offline fashion marketplace, 5&6- Horizontal e-commerce platform 1&2, 7&8- Vertical e-commerce platform 1&2, 9- Offline fast-fashion leader, 10- Offline global sportswear brand
Source(s): 1Lattice analysis

4. The rise of D2C brands is reshaping Indian e-commerce, offering sharper category focus, faster time-to-market, and personalised consumer engagement

The rise of D2C brands is reshaping Indian e-commerce, offering sharper category focus, faster time-to-market, and personalised consumer engagement. D2C brands benefit from direct consumer relationships, quick feedback loops, and strong brand loyalty, leading to higher customer lifetime value and superior unit economics by eliminating intermediaries. Their ability to market with a distinct brand story helps build deeper emotional connections, attracting consumers to the brand's values and journey beyond just the product. Leveraging low-cost, tech-led web stores and multi-channel presence across online marketplaces and offline formats, D2C brands can launch trend-led, quality offerings with differentiated experiences. The category has grown at a CAGR of 36.9% from FY20 to FY25, highlighting growing traction.

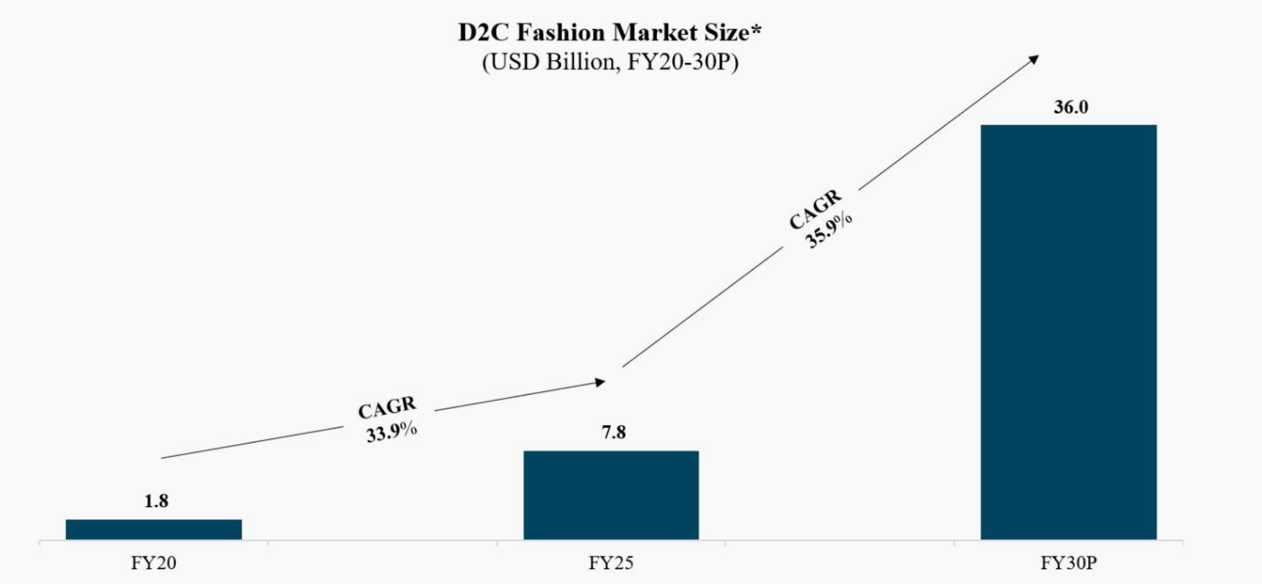
4.1. India's D2C market expanded at CAGR of 36.9% between FY20 and FY25 and is projected to reach USD 164.1 billion by FY30, with an estimated CAGR of 39.1% over the period FY25-30



*Note(s): *This includes brand website sales, online marketplace, and offline sales*
Source(s): 1Lattice analysis

India's D2C market has witnessed exponential growth, expanding at a 36.9% CAGR between FY20 and FY25, driven by brands offering personalised experiences, direct consumer relationships, and multi-channel presence. The market is expected to increase from USD 31.5 billion in FY25 to USD 164.1 billion in FY30, with an estimated CAGR of 39.1% over the period FY25-30. This surge is fuelled by tech-led operations, trend-driven products, and a sharp focus on customer lifetime value. As the number of D2C brands has increased between FY20-25, the demand for agile, scalable supply chain solutions has become critical to sustaining growth and differentiation in this rapidly evolving ecosystem.

4.2. India's D2C fashion market expanded at CAGR of 33.9% between FY20 and FY25 and is projected to reach USD 36.0 billion by FY30, with an estimated CAGR of 35.9% over the period FY25-30



*Note(s): *This includes brand website sales, online marketplace, and offline sales*
Source(s): 1Lattice analysis

The D2C fashion market in India has seen rapid expansion, growing from USD 1.8 billion in FY20 to USD 7.8 billion in FY25, at a strong CAGR of 33.9%. This momentum is expected to accelerate further, with the market projected to reach USD 36.0 billion by FY30, driven by an even higher CAGR of 35.9% during FY25-30. Growth is being fuelled by rising brand consciousness among younger consumers and a surge in affordable fashion labels catering to both mass and aspirational categories.

4.3. Solving structural gap, low competition from the unorganised market, and cost efficiency are the key growth drivers for the value category in the D2C market

India's value lifestyle e-commerce category is experiencing rapid growth, driven by structural shifts in consumer access, digital penetration, and greater access to a wider range of brands and products. This category caters to a broad, price-sensitive audience seeking a balance between affordability, quality, and aspiration. With increasing demand across Tier 2+ (urban) and rural regions, D2C models and value-driven platforms are uniquely positioned to unlock new growth opportunities.

- **Solving structural gaps drives growth**
  - **Structural barriers create market gaps:** Many established brands struggle to penetrate the value category effectively due to fragmented supply chains, high distribution costs, and limited reach in Tier 2+ (urban) and rural regions. As per industry, three out of five new online shoppers since CY20 have come from Tier 2+ (urban) and rural regions, highlighting the opportunity for platforms that can efficiently serve these underpenetrated regions.
  - **Enabling regional manufacturers to expand reach:** Platforms that facilitate direct connections between regional manufacturers and consumers can overcome geographic and logistical constraints. This approach allows manufacturers from smaller towns to sell directly to a pan-India audience, bypassing traditional bottlenecks and unlocking new supply for value shoppers.
- **Low competition from the unorganised market in terms of the value-price equation**
  - **Quality and trust over unorganised alternatives:** Consumers in the value category are increasingly shifting from unorganised players to organised D2C brands, seeking better quality, warranty, and post-purchase support. Organised brands can command a premium by offering reliable products and transparent pricing, reducing the threat from unorganised competitors. Limited

penetration of brands across categories and high share of organised sector has led to creation of new brands over the past few years and the trend is expected to continue.

  - **Enhanced assortment and quality focus drive loyalty:** Platforms focused on value have raised the bar for product quality, working closely with sellers to improve offerings based on customer feedback. Improved product features and quality ratings help platforms differentiate from unorganised players, making them a preferred choice for shoppers seeking both affordability and reliability. Ratings play a key role; nearly all shoppers check reviews. In e-commerce & retail, ratings above 4.5 are considered excellent, and 4.0-4.5 are considered average. High ratings boost trust, improve conversions, and reinforce platform credibility.

- **Cost efficiency through digital distribution**

  - **Digital channels lower distribution costs:** D2C brands bypass traditional retail infrastructure by using digital platforms for sales and marketing, significantly reducing distribution and operational costs. For many D2C brands, digital ads consume a majority of the marketing budget, but these costs are still lower than maintaining an extensive offline presence.

  - **Efficient scaling and margin protection:** The ability to operate with a lean cost structure allows D2C brands to offer competitive pricing while protecting margins. Unlike traditional brands, which face high fixed costs for physical stores, D2C brands can scale quickly and efficiently, especially in the value category where cost sensitivity is high.

- **Opportunity across online and offline retail**

  - **Omnichannel approach expands market coverage:** The growing demand for value lifestyle products isn't limited to online channels. Platforms that integrate online discovery with offline fulfilment can capture a broader customer base, especially in regions where offline retail remains strong.

  - **Bridging urban-rural consumption gaps:** As digital-first D2C brands mature, many are expanding into offline retail through partnerships with multi-brand outlets and other physical formats. This hybrid approach allows D2C brands to reach consumers in Tier 2+ (urban) and rural region markets, areas that may have limited online penetration but significant offline foot traffic.

- **Digital access to a large and growing shopper base**

  - **Digital penetration drives market expansion:** India's internet user base is rapidly expanding, with a significant portion of new users coming from rural regions. Value-focused platforms are well-positioned to serve these digitally connected, price-sensitive consumers, offering them access to a wide range of affordable products.

  - **Social and influencer marketing amplifies discovery:** Social media and influencer marketing are now essential for D2C brands, with over 400 thousand influencers in India. This digital-first approach allows brands to efficiently target and engage large, diverse audiences, driving both awareness and sales.

- **Increase in aspiration due to access to global trends through the internet**

  - **Internet-driven aspirational consumption:** Exposure to global lifestyle trends via the internet and social media has heightened aspirations among Indian consumers, especially in the value category. Gen-Z and young urban shoppers are increasingly seeking products that offer a blend of affordability and prestige, fuelling demand for masstige brands.

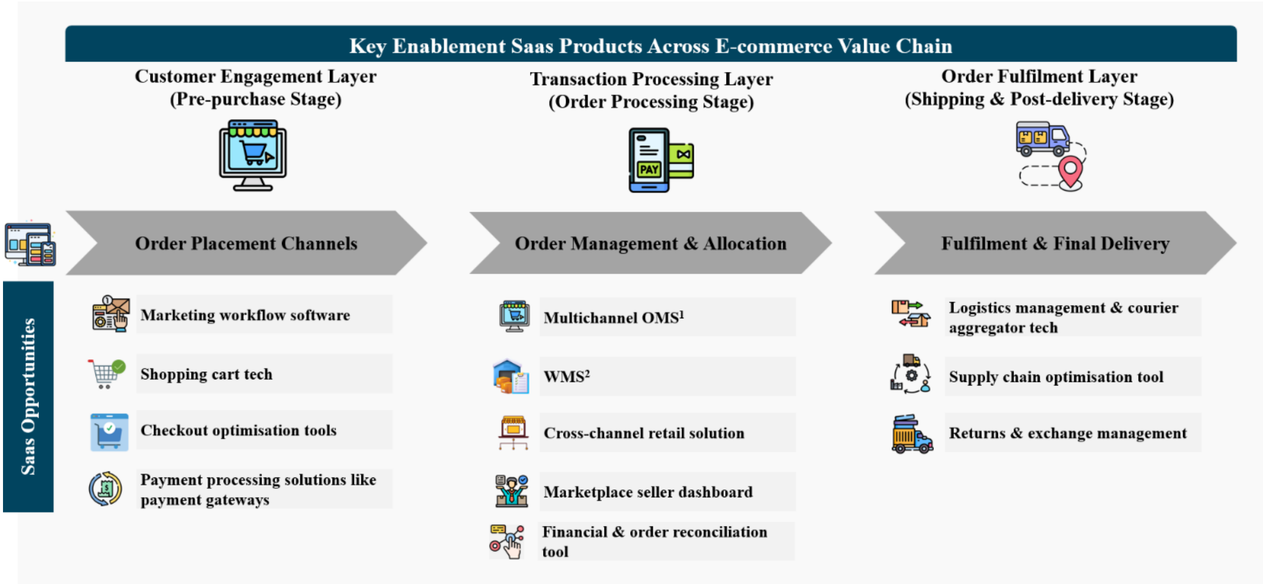
  - **Masstige brands leverage exclusivity and value:** Studies show that perceived value, exclusivity, and brand prestige are the top drivers for consumer adoption of mass-market brands. Brands that effectively communicate these attributes can capture aspirational shoppers looking for international styles and experiences at accessible price points.

5. Indian e-commerce enablement SaaS market is expected to grow from USD 1.0 billion in FY25 to USD 3.81 billion in FY30, driven by D2C proliferation, the rise of headless commerce & dropship models in India

5.1. Overview of e-commerce value chain and enablement SaaS opportunities across different parts

The e-commerce ecosystem is growing, thereby driving customer demand. As more customers use platforms, order volume grows, which in turn, attracts more sellers and brands. This growth has improved product selection, quality, and prices, which in turn has increased the order volume. This large order volume and diverse sellers have created more operational challenges, requiring higher automation. To handle these challenges effectively, platforms invest in automation and experience-enhancing technologies, which not only make operations smoother but also improve the customer experience. This renewed focus on efficiency and satisfaction further drives demand, reinforcing the cycle and supporting ongoing growth within the ecosystem. E-commerce enablement SaaS refers to a cloud-based software solution that enables businesses to establish and manage online stores and e-commerce businesses with minimal technological complexity. Typically offered through a subscription and usage-based model, it enables key commerce functions such as inventory management, order processing, returns, and reconciliation across both online and offline retail channels. E-commerce enablement SaaS solutions come equipped with pre-built features, reports and analytics, integrations, and add-ons, allowing businesses to launch and operate their digital storefronts and e-commerce business efficiently.

By eliminating the need for extensive infrastructure and ongoing maintenance, these platforms significantly reduce initial setup and operational costs. As retail brands and small-to-medium-sized businesses (SMBs) expand their online presence, diversify their product offerings, and sell across multiple channels, they encounter a host of operational challenges. These include processing and confirming orders, scaling up marketing efforts, managing supply chains, and ensuring timely and efficient order fulfilment.



Note(s): [1]Order Management System, [2]Warehouse Management System
Source(s): 1Lattice analysis

As businesses grow, they need to efficiently handle their inbound logistics by coordinating with various vendors and managing multiple warehouses to fulfil orders effectively. On the demand side, they must maintain a centralized view of their inventory and orders across all sales channels, accurately match orders to inventory, streamline dispatch processes, and work with outbound logistics partners (including managing returns) to ensure timely delivery to customers.

The e-commerce value chain outlines the key stages involved in delivering a product or service online, from sourcing to after-sales service. Major categories include:

- **Customer engagement stage or pre-purchase stage**

  This stage includes all components involved in the customer journey leading up to and including the placement of an order.

  - Marketing workflow software: Customer discovers the product through targeted emails, ads, or campaigns
  - Shopping cart tech: Customer explores products and adds desired items to the cart
  - Checkout optimisation tools: Customer is guided through a seamless checkout experience
  - Payment processing solutions: Customer securely pays for the order using their preferred method

- **Transaction processing stage or order processing stage**

  Often referred to as the nerve centre, this stage is responsible for managing order processing and making key supply chain decisions, with a focus on operational efficiency, optimal resource utilization, and delivering a seamless customer experience. It includes e-commerce enablement SaaS solutions that offer a unified view of orders from various sales channels, both online and offline, and real-time visibility into inventory across warehouses and retail locations. This helps reduce order processing errors, improve fulfilment rates, and lower cancellation rates.

- Multichannel order management system (OMS): Captures and consolidates customer orders from various sales channels
- Warehouse management system (WMS): Allocates inventory, processes the order, and initiates picking and packing
- Cross-channel retail solution: Ensures order routing and inventory visibility across physical and digital retail points
- Marketplace seller dashboard: Facilitates order tracking, status updates, and communication for marketplace transactions
- Omnichannel: Enables seamless omnichannel order processing between online and offline channels
- Payment reconciliation: Enables automated payment reconciliation across platforms and marketplaces.

These solutions also enhance logistics efficiency by using rule-based and algorithm-driven systems to allocate orders to the most appropriate warehouse and logistics providers. In addition, they support a wide range of backend operations, including vendor and purchase management, warehouse operations, inventory audits, inventory synchronization across channels, shipment tracking, returns management, invoice generation, and end-to-end reporting and analytics. By automating and optimizing these processes, this stage enables businesses to scale efficiently, reduce costs, and focus on strategic growth initiatives.

- **Order fulfilment stage or shipping and post-delivery stage**

This stage includes enablement SaaS solutions that facilitate last-mile operations, covering the journey from the warehouse to the end customer, whether through home delivery or collection point pick-up. These tools are essential for ensuring seamless execution of the delivery process and often incorporate service-oriented aspects of supply chain management, such as customer-seeking shipment tracking and various decision-making functions throughout the logistics network. This stage also involves processing payments from sales channels, reconciling those payments, and managing returned inventory, thereby closing the operational loop. Apart from reconciling payments, order reconciliation till the fulfilment stage, it also involves matching dispatched orders with inventory updates, courier tracking, and delivery confirmations to ensure accurate fulfilment, minimize discrepancies, and maintain operational efficiency.

Unicommerce, a part of AceVector, is a comprehensive e-commerce enablement SaaS provider present across the e-commerce value chain through three platforms:

1. Convertway in the pre-purchase stage
2. Uniware in the order processing stage
3. Shipway in the shipping and post-delivery stage

5.2. Order processing stage acts as the nerve centre, handling real-time transactions and ensuring smooth system operations

E-commerce companies encounter numerous challenges in managing their physical operations, from sourcing products and transporting them to warehouses to fulfilling customer orders across multiple channels, coordinating with logistics partners for shipping, and handling returns. As businesses scale with more SKUs, facilities, and supply chain partners, operations grow increasingly complex. Shorter delivery timelines add pressure, making technology and automation crucial for efficiency and profitability.

Warehouse management system and order management system help e-commerce companies to streamline backend operations and enhance customer satisfaction. WMS ensures efficient inventory control, faster order fulfilment, and optimised warehouse operations. OMS centralises order processing, synchronises inventory across sales channels, and improves order tracking and returns management. Together, they enable scalable, cost-effective, and reliable e-commerce operations.

Challenges in E-commerce Operations	Enablement SaaS Based Interventions	Extent Solved
Lack of a centralized view of inventory across different locations	WMS consolidates inventory across locations to provide a unified view, accessible either manually or via tech systems	●
Inability to access real-time inventory data across sales channels	Multi-channel OMS sync sales channels in real time, updating inventory data to reduce errors like overselling or unfulfillable orders. Full inventory visibility is shared across all channels to streamline order processing	●
Challenges in managing orders from both online & offline channels	OMS platforms integrate orders from all sales sources (online and offline) to give operations teams a single view for efficient processing	●
Returns processing	E-commerce businesses in India require a tailored approach to returns and exchanges to ensure a seamless customer experience while maintaining effective controls that align with their return policies. Implementing automated systems for returns management, including quality checks and restocking, enhances operational efficiency and enables quicker resale of inventory	◕
Tax & regulatory compliance	They also record inventory movements, transactions, and sales, making tax reporting and compliance easier for e-commerce businesses	◐
Difficulty in managing and executing split orders efficiently	OMS and WMS collaborate to break down and assign split orders to appropriate locations, optimizing the route and source for each item	●
Errors in manual data entry	OMS and WMS support barcode scanning and system integrations to automate data capture, reducing dependency on manual entry and lowering error rates	●
Lack of visibility into order status	OMS provides tools for real-time updates on order status, while WMS gives visibility into warehousing. Together, they help teams coordinate effectively and avoid delays	●
Challenges in prioritizing orders based on urgency	These systems use algorithms and rules to prioritize orders based on factors like customer type, SLAs, and stock availability, ensuring high-priority orders are fulfilled first	●
High costs and delays in meeting shipment turnaround times	By enabling intelligent allocation of orders across facilities, stores, and logistics providers, these systems shorten processing times, lower shipping costs, and enhance delivery speed	◕
Retaining customers	By offering responsive support, incentivizing repeat purchases, & generating actionable insights from customer behaviour, enablement SaaS platforms can drive long-term value by offering integrated helpdesk tools, loyalty engines, & analytics	◑
Inefficient bulk order dispatch	WMS platforms offer features to efficiently handle and dispatch high volumes of goods, ensuring they are sorted and shipped correctly	●
Discrepancies and errors during payment reconciliation	OMS includes tools for automated reconciliation that cross-verify payment data, detect inconsistencies, and ensure they are addressed promptly	◕
Fulfilment errors, Stockouts and pilferage	Features like SKU-level planning, audit trails, and automated order triggers help prevent fulfilment mistakes, stockouts, and shrinkage	◕
Inventory mismanagement & stockouts	OMS & WMS systems offer real-time inventory sync and auto-replenishment triggers	●

Challenges in E-commerce Operations	Enablement SaaS Based Interventions	Extent Solved
Shipment delays & high logistics cost	Shipping orchestration platforms optimize courier selection, route planning, and cost	◕
Fulfilment errors & split order complexity	OMS auto-splits orders and allocates to optimal locations based on inventory & geography	●
Lack of order & delivery visibility	Integrated tracking tools provide real-time order status updates across customer & ops side	●
Lack of personalized customer engagement	Marketing automation tools (email, push, retargeting) deliver tailored content based on user behaviour	●
Poor product discovery & conversion	AI-driven recommendation engines and smart search tools enhance discoverability and relevance	●
High cart abandonment	Automated cart recovery via email/SMS and dynamic offers re-engage users to complete purchases	◕
Fragmented customer data & targeting	Customer Data Platforms (CDPs) unify data and enable advanced classification & personalization	◕

A comprehensive e-commerce enablement SaaS product is essential for efficiently managing the complex operations stage, covering order management, inventory, shipping, and returns management. By supporting multiple use cases, enabling seamless integrations, and adapting to changing business needs, it acts as the operational backbone to support scalable growth.

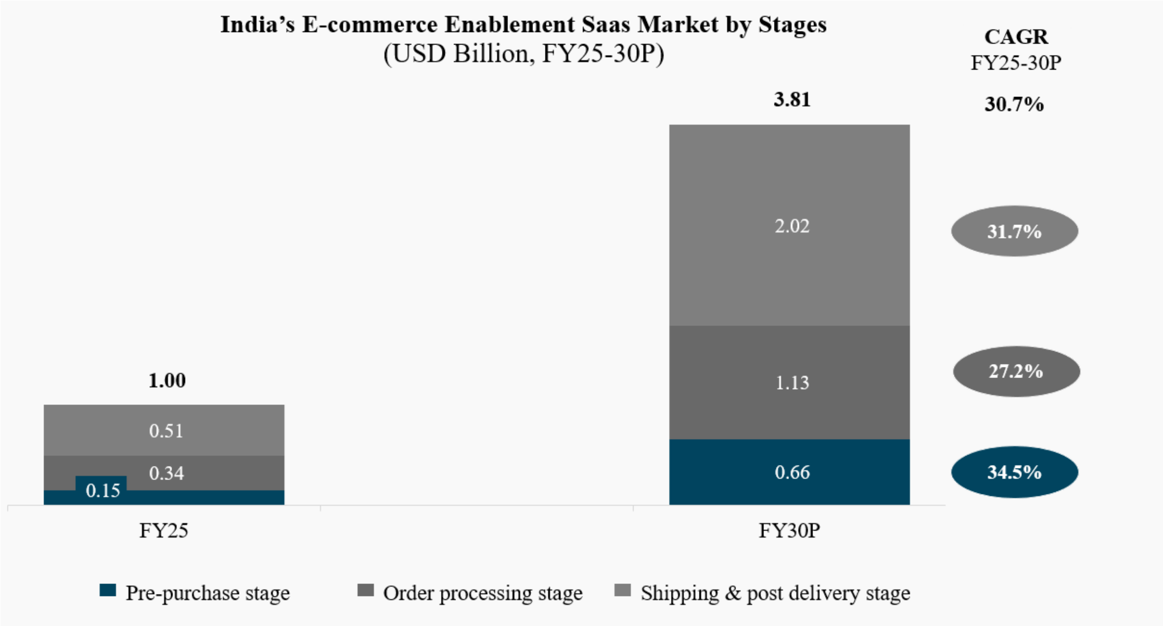
5.3. The total addressable market for the e-commerce enablement SaaS industry in India across the three stages is estimated at approximately USD 1.0 billion in FY25 and is projected to grow to USD 3.81 billion in FY30

India's e-commerce enablement SaaS market is projected to grow at a healthy CAGR of 30.7% from FY25 to FY30, expanding from USD 1.0 billion to USD 3.81 billion. This growth is being driven by digital enablement across multiple stages of the retail value chain, each exhibiting robust momentum across distinct functional areas.

- In India, the pre-purchase stage is expected to grow at a 34.5% CAGR, and the pre-purchase stage is projected to have the fastest expansion, scaling from USD 0.15 billion in FY25 to USD 0.66 billion by FY30. This growth is driven by rising customer demand and online orders, along with an increase in new suppliers and brands, thereby increasing the need for better marketing activities, along with a higher conversion rate.

- In India, the order processing stage, market potential is rising from USD 0.34 billion in FY 25 to USD 1.13 billion by FY30 at a 27.2% CAGR. This surge is driven by increasing order volumes and a growing base of sellers, which in turn introduces significant operational complexity. Once the order is received, to manage this scale efficiently, platforms must enable automated order management, real-time inventory synchronization, and seamless process integration.

- In India, the shipping and post-delivery stage market is growing at a 31.7% CAGR, and is projected to reach USD 2.02 billion by FY30, up from USD 0.51 billion in FY25. As volume scales, logistics automation, and at the same time, order tracking for customers also becomes important. SaaS tools enable shipment tracking, returns management, and customer communication to boost satisfaction and reduce friction.

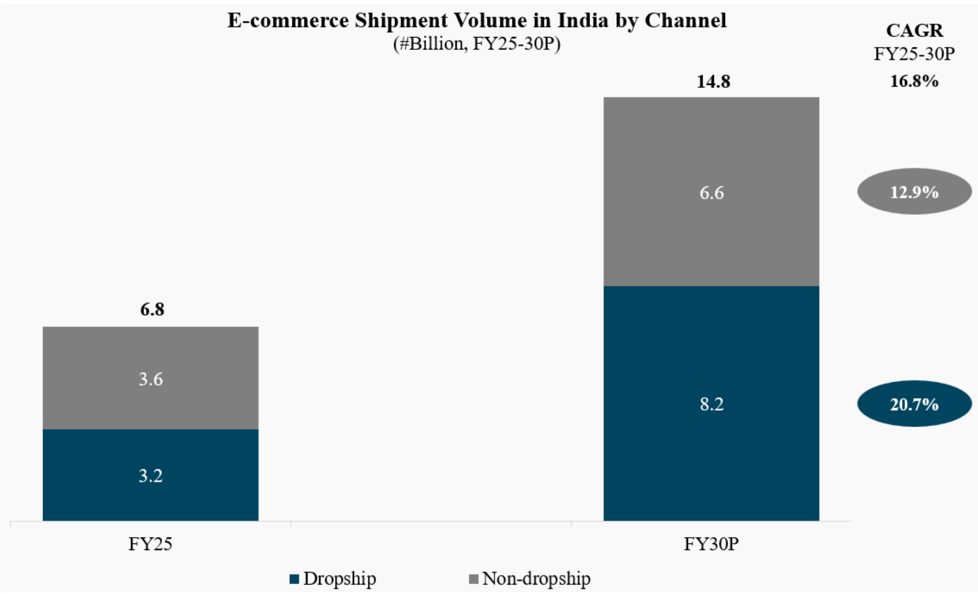


Source(s): 1Lattice analysis

The e-commerce ecosystem is growing and driving customer demand. As more customers use platforms, order volume grows, attracting more sellers and brands. This growth has improved product selection, quality, and prices, which in turn has increased the order volume. This large order volume and diverse sellers have created more operational challenges, requiring higher automation. To handle these challenges effectively, platforms invest in automation and experience-enhancing technologies, which not only make operations smoother but also improve the customer experience. This renewed focus on efficiency and satisfaction further drives demand, reinforcing the cycle and supporting ongoing growth within the ecosystem. The total addressable market for Unicommerce in the e-commerce enablement SaaS industry in India across the three stages is estimated at approximately USD 1.0 billion in FY25 and is projected to grow to USD 3.8 billion in FY30.

Furthermore, Indian e-commerce enablement SaaS providers have an emerging market opportunity, particularly in the order processing stage, within the international markets of Southeast Asia (SEA) and the Middle East. The potential market size is estimated to increase from USD 0.58 billion in FY25 to USD 1.98 billion by FY30.

Drop-shipping is a business model where items bought from an online store are shipped directly to customers by the supplier or manufacturer. In FY25, the volume of dropship e-commerce in India was 3.2 billion. This sector is projected to grow at a CAGR of 20.7% to reach 8.2 billion by FY30. Although, the non-dropship e-commerce category is also anticipated to grow, at a slower pace. Its volume is expected to increase from 3.6 billion in FY25 to 6.6 billion in FY30 at a CAGR of 12.9%. As e-commerce brands and sellers expand their product offerings and process more orders, their supply chains and operations become more intricate. To simplify these complex order flows, businesses are increasingly adopting e-commerce enablement SaaS products. This growing reliance on such solutions is expected to fuel significant growth for e-commerce enablement SaaS providers. Unicommerce processes a significant share of e-commerce orders across retailers and brands, handling approximately 25-30% of all dropship volumes through its Uniware platform in FY25.



Source(s): 1Lattice analysis

5.4. Growth drivers of e-commerce enablement SaaS

The growth of e-commerce is reshaping how businesses operate, driving a surge in demand for enablement SaaS solutions tailored to meet evolving digital retail needs. Key trends like D2C expansion, logistics tech, and integrated applications are powering this shift.

Growth Drivers of E-commerce Enablement SaaS	
D2C Proliferation & Channel Complexity	• With brands operating across websites, marketplaces, social media, and offline channels, managing inventory, operations, and customer experience becomes increasingly complex • SaaS platforms integrate, & automate processes needed to manage this complexity, enabling D2C brands to scale efficiently, delivering consistent customer experience.
Cost-competitiveness & Operational Scale	• As online retail becomes more competitive, businesses seek tools that streamline operations, reduce manual effort, and lower overhead costs • SaaS platforms offer automation, centralized management, & real-time insights - enabling efficient scaling while maintaining profitability
Rise of Headless Commerce & Application Integrations	• To gain greater flexibility, faster customization, & seamless multi-channel experiences, businesses are opting for headless commerce • Aligns well with SaaS models, allowing to scale quickly & integrate best-in-class tools for payments, marketing, & analytics by customizing without disrupting core operations
Rise of Dropship Models	• By increasing the need for real-time inventory visibility, seamless integration between retailers and suppliers, and automated order routing • These models reduce inventory holding costs but add complexity in managing multiple fulfillment partners, making SaaS platforms essential for coordination, tracking, & customer communication
Growth of Warehousing & Logistics Technology	• As fulfillment speed and accuracy have become key competitive differentiators, businesses rely on SaaS solutions to integrate warehouse management, courier aggregation, & real-time tracking • Platforms enhance supply chain visibility, reduce operational bottlenecks, & enable faster, more reliable delivery, critical for scaling operations efficiently
Cross selling as an opportunity	• Enhances monetization per customer by encouraging the purchase of complementary products or features, thereby increasing average revenue per user (ARPU) • Strengthens long-term customer value through deeper engagement, reduced churn, and improved customer experience by solving adjacent needs and streamlining workflows

Source(s): 1Lattice analysis

Benefits of Cross-selling E-commerce Enablement SaaS

Increases Average Revenue Per User

- Cross-selling increases average revenue per user by encouraging customers to purchase complementary products or features, maximizing revenue from each account

Boosts Customer Lifetime Value (LTV)

- Boosts customer LTV by increasing engagement & reducing churn, while strengthening customer relationships through more touchpoints that build trust

Reduces Customer Acquisition Cost (CAC)

- Cross-selling reduces Customer Acquisition Cost (CAC) since selling to existing customers is far more cost-efficient than acquiring new ones

Improves Customer Experience

- Improves customer experience by offering integrated solutions that solve adjacent pain points and streamline workflows

Source(s): 1Lattice analysis

The e-commerce enablement SaaS landscape presents significant cross-selling potential, driven by the integration of adjacent software solutions that address various stages of the online retail value chain. These synergies not only enhance platform stickiness and customer lifetime value but also drive higher average revenue per user (ARPU) through bundled offerings. E-commerce companies can gain significant advantages by integrating an enablement stack, which is a suite of software tools and services designed to streamline and optimize different parts of the online selling journey.

Benefits of Adding an Enablement Stack to E-commerce Companies	
Operational Efficiency & Scalability	• Automates and standardizes critical operations such as order management, inventory syncing, fulfillment, and returns • Reduces manual errors, lowers operational costs, & makes it easier to scale across platforms & regions
Faster Go-to-market	• For brands launching new products or entering new markets, the stack simplifies setup, integration with marketplaces, and backend operations • Enables quicker execution in a competitive environment
Data-driven Decision Making	• Enablement tools offer detailed insights into sales, customer behavior, inventory trends, and marketing performance • Helps businesses make smarter decisions and improve overall efficiency
Higher Margins Through Asset-light Models	• By supporting dropshipping and marketplace integrations, companies can reduce the need for physical inventory or warehouses • Stack ensures smooth backend orchestration without owning heavy infrastructure
Seamless Multichannel Expansion	• Enablement stacks often come with ready integrations for marketplaces, D2C websites, and global sales channels • Makes expansion for brands easier across digital platforms while managing everything through a unified system

Source(s): 1Lattice analysis

5.5. Barriers to entry in e-commerce enablement

The e-commerce enablement SaaS space presents significant entry barriers for new players. These arise due to the deeply integrated, mission-critical nature of the solutions, which offers to incumbents a strong first-mover advantage.

- **High switching costs:** Once integrated, these systems become deeply embedded in a company's operations, with real-time financial and operational data flows. Switching involves data migration, downtime, and retraining, leading to operational risk and cost

- **Complex integrations:** These platforms require seamless integration with marketplaces, web stores, ERPs, CRMs, financial systems, and logistics partners, making adoption and replacement, a highly complex matter.

- **Customization & process alignment:** Solutions are tailored to each business's workflows, scale, and priorities. This deep customization makes it difficult for new entrants to offer out-of-the-box replacements without extensive implementation support.

- **High product development effort:** Building a full-stack transaction layer (including OMS, WMS, returns, reconciliation, etc.) demands significant time, capital, and domain expertise, limiting the feasibility for new entrants.

- **Customer training & change management needs:** Users must be trained on process flows and system operations. Transitioning to a new platform disrupts routine operations, discouraging businesses from considering alternatives

6. Peer benchmarking of the key competitors

6.1. Company overview

AceVector operates an asset-light and capital-efficient digital commerce ecosystem across the e-commerce category value chain through three engines - Snapdeal (value-focused online marketplace), Unicommerce (e-commerce enablement SaaS), and Stellaro Brands (consumer brands). AceVector has five proprietary platforms across three businesses at different stages of maturity. Its business model covers opportunities across the B2C and B2B e-commerce value chain category and respective market opportunities. AceVector has the ability to generate operational synergies across its various business verticals. Each business is independently scalable and strategically positioned to address large and fast-growing categories within India's e-commerce ecosystem. It has the ability to create material operational synergies across businesses and possesses several advantages including technology, operational experience and expertise across the businesses. AceVector has demonstrated a steady financial trajectory, underpinned by its ability to integrate complementary assets and effectively capitalise on strategic acquisitions. AceVector's synergistic ecosystem of various businesses within e-commerce acts as a strength that may allow it to strategically utilise opportunities to scale. Together through its three platforms, the company has been able to identify and capture opportunities across the fast-growing pockets of India's e-commerce ecosystem.

Snapdeal is among the top two pure-play value marketplace platforms in India in terms of revenue for FY25, FY24 and FY23 which stood at INR 2,498.67 million, INR 2,528.87 million and INR 2,795.05 million respectively. It offers a broad range of affordable, quality products across lifestyle categories including fashion, home essentials, general merchandise, and beauty and personal care—through a network of sellers providing value-priced options to users. It is also among the top seven shopping apps in India by app downloads on the Google Play Store as of November 20, 2025, with the current category displaying more than 100+ million app downloads. Snapdeal's pricing is one of the most competitive across online shopping destinations in India as of November 25, 2025. Snapdeal operates in the price-sensitive value lifestyle e-commerce category. Snapdeal's seller ecosystem, composes of MSME merchants who have traditionally serviced value-conscious consumers through unorganised retail and understand their preferences as well and are well-equipped to offer quality merchandise at attractive prices. This supports India's manufacturing growth and entrepreneurship by providing consistent demand, enhanced digital visibility, and nationwide customer reach. Snapdeal's focused business model provide long-term defensibility and scale potential in the ever-evolving Indian e-commerce landscape. Its asset-light business and zero-inventory model allows it to retain a high degree of control on performance and costs, delivering healthy unit economics. Snapdeal's operational model is designed for cost efficiency and scale. It is well-positioned for growth, driven by the under penetration of its target category relative to retail and overall e-commerce, along with strong unit economics that ensure financial sustainability. Snapdeal is a pure-play value marketplace purpose built for next 500 million Indian shoppers, with deep penetration across non-metro markets, especially Tier 2+ (urban) and rural regions. It is focused exclusively on the value e-commerce category and built for the distinct needs of the value or Bharat shoppers and sellers in the country.

Unicommerce is a comprehensive e-commerce enablement SaaS provider present across the e-commerce value chain through three platforms (Convertway in the pre-purchase stage, Uniware in the order processing stage, Shipway in the shipping & post-delivery stage), enabling brands and MSME sellers operate their e-commerce businesses efficiently through its comprehensive suite of e-commerce enablement SaaS platforms. Unicommerce acts as the operating system for Indian eCommerce businesses to enable their operations across the ecommerce lifecycle. Unicommerce is the largest eCommerce enablement SaaS platform in the transaction processing layer in India, through its flagship platform, Uniware, in terms of revenue for FY24 and FY23 which stood at INR 1,035.81 million and INR 900.58 million respectively. Uniware is a mature platform for Unicommerce, while Shipway and Convertway are emerging platforms in the shipping and post-delivery stage and pre-purchase stage, respectively. The rule of 40 is an industry accepted thumb rule which is used to assess the growth and profitability of SaaS companies. It says that the sum of the revenue growth over a year and profitability (EBITDA as a percentage of revenue) must be at least 40%. This indicates the ability of the SaaS company to grow efficiently. Unicommerce satisfies the rule of 40 in FY25 and FY24. Unicommerce operates in a large and fast-growing market, providing a comprehensive eCommerce enablement SaaS suite through its three integrated platforms – Uniware, Shipway, and Convertway.

Stellaro Brands is strategically positioned to bridge the gap between building and scaling consumer brands through a centralised operational platform that leverages local MSME manufacturing strengths alongside AceVector's consumer insights and sophisticated branding capabilities. It has presence across all online marketplaces, and own a D2C website, and its omnichannel offline stores, for women's ethnic wear under the brand name - Rangita.

6.2. Financial benchmarking

Financial performance of the relevant companies are included below, showcasing a comparison of revenue, Adjusted EBITDA, EBITDA, PBT and PAT. It is typical for companies to view their costs and profitability measures in relation to their revenues which represent the total value of sales to measure the profitability progress of the business. In view of this, the comparison also includes Adjusted EBITDA as a percentage of revenue, EBITDA as a percentage of revenue, PBT as a percentage of revenue and PAT as a percentage of revenue.

Marketplace

Snapdeal is a pure-play value e-commerce marketplace belongs to the broader e-commerce industry. "Pure-play" refers to e-commerce platforms primarily focused on value price points, typically not generating substantial sales in higher priced categories or goods such as mobile phones and white goods. The listed players included in the table vary in terms of their e-commerce category and business model but are presented as a broad industry in the Indian e-commerce industry. Additionally, unlisted players, which vary in terms of size, structure, spread of business services and customer segment, across both horizontal and vertical models are also included for comparison.

FSN E-Commerce Ventures Limited, popularly known as Nykaa, is an Indian lifestyle and beauty-focused e-commerce company. It offers a wide range of beauty, wellness, fashion, and personal care products through its online platform and offline stores.

Brainbees Solutions Limited operates the well-known brand FirstCry, a player in the baby and kids' products category in India. The company provides a curated assortment of baby care, clothing, toys, and maternity products through its omnichannel presence, combining online sales with a network of physical retail stores.

Amazon Seller Services Private Limited popularly known by the Amazon brand name. It enables third-party sellers to list and sell products on Amazon's marketplace platform. It sells a broad variety of products such as consumer electronics (including mobiles, laptop and white goods), fashion, home, and general merchandise.

Flipkart Internet Private Limited popularly known by the Flipkart brand name. It enables third-party sellers to list and sell products on Flipkart's marketplace platform. It sells a broad variety of products such as consumer electronics (including mobiles, laptop and white goods), fashion, and general merchandise.

Meesho Limited is the largest pure-play value lifestyle ecommerce marketplace in India by revenue in FY25, FY24 and FY23which stood at INR 93,899.03 million, INR 76,151.48 million, and INR 57,345.19 million, popularly known by the Meesho brand name. It sells a variety of products across fashion, home and general merchandise. With a focus on affordability and tier-2+ cities, platform also focuses on the value category.

Myntra Designs Private Limited, a part of the Flipkart Group, is popularly known by the Myntra brand name, specializes in curated fashion, beauty, and lifestyle products, offering a blend of domestic and international brands, private labels.

Parameters	Company	Six months period ended September 30, 2025	Six months period ended September 30, 2024	FY25	FY24	FY23
Revenue from operations (INR million)	AceVector Limited (Marketplace - Snapdeal)	1,426.57	1,162.05	2,498.67	2,528.87	2,795.05
	FSN E-Commerce Ventures Limited	45,010.00	36,210.00	79,498.20	63,856.26	51,438.00
	Brainbees Solutions Limited	39,616.00	35,570.00	76,596.14	64,808.56	56,325.39
	Amazon Seller Service Private Limited.	NA	NA	3,01,386.00	2,54,060.00	2,21,980.00
	Flipkart Internet Private Limited	NA	NA	2,04,339.00	1,78,551.00	1,47,975.00
	Meesho Limited	NA	NA	93,899.03	76,151.48	57,345.19
	Myntra Design Private Limited	NA	NA	60,427.00	51,218.00	44,650.00
Adjusted EBITDA (INR million)	AceVector Limited (Marketplace - Snapdeal)	(257.92)	(214.14)	(480.06)	(367.20)	(1,757.91)
	FSN E-Commerce Ventures Limited	NA	NA	NA	3,807.00	2,654.00
	Brainbees Solutions Limited	2,135.00	1,545.00	3,935.00	2,744.00	749.82
	Amazon Seller Service Private Limited.	NA	NA	NA	NA	NA
	Flipkart Internet Private Limited	NA	NA	NA	NA	NA
	Meesho Limited	NA	NA	(2,195.91)	(2,301.53)	(16,937.33)
	Myntra Design Private Limited	NA	NA	NA	NA	NA
Adjusted EBITDA Margin (%)	AceVector Limited (Marketplace - Snapdeal)	(18.08%)	(18.43%)	(19.21%)	(14.52%)	(62.89%)
	FSN E-Commerce Ventures Limited	NA	NA	NA	6.00%	5.20%
	Brainbees Solutions Limited	5.39%	4.34%	5.10%	4.23%	1.33%
	Amazon Seller Service Private Limited.	NA	NA	NA	NA	NA
	Flipkart Internet Private Limited	NA	NA	NA	NA	NA
	Meesho Limited	NA	NA	(2.34%)	(3.02%)	(29.54%)
	Myntra Design Private Limited	NA	NA	NA	NA	NA
EBITDA (INR million)	AceVector Limited (Marketplace - Snapdeal)	(68.64)	(147.66)	(371.29)	(158.22)	(2,626.78)
	FSN E-Commerce Ventures Limited	3,000.00	2,000.00	4,740.00	3,462.00	2,560.00

Parameters	Company	Six months period ended September 30, 2025	Six months period ended September 30, 2024	FY25	FY24	FY23
	Brainbees Solutions Limited	NA	NA	NA	704.91	-(2,629.04)
	Amazon Seller Service Private Limited.	NA	NA	NA	NA	NA
	Flipkart Internet Private Limited	NA	NA	NA	NA	NA
	Meesho Limited	NA	NA	(14,139.41)	(2,631.59)	(16,405.27)
	Myntra Design Private Limited	NA	NA	NA	NA	NA
EBITDA Margin (%)	AceVector Limited (Marketplace - Snapdeal)	(4.81%)	(12.71%)	(14.86%)	(6.26%)	(93.98%)
	FSN E-Commerce Ventures Limited	6.67%	5.52%	5.96%	5.40%	5.00%
	Brainbees Solutions Limited	NA	NA	NA	1.09%	(4.67%)
	Amazon Seller Service Private Limited.	NA	NA	NA	NA	NA
	Flipkart Internet Private Limited	NA	NA	NA	NA	NA
	Meesho Limited	NA	NA	(15.06%)	(3.46%)	(28.61%)
	Myntra Design Private Limited	NA	NA	NA	NA	NA

Notes:

- *For Amazon Seller Service Private Limited, Flipkart Internet Private Limited, Myntra Design Private Limited the data, the data showcased based on MCA documents is mentioned in millions without decimal point. To maintain consistency of representation, ".00" has been appended to such numbers*
- *The financials of Amazon Seller Service Private Limited includes digital video and music content business.*
- *NA means not available or metric not published by the company as-is*
- *'Revenue from Operations' or 'Revenue from Contract with Customers', based on the respective company filings. This does not include 'other income'.*
- *The definition of EBITDA and Adjusted EBITDA has been used based on individual company filings*
- *Adjusted EBITDA numbers for AceVector Limited (Marketplace - Snapdeal), FSN E-Commerce Ventures Limited, and Brainbees Solutions Limited are based on company filings and company information.*
    - *For AceVector Limited (Marketplace -Snapdeal), Adjusted EBITDA – Marketplace represents adjusted earnings before interest, taxes, depreciation and amortisation – marketplace which has been arrived at by adding exceptional items – marketplace, sublease income – marketplace, share-based payment expense – marketplace (part of employee benefits expense), provision for doubtful security deposits – marketplace, provision for doubtful intercompany loans and advances – marketplace, provision for diminution in value of investment in subsidiaries – marketplace and reducing other income – marketplace, payment of principal portion of lease liabilities – marketplace and payment of interest portion of lease liabilities – marketplace to EBITDA – Marketplace. EBITDA – Marketplace refers to earnings before interest, taxes, depreciation and amortisation – marketplace which has been arrived at by adding depreciation and amortisation expense – marketplace to segment result – marketplace.*
    - *For FSN E-Commerce Limited, Adjusted EBITDA refers to our profit/(loss) before Tax for the period, as adjusted to exclude Other Income, Depreciation and Amortization Expenses, Finance Costs, ESOP expenses & GCC business and organizational restructuring cost*
    - *For Brainbees Solutions Limited, Adjusted Earnings before interest, tax, depreciation and amortization is calculated as the profit for the period or year plus tax expense, finance cost, depreciation and amortization expenses less other income, exceptional items income (net), plus Employee Share-Based Payment Expenses, Deal related cost, Salaries, wages, bonus and other allowances accounted as per para B55 of Ind AS 103*
    - *For Meesho Limited, Adjusted EBITDA is calculated as EBITDA plus (i) Employee share based payment expense, (ii) Exceptional items, and (iii) Fair value loss on derivative instruments at fair value through profit or loss, less (i) Interest income on bank deposits, bonds, certificate of deposits and commercial papers, (ii) Interest income on security deposits, (iii) Gain on sale of current investments (net), (iv) Gain on liquidation of a subsidiary, (v) Interest on income tax refund, (vi) Net gain on disposal of property, plant and equipment, (vii) Fair value gain on derivative instruments at fair value through profit or loss, (viii) Fair value gain on investments at fair value through profit and loss, and (ix) Exchange differences relating to disposal of a foreign subsidiary*
- *Adjusted EBITDA margin refers to Adjusted EBITDA as a percentage of revenue from operations*
    - *EBITDA numbers for AceVector Limited (Online marketplace - Snapdeal),FSN E-Commerce Ventures Limited and Brainbees Solutions Limited are based on company filings.*
    - *For AceVector Limited, EBITDA refers to segment results adjusted by adding tax expense, depreciation and amortisation expense and finance cost*
    - *For FSN E-Commerce Ventures Limited, EBITDA refers to profit/(loss) before Tax for the period, as adjusted to exclude (i) Other Income, (ii) Depreciation and Amortization Expenses, (iii) Finance Costs.*
    - *For Meesho Limited, EBITDA is calculated as Restated loss for the period/year plus (i) Finance costs, (ii) Total tax expense, and (iii) Depreciation and amortisation expense for the given period/year*
- *EBITDA margin refers to EBITDA as a percentage of revenue from operations.*

Sources:

Financials for AceVector Limited (Online marketplace - Snapdeal) are based on company information
Financials for FSN E-Commerce Ventures Limited on a consolidated basis from the public filings of the company
Financials for Brainbees Solutions Limited on a consolidated basis from the public filings of the company & RPH
Financials for Amazon Seller Service Private Limited on a standalone basis from company fillings on MCA
Financials for Flipkart Internet Private Limited on a standalone basis from company fillings on MCA
Financials for Meesho Limited are based on the company UDRHP-I
Financials for Myntra Designs Private Limited on a standalone basis per the company fillings with MCA

SaaS

Unicommerce is a SaaS provider in the e-commerce enablement vertical, offering a comprehensive suite of solutions across the e-commerce value chain. There are no listed peers in e-commerce enablement vertical in India and unlisted players in the transaction processing layer of e-commerce enablement are included for comparison.

NextSCM Solutions Private Limited, popularly known as Increff, is a technology company that empowers brands with SaaS solutions to optimize inventory and supply chain and merchandising for clients.

Vinculum Solutions Private Limited, popularly known as Vinculum, is a SaaS company that provides a suite of solutions for omnichannel retailing and e-commerce enablement. It supports order management, warehouse management and inventory visibility across multiple channels.

Edgewise Technologies Private Limited, popularly known as EasyEcom, is an eCommerce operating system that offers unified, omnichannel control over inventory, warehousing, order processing, shipping, payment reconciliation, and accounting via a single dashboard.

Browntape Technologies Private Limited, popularly known as Browntape, is an e-commerce SaaS company that offers an integrated e-commerce OMS that seamlessly connects shopping carts and marketplaces with their ERP/WMS, enabling unified inventory, order, shipping, and payment management.

Parameters	Company	Six months period ended September 30, 2025	Six months period ended September 30, 2024	FY25	FY24	FY23
Revenue from operations (INR million)	AceVector Limited (SaaS-Unicommerce)	963.16	567.76	1,347.90	1,035.81	900.58
	NextSCM Solutions Private Limited	NA	NA	839.24	896.16	852.00
	Vinculum Solutions Private Limited	NA	NA	NA	620.46	481.83
	Edgewise Technologies Private Limited	NA	NA	NA	105.61	67.12
	Browntape Technologies Private Limited	NA	NA	NA	53.60	58.44
Adjusted EBITDA (INR million)	AceVector Limited (SaaS-Unicommerce)	197.28	88.15	253.47	161.96	108.29
	NextSCM Solutions Private Limited	NA	NA	NA	NA	NA
	Vinculum Solutions Private Limited	NA	NA	NA	NA	NA
	Edgewise Technologies Private Limited	NA	NA	NA	NA	NA
	Browntape Technologies Private Limited	NA	NA	NA	NA	NA
Adjusted EBITDA Margin (%)	AceVector Limited (SaaS-Unicommerce)	20.48%	15.53%	18.80%	15.64%	12.02%
	NextSCM Solutions Private Limited	NA	NA	NA	NA	NA
	Vinculum Solutions Private Limited	NA	NA	NA	NA	NA
	Edgewise Technologies Private Limited	NA	NA	NA	NA	NA
	Browntape Technologies Private Limited	NA	NA	NA	NA	NA
EBITDA (INR million)	AceVector Limited (SaaS-Unicommerce)	192.21	127.52	318.82	202.70	94.42

Parameters	Company	Six months period ended September 30, 2025	Six months period ended September 30, 2024	FY25	FY24	FY23
	NextSCM Solutions Private Limited	NA	NA	NA	NA	NA
	Vinculum Solutions Private Limited	NA	NA	NA	NA	NA
	Edgewise Technologies Private Limited	NA	NA	NA	NA	NA
	Browntape Technologies Private Limited	NA	NA	NA	NA	NA
EBITDA Margin (%)	AceVector Limited (SaaS-Unicommerce)	19.96%	22.46%	23.65%	19.57%	10.48%
	NextSCM Solutions Private Limited	NA	NA	NA	NA	NA
	Vinculum Solutions Private Limited	NA	NA	NA	NA	NA
	Edgewise Technologies Private Limited	NA	NA	NA	NA	NA
	Browntape Technologies Private Limited	NA	NA	NA	NA	NA

Notes:

- *NA means not available or metric not published by the company as-is*
- *Revenue from Operations' or 'Revenue from Contract with Customers', based on company filings. This does not include 'other income'.*
- *The definition of EBITDA and Adjusted EBITDA has been used based on individual company filings.*
- *Adjusted EBITDA numbers for AceVector Limited (SaaS - Unicommerce) is based on company filings.*
    - *For AceVector Limited (SaaS - Unicommerce), Adjusted EBITDA – SaaS represents adjusted earnings before interest, taxes, depreciation and amortisation – SaaS which has been arrived at by adding exceptional items – SaaS, sublease income – SaaS, share-based payment expense – SaaS (part of employee benefits expense), provision for doubtful deposits – SaaS, provision for diminution in value of Investments and reducing other income – SaaS, payment of principal portion of lease liabilities – SaaS and payment of interest portion of lease liabilities – SaaS to EBITDA – SaaS. EBITDA – SaaS refers to earnings before interest, taxes, depreciation and amortisation – SaaS which has been arrived at by adding depreciation and amortisation expense – SaaS to the segment result – SaaS.*
- *Adjusted EBITDA margin refers to Adjusted EBITDA as a percentage of revenue from operations*
- *EBITDA numbers for AceVector Limited (SaaS - Unicommerce) is based on company filings.*
    - *For AceVector Limited, EBITDA refers to segment results adjusted by adding tax expense, depreciation and amortisation expense and finance cost*
- *EBITDA margin refers to EBITDA as a percentage of revenue from operations*

Sources:
Financials for AceVector Limited (SaaS - Unicommerce) are based on company information and have not been sourced from financials published by Unicommerce eSolutions Limited
Financials for Vinculum Solutions Private Limited on a consolidated basis from company fillings on MCA
Financials for Browntape Technologies Private Limited on a standalone basis from company fillings on MCA
Financials for Edgewise Technologies Private Limited on a standalone basis from company fillings on MCA
Financials for NextSCM Solutions Private on a standalone basis from company fillings on MCA

Consumer Brands

Stellaro Brands Private Limited is an emerging platform designed to scale multiple brands through online and omnichannel offline stores, with its current brand, Rangita. The business scale for Stellaro Brands is currently small. The listed players in the table operate within the same broader industry and category but are significantly different in terms of their revenues, business models, scale and store network.

Vedant Fashions Limited is an Indian ethnic wear company, best known for its flagship brand Manyavar. The company specializes in men's and women's occasion wear, particularly wedding and festive apparel, and operates through an asset-light model with a retail presence across exclusive brand outlets, multi-brand outlets, and international markets.

Go Fashion (India) Limited is a women's bottom-wear brand in India, operating under the brand name Go Colors. The company focuses exclusively on the women's wear category, offering a wide variety of leggings, palazzos, pants, and other bottom-wear styles, with pan-India retail network and multi-channel sales strategy including exclusive brand outlets, large format stores, and online platforms.

The size and scale of Vedant Fashions Limited and Go Fashion (India) Limited is very large as compared to Stellaro Brands Private Limited. Similarly, margin profiles due to scale and size may be significantly different from Stellaro Brands Private Limited. As such, these publicly listed companies may not be considered as true comparables

Parameters	Company	Six months period ended September 30, 2025	Six months period ended September 30, 2024	FY25	FY24	FY23
Revenue from operations (INR million)	AceVector Limited (Consumer Brands - Stellaro Brands)	57.58	84.29	114.18	236.30	24.00
	Vedant Fashions Limited	5,443.43	5,077.67	13,864.83	13,675.32	13,549.30
	Go Fashion (India) Limited	4,469.98	4,286.27	8,481.67	7,628.28	6,652.80
Adjusted EBITDA (INR million)	AceVector Limited (Consumer Brands - Stellaro Brands)	(34.00)	(77.52)	(114.97)	(88.68)	(39.38)
	Vedant Fashions Limited	NA	NA	NA	NA	NA
	Go Fashion (India) Limited	NA	NA	NA	NA	NA
Adjusted EBITDA Margin (%)	AceVector Limited (Consumer Brands - Stellaro Brands)	(59.05%)	(91.97%)	(100.69%)	(37.53%)	(164.08%)
	Vedant Fashions Limited	NA	NA	NA	NA	NA
	Go Fashion (India) Limited	NA	NA	NA	NA	NA
EBITDA (INR million)	AceVector Limited (Consumer Brands - Stellaro Brands)	(38.77)	(77.39)	(120.45)	(74.47)	(27.40)
	Vedant Fashions Limited	2,342.00	2,363.00	6,464.00	6,643.00	6,783.00
	Go Fashion (India) Limited	1,354.00	1,358.00	2,680.00	2,424.36	2,122.86
EBITDA Margin (%)	AceVector Limited (Consumer Brands - Stellaro Brands)	(67.33%)	(91.81%)	(105.49%)	(31.52%)	(114.17%)
	Vedant Fashions Limited	43.02%	46.54%	46.60%	48.60%	50.10%
	Go Fashion India Limited	30.29%	31.68%	31.60%	31.80%	31.90%

Notes:

- *NA means not available or metric not published by the company as-is*
- *'Revenue from Operations' or 'Revenue from Contract with Customers', based on company filings. This does not include 'other income'.*
- *The definition of EBITDA and Adjusted EBITDA has been used based on individual company filings. We have used the below definitions to calculate the same for other companies. The definitions may not be same for all companies, and we have tried to make the comparison as similar as possible.*
- *Adjusted EBITDA numbers for AceVector Limited (Consumer Brands - Stellaro Brands) is based on company filings.*
  - *For AceVector Limited, AceVector Limited (Consumer Brands - Stellaro Brands) Adjusted EBITDA – Consumer Brands represents adjusted earnings before interest, taxes, depreciation and amortisation – consumer brands which has been arrived at by adding share-based payment expense – Consumer Brands (part of employee benefits expense), provision for impairment on intangible assets – Consumer Brands and reducing other income – Consumer Brands, payment of principal portion of lease liabilities – Consumer Brands and payment of interest portion of lease liabilities – Consumer Brands to EBITDA – Consumer Brands. EBITDA – Consumer Brands refers to earnings before interest, taxes, depreciation and amortisation – Consumer Brands which has been arrived at by adding depreciation and amortisation expense – Consumer Brands to the segment result – Consumer Brands*
- *EBITDA numbers for AceVector Limited (Consumer Brands - Stellaro Brands), Vedant Fashions Limited and Go Fashion Limited (India) are based on company filings.*
  - *For AceVector Limited, EBITDA refers to segment results adjusted by adding tax expense, depreciation and amortisation and other income*
  - *For Vedant Fashions Limited, EBITDA refers to profit before tax adjusted by adding finance cost and depreciation, and reducing interest income, dividend income, profit on sale of investments and profit on fair valuation of investments carried at FVTPL*
  - *For Go Fashion (India) Limited, EBITDA refers to gross profit adjusted by reducing employee cost, rent expense and other expenses*
- *EBITDA margin refers to EBITDA as a percentage of revenue from operations.*

Sources:
Financials for AceVector Limited (Consumer Brands - Stellaro Brands) are based on company information
Financials for Vedant Fashions Private Limited on a consolidated basis from the public filings of the company
Financials for Go Fashion (India) Limited on a standalone basis from the public filings of the company

6.3. Operational benchmarking

Marketplace

*Below is the snapshot of the key operational metrics of AceVector Limited (*marketplace - *Snapdeal)*

Parameters	Company	Six months period ended September 30, 2025	Six months period ended September 30, 2024	FY25	FY24	FY23
Net Merchandise Value (NMV) / Net Sales Value (NSV) (INR	AceVector Limited (Marketplace - Snapdeal)	5,438.59	3,810.23	8,695.55	6,333.37	7,866.27
	FSN E-Commerce Ventures Limited	44,770.00	35,615.00	78,230.00	63,554.00	50,625.00
	Brainbees Solutions Limited	NA	NA	NA	NA	NA

Parameters	Company	Six months period ended September 30, 2025	Six months period ended September 30, 2024	FY25	FY24	FY23
million)	Meesho Limited	NA	NA	2,99,880.00	2,32,410.00	1,92,330.00
Gross Merchandise Value (GMV) (INR million)	AceVector Limited (Marketplace - Snapdeal)	NA	NA	NA	NA	NA
	FSN E-Commerce Ventures Limited	89,260.00	69,734.00	1,56,040.00	1,24,461.00	97,433.00
	Brainbees Solutions Limited	53,377.00	48,469.00	1,05,853.00	91,211.28	72,576.34
	Meesho Limited	NA	NA	5,03,120.00	4,00,380.00	3,44,910.00
Delivered Units (million)	AceVector Limited (Marketplace - Snapdeal)	12.99	8.95	19.91	14.81	19.08
	FSN E-Commerce Ventures Limited	NA	NA	NA	NA	NA
	Brainbees Solutions Limited	NA	NA	NA	NA	NA
	Meesho Limited	NA	NA	NA	NA	NA
Orders (million)	AceVector Limited (Marketplace - Snapdeal)	NA	NA	NA	NA	NA
	FSN E-Commerce Ventures Limited	34.60	28.80	62.10	50.70	42.20
	Brainbees Solutions Limited	20.80	19.40	41.50	35.85	30.99
	Meesho Limited	NA	NA	1,834.40	1,341.94	1,024.34
Annual Transacting Customers / Users (million)	AceVector Limited (Marketplace - Snapdeal)	11.71	8.57	10.43	7.85	9.60
	FSN E-Commerce Ventures Limited	21.20	16.70	19.00	15.40	13.00
	Brainbees Solutions Limited	11.00	9.90	10.60	9.11	7.98
	Meesho Limited	NA	NA	198.77	155.54	136.40
Logistics expense as a percentage of NSV / NMV (%)	AceVector Limited (Marketplace - Snapdeal)	16.12%	16.11%	15.97%	16.99%	20.18%
	FSN E-Commerce Ventures Limited	9.60%	9.57%	9.48%	9.57%	11.07%
	Brainbees Solutions Limited	NA	NA	NA	NA	NA
	Meesho Limited	NA	NA	NA	NA	NA
Marketing expense as a percentage of NSV / NMV (%)	AceVector Limited (Marketplace - Snapdeal)	6.99%	8.05%	7.27%	9.24%	11.04%
	FSN E-Commerce Ventures Limited	15.55%	14.99%	12.25%	11.33%	11.18%
	Brainbees Solutions Limited	NA	NA	NA	NA	NA
	Meesho Limited	NA	NA	NA	NA	NA
Mobile App Downloads (million)	AceVector Limited (Marketplace - Snapdeal)	355.97	318.76	337.38	305.71	286.63
	FSN E-Commerce Ventures Limited	NA	NA	NA	NA	NA
	Brainbees Solutions Limited	159.00	NA	159.00	NA	NA
	Meesho Limited	NA	NA	NA	NA	NA

Notes:
NA means not available or metric not published by the company as-is The manner of computing certain measure may be different from the computation used by our Company and may not provide a right comparison to investors. The data showcased in select documents is mentioned in millions without decimal point. To maintain consistency of representation, ".00" has been appended to such numbers and calculations

- *NMV/NSV numbers for AceVector Limited (Consumer Brands - Snapdeal) and FSN E-Commerce Ventures Limited is based on company filings*
    - *For AceVector Limited (Marketplace Segment), net merchandise value ("NMV") is defined as the total list price of individual units sold (inclusive of taxes and discounts) through the marketplace platform that was delivered to the customers, excluding the units that were cancelled or returned by the customers.*
    - *For FSN E-Commerce Ventures Limited, net sales value (NSV) refers to Gross Merchandise Value (GMV) minus discounts, cancellation & returns, and taxes.*

- *GMV numbers for FSN E-Commerce Ventures Limited and Brainbees Solutions Limited is based on company filings*
  - *For FSN E-Commerce Ventures Limited, Gross Merchandise Value (GMV) refers to monetary value of orders inclusive of taxes and gross of discounts, if any, across websites, mobile applications and physical stores prior to product returns or order cancellations and including sales to and through third party*
  - *For Brainbees Solutions Limited, Gross Merchandise Value (GMV) refers to monetary value of orders inclusive of taxes and gross of discounts, if any, across the FirstCry website, mobile application and FirstCry and BabyHug modern stores, including those operated by Digital Age and franchisees, net of order cancellations gross of franchisee commission, net of shipping and cash on delivery charges and prior to product returns*
- *For AceVector Limited (Marketplace Segment), Delivered units is defined as number of individual units delivered to customers through the marketplace platform, excluding units that were returned by customers.*
- *For FSN E-Commerce Ventures Limited, orders refer to all orders placed on the websites, mobile applications and physical stores prior to any cancellations and returns. The count of orders is a sum of all reported segments for the business.*
- *For Brainbees Solutions Limited, all orders placed on the website, mobile application and modern stores, net of cancellations and prior to any returns. The count of orders is a sum of all reported segments for the business.*
- *For AceVector Limited (Marketplace Segment), annual transacting customers refers to number of customers, identified by their unique mobile number, to whom at least one unit has been shipped during the last twelve months period preceding the end of the reporting period/year.*
- *For FSN E-Commerce Ventures Limited, annual unique transacting customers refer to unique customers identified by their email-id or mobile number who have placed at least one order on the websites, mobile applications or physical stores during the last 12 months ended as on measurement date. The count of unique annual transacting users refers to sum of all reported segments for the business and may not show a true representation of the business.*
- *For Branbees Solutions Limited, Unique customers identified by their email-id or mobile number who have placed at least one Order on the FirstCry website, mobile application or FirstCry and BabyHug modern stores during the last 12 months ended as on measurement date. The count of unique annual transacting users refers to sum of all reported segments for the business and may not show a true representation of the business.*
- *Logistics expense as a percentage of NMV for AceVector Limited (Online marketplace - Snapdeal)*
- *Fulfilment cost as percentage of NSV; NSV refers to Net Sales Value and is calculated on the basis of GMV minus Discounts, Cancellation & Returns, and Taxes*
- *Marketing and business promotion expense as a percentage of NMV for AceVector Limited (Online marketplace - Snapdeal)*
- *Marketing expense as percentage of NSV; NSV to Net Sales Value and calculated on the basis of GMV minus Discounts, Cancellation & Returns, and Taxes*
- *FirstCry India mobile application downloads till March 31, 2025*

SaaS

There are no comparable key operational metrics for e-commerce enablement SaaS for other companies in the public domain.

Consumer Brands

Below is the snapshot of the key operational metrics of AceVector Limited (Consumer Brands - Stellaro Brands).

Parameters	AceVector Limited (Consumer Brands - Stellaro Brands)	Manyavar (Vedant Fashions Private Limited)	Go Colors (Go Fashion (India) Limited)
Number of EBO stores	12*	671**	812

Notes:
** Stellaro Brands Private Limited had 9 stores operating as of September 30, 2025 and currently operates a total of 12 omnichannel stores*
*** Indicates Exclusive Brand Outlets (includes 147 shop-in-shops) by September 30, FY25*

7. Threats & challenges faced by the industry and company

The marketplace industry faces challenges like:

- **Thin margins & price sensitivity:** Value-conscious customers focus on the lowest prices, leaving little room for healthy margins and forcing platforms into frequent discounting
- **Costly user acquisition & low retention:** Heavy marketing spends are required to attract users in a discount-driven market, with low brand loyalty and high customer churn
- **Rising competitive & regulatory pressures:** Social commerce platforms and D2C brands intensify competition, while evolving regulations and FDI norms create strategic and compliance uncertainties

The E-commerce enablement SaaS industry faces challenges like:

- **Integration complexity**: e-commerce businesses use a mix of Enterprise Resource Planning, Customer Relationship Management, marketplaces, and logistics platforms. Ensuring seamless integration across these systems is complex and time-consuming, often delaying deployment and causing data inconsistencies
- **Intense pricing pressure**: The market is saturated with enablement SaaS providers offering similar functionalities. Competitive pricing, especially in the small and medium business category, forces providers to lower margins. Sustaining innovation and support becomes challenging at low price points
- **Data security & compliance**: e-commerce platforms handle sensitive customer, payment, and order data. With global data protection laws like General Data Protection and Payment Card Industry Data Security

Standard, compliance is non-negotiable. A single breach can damage brand trust and result in various penalties

- **Customization limits & upgrade risks**: e-commerce enablement SaaS platforms often have rigid frameworks that limit deep customization without costly workarounds or third-party tools. Feature dependencies and hidden limitations can affect performance and scalability. Additionally, automatic updates may break custom setups, requiring constant regression testing and maintenance

- **Churn and retention in the small and medium business category**: Small businesses frequently change tools or exit the market, leading to high churn. Low lifetime value and high acquisition costs make it hard for enablement SaaS providers to sustain revenue from this category

- **Constant evolution in tech & policy**: Enablement SaaS platforms must adapt to changes in marketplace Application Programming Interfaces, tax regulations, and logistics standards. Delays in updating can break workflows and cause compliance issues. Staying updated requires agile development and high resource allocation

The Consumer brands industry faces challenges like:

- **High customer acquisition costs & limited organic reach:** Without marketplace visibility, consumer brands depend heavily on paid advertisements and influencers, driving up customer acquisition costs. Building organic traffic through Search Engine Optimisation and content takes time and requires expertise.

- **Logistics, fulfilment & inventory complexities:** Scaling pan-India delivery, handling returns and managing inventory without robust infrastructure strains operations and affects margins.

Building trust & standing out in a crowded market: In saturated categories like beauty or health, new brands struggle with credibility and differentiation, making customer loyalty hard to achieve.