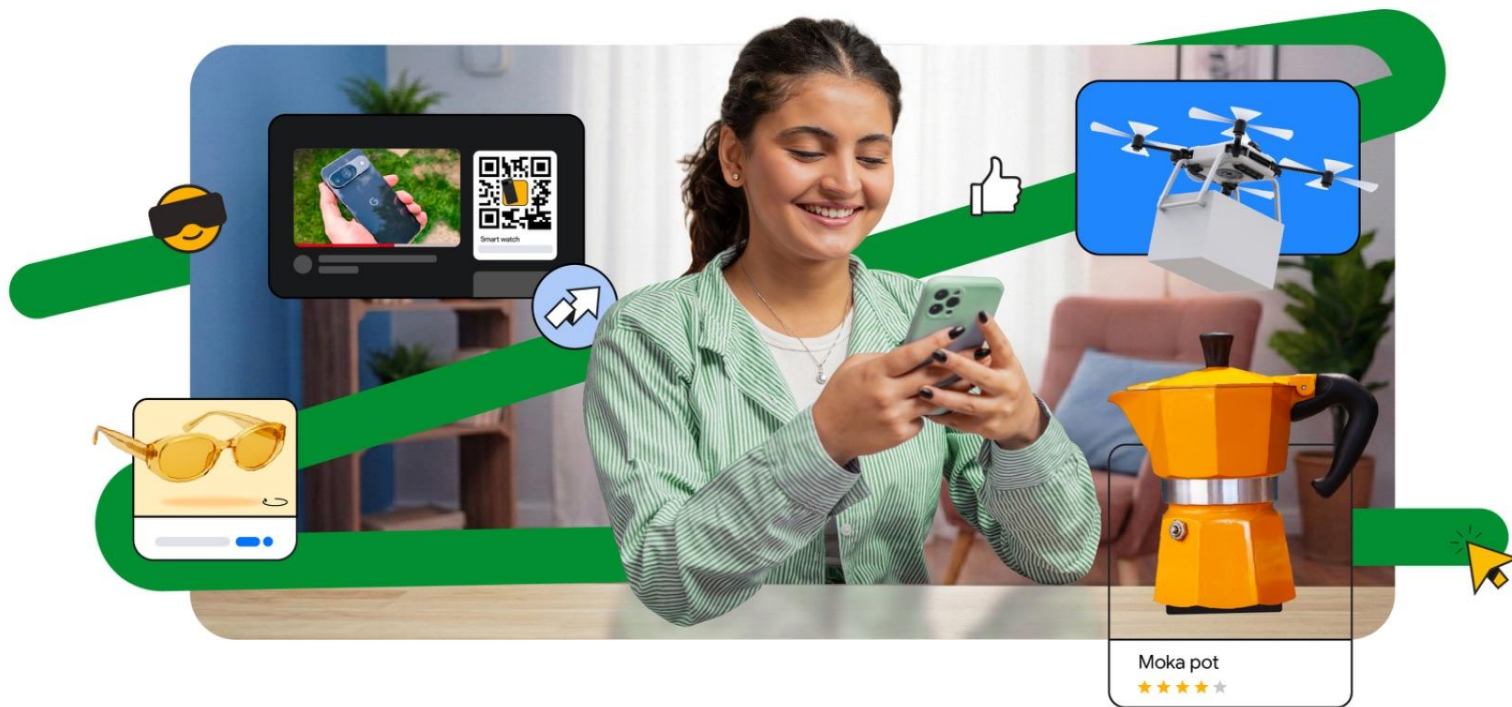


The \$250 Billion Commerce Frontier

How Inspired, Immersive, Instant, and Intelligent forces are fueling the next wave of growth



Foreword: Google

Commerce in India has always been more than a transaction—it is a lived experience, an innate passion for discovery that turns a simple search into a sensory journey. Today, the convergence of advanced digital infrastructure and this deep-seated love for the find is elevating the retail landscape, creating a new frontier for millions of brands and sellers to engage with their consumers.

This shift is most visible in the evolution of the Indian consumer. While traditional brick-and-mortar stores retain their significance, a new generation of digital-first shoppers—fueled by millions emerging from Tier-2 cities and beyond—is embracing a borderless retail ecosystem. With expanded digital access, today's consumers are searching, scrolling, streaming, and shopping simultaneously. They no longer just buy; they immerse. They expect seamless movement across touchpoints, engaging with content in ways that transcend the traditional role of a shopper.

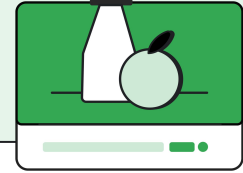
This report explores this structural transformation, where the physical and digital worlds converge. We examine how technology acts as a catalyst for growth, driven by four defining forces for 2030: Immersive, Instant, and Intelligent commerce. Together, these forces are creating unparalleled opportunities for retailers, D2C brands, creators, and platforms alike.

For brands, the challenge is to stay in step with this rapid transformation. Success now requires a total commerce approach, weaving interactive capabilities into every environment and ensuring every piece of content serves as a direct gateway to a transaction. Within this ecosystem, creators serve as the vital link, fostering the long-term loyalty that fuels sustainable growth. As the demand for immediacy stretches into new categories, the rise of quick commerce is necessitating a rethink of logistics and pricing to balance lightning-fast delivery with sustainable growth. Powering this entire value chain is AI, which serves as both an intuitive guide for the shopper and a sophisticated engine for operational excellence on the back end.

The future of Indian commerce is full of promise, with the e-retail sector projected to reach \$250B by 2030. This report is designed to help stakeholders navigate this fast-evolving landscape and seize the opportunities ahead. It is a call to action to embrace innovation, forge new partnerships, and rethink how we build resilient commerce models to unlock India's massive retail potential.



Foreword: Deloitte



India's commerce ecosystem is at an inflection point. A powerful convergence of digital infrastructure, channel innovation, and evolving consumer behaviour is reshaping how commerce is shaped and scaled. A robust infrastructure has laid the foundation for rapid expansion, and millions of shoppers from Tier-2 cities and beyond are further fueling online retail. Consequently, the next phase of growth will be both expansive and inclusive.

Commerce is undergoing a structural transformation in how consumers discover, consider and purchase products. Brand influence is steadily shifting from traditional mass messaging to personalised connect, with content emerging as a powerful engine of discovery and engagement. Shopping is evolving beyond transactions into a more unified experiential journey, where consumers expect seamless movement across touchpoints.

Expectations around convenience are also being reset, as consumers increasingly seek faster doorstep fulfilment and wider choice across categories, a mandate now expanding well beyond metros. Alongside this, advances in AI are making the commerce journey more intuitive and assistive, helping consumers discover the right choices, navigate products easily, and make purchases more efficiently.

The implications for businesses are clear – commerce strategies must evolve to reflect how consumers are changing. Brands must embed immersive capabilities across digital and physical environments, enabling consumers to begin their journey anywhere and complete it with confidence. At the same time, content must move beyond storytelling to become shoppable, seamlessly converting inspiration into a transaction.

As appetite for immediacy continues to rise, quick commerce will expand well beyond essentials, requiring companies to rethink assortments, pricing architectures and service models to deliver speed while sustaining profitability.

Underpinning these shifts will be AI, which will increasingly operate across the entire commerce value chain, acting as a trusted shopper companion while powering a more intelligent backend that drives operational efficiency.

This report explores how the next phase of commerce will be shaped by four forces to become Inspired, Immersive, Instant, and Intelligent. Together, these forces will redefine commerce, creating new opportunities for businesses that are prepared to rethink how they engage with consumers and build resilient commerce models for the future.

Reference

‘The \$250 Billion Commerce Frontier’ is a research report published by **Deloitte & Google**, which analyzes India’s evolving retail landscape.

The research leverages Deloitte analysis, Google internal data, primary research, expert interviews and industry sources to shed light on India’s retail market, ecosystem and future of commerce in India. The information included in this report is sourced as ‘Future of Commerce’, unless otherwise specified.

Disclaimer

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Notes on the report

All time frames are given in calendar year estimates unless indicated.
All values are rounded to the nearest 1 decimal place unless stated otherwise.
All dollar amounts are USD.

Executive summary (1/2)

India's e-commerce market is set to leap 3x to \$250B by 2030

From 2019 to 2025, India's online retail market has expanded to **\$90B**, driven by three structural shifts: **~110M new online shoppers**, rapid expansion of seller ecosystems with a **2x increase in merchants**, a strong digital backbone enabled by **400M+ UPI users** and **nationwide logistics reach**. Together, these forces have transformed commerce from a linear funnel into an always-on, discovery-led journey, where purchases are increasingly driven by convenience, identity and instant gratification.

Despite this momentum, India's online shopper penetration remains at ~30%, significantly lower than global peers, indicating substantial headroom for growth. By 2030, as **~150M new shoppers** come online and the **per capita e-commerce spend doubles**, a younger, digital-native cohort of **220M+ Gen Z shoppers** will contribute ~45% of online spend, accelerating digital-first discovery and hyper-personalised experiences. This shift will also expand the category mix, with grocery alone scaling to **~\$72B**.

Commerce is set to evolve beyond transactions into journeys that are predictive, socially influenced, and seamlessly connected. Four forces - **Inspired, Immersive, Instant, and Intelligent** - are expected to contribute **~\$100B** to Commerce growth by 2030.

Creators will inspire discovery and purchase decisions

Creator-led commerce will become a key driver for e-commerce growth, contributing **~\$25B in GMV by 2030**. Creators will influence product discovery and purchase through authentic and creative content, supported by live demos, trusted reviews, and category-led guidance. Creator content will scale significantly, with **creator-owned storefronts and online videos becoming instantly shoppable**. Eventually, these formats will also help **onboard 50-60M new online shoppers from Tier 2** markets by effectively addressing key barriers around trust, product understanding, and quality.

Immersive tools will blend journeys and elevate experiences

Immersive experiences and tools will transform retail by **enabling fluid, blended journeys across online and offline channels**, in line with strong consumer preference for integrated shopping, and drive **~20% incremental revenue**. These tools will aid both online and offline purchases - **closing the imagination gap in online shopping** and **making offline shopping more convenient and experiential**. Through capabilities such as unified carts and virtual try-ons, such tools will drive both utility and engagement. Additionally, physical stores will increasingly monetise experiences beyond products through in-store immersive tools.

Executive summary (2/2)

Instant commerce will reset convenience and unlock new growth frontiers

As delivery timelines compress from hours to minutes, instant fulfillment is fundamentally reshaping consumer expectations and creating powerful new habit loops. The market is projected to **grow 6X to \$50B serving ~70M shoppers by 2030**. The next wave of growth will be driven by **Tier 2+ markets** necessitating operating model innovations to address unique demand and supply challenges. The model will also diversify beyond food to become a **40% - 45% non-food and service** driven model with emergence of specialist vertical players in multiple categories. Further, as quick commerce scales, **hybrid models integrating offline branded retail** could emerge contributing **\$15-20B incremental revenue**.

Intelligent AI will enable shopper decisions and strengthen operations

AI will act as a dual lever for growth by streamlining operations and simplifying shopper decision-making, leading to a **30-35% increase in profitability**. This will be driven by better forecasting accuracy, optimized inventory and logistics, and shorter cycles for creatives and product development. Simultaneously, it will enhance the consumer experience, acting as an **expert assistant for India-1 shoppers** navigating complex choices, and as a **trusted guide for India-2 shoppers** by simplifying discovery, clarifying doubts, and enabling more confident purchases.

Brands will need to embed next-gen commerce capabilities to drive growth

To win across the four forces - Inspired, Immersive, Instant, and Intelligent - brands must drive a step-change in capabilities and commerce operating models

- **Inspired:** Shift from ad hoc creator collaborations to always-on, scalable **creator-led commerce engines**, underpinned by robust attribution and increasingly autonomous creator ecosystems
- **Immersive:** Embed **rich, interactive experiences** seamlessly across the omnichannel journey to improve discovery, aid decision-making, and unlock new in-store monetization
- **Instant: Re-architect operations** for instant commerce through agile assortments, dynamic pricing, responsive service models, and hybrid fulfillment, while leveraging retail media to capture high-intent demand
- **Intelligent:** Lay the foundation for **agentic commerce**, evolving from AI-driven insights to full-stack autonomous execution across customer experience and backend operations

Table of contents

01. India's evolving commerce landscape

Past highlights and future potential

1.1

India's commerce growth : Key highlights from the last five years

1.2

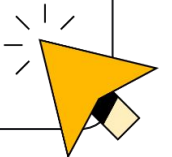
Future opportunities : Expanding online shoppers, categories, and per capita spend

02. The four forces of commerce in 2030

Big shifts reshaping India's shopping landscape

03. Implications

Reimagining commerce across all forces –
Inspired, Immersive, Instant and Intelligent



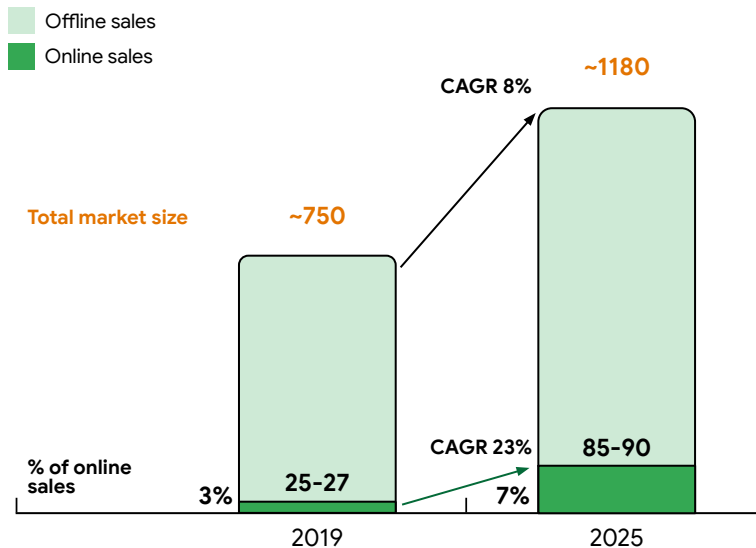
01

India's evolving commerce landscape



Online commerce in India has scaled to \$90B, powered by multi-touchpoint continuous shopper journeys

Offline vs online commerce (\$B)^{1,A}



Offline leading, online scaling

While physical retail dominates revenue, e-commerce is fundamentally rewiring how India discovers and buys.

From functional to expressive

Purchases are no longer just functional. They are driven by identity, curiosity and convenience.

The new shopper journey

The linear shopping funnel is gone, replaced by an always-on cycle of discovery, validation and instant gratification.



Three key market forces have shaped India's e-commerce journey: New customers, democratised supply, and a powerful digital backbone

New demand engines

110M new online Bharat shoppers^A and a **2.5x uptick in quick commerce^B** have reshaped shopping habits.



Democratised seller ecosystem

2x new online sellers and **600+ new D2C brands** have opened up new retail categories and value commerce.



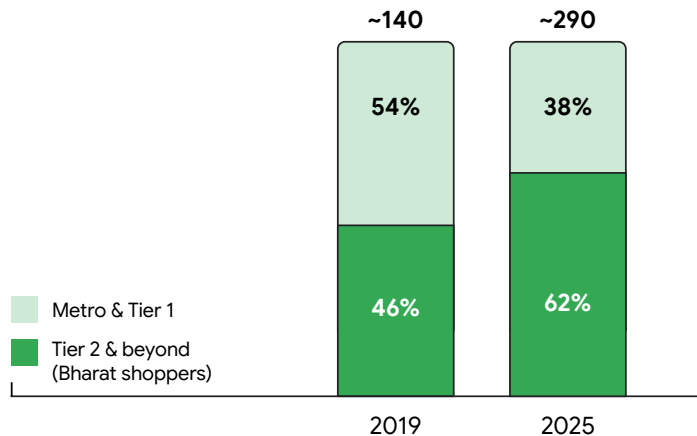
Rapid digital acceleration

400M+ UPI users, vernacular access and **19,000+ serviceable pin codes** have powered seamless, inclusive and engaging commerce.



Bharat-friendly infrastructure has ushered e-commerce beyond metros, with Bharat shoppers now driving 3 in every 5 orders

Online shoppers, by geography (M)^{1, A}



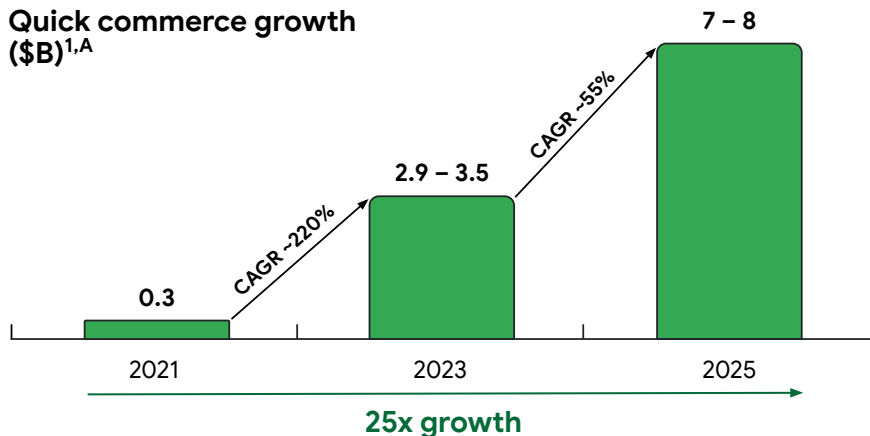
110M new Bharat users started shopping online in the last five years, meaning India's digital commerce is no longer metro led.

Tier II and smaller towns now account for **over 60% of online shoppers**, about half of e-commerce spending and close to three out of every five orders^{2,3} - marking a decisive shift in audience dynamics.



Quick commerce has rocketed 25x, reshaping shopping patterns from planned purchases towards on-demand transactions

Quick commerce growth (\$B)^{1,A}



26M

quick commerce MAUs across **80+** cities in 2025²



~4.8M

cumulative daily orders across top 5 platforms in 2025^{3, B}

What began as a solution for unplanned and top-up purchases has now redefined consumer expectations.

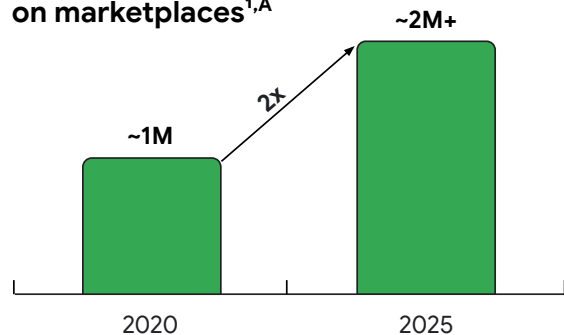
Loyalty has shifted from brands to platforms, experimentation has become instinctive, and consumers are showing greater willingness to pay for speed and convenience.



Lower barriers to entry have welcomed a new generation of sellers, fuelling **direct-to-consumer brands** to hit \$16B revenue in 2025

Expanded supplier ecosystem

of merchants registered on marketplaces^{1,A}



600+

new Direct-to-Consumer (D2C) brand launches^{2,B}

\$16B

GMV of India's D2C brands^{3,C}

Enablers that democratised supply systems



Zero sales commission model

Meesho pioneered a zero-commission model, letting MSMEs retain full profits while the platform monetises through ads and logistics.

Myntra extended the zero-commission model to women's ethnic wear brands, attracting a new wave of boutique and regional sellers.



Plug and Play SaaS tools

Shopify and **Dukaan** offer ready-to-use storefronts, enabling sellers and emerging brands to digitise faster and manage direct sales channels independently.

GoKwik and **MoEngage** provide modular SaaS tools for efficient checkout, retention and analytics, enabling brands to scale efficiently across channels.

Notes: A. Registered sellers across top marketplaces – Amazon, Flipkart, Meesho | B. New brand launches post 2016, includes brands that received investment > USD 4B | C. Estimated for 2025. Direct-to-consumer companies/brands are independent companies/brands which have 50%+ revenue from online channels and have own website/app
Source:1. Deloitte Analysis, Disclosures by Flipkart, Amazon, Meesho | 2. D2C Report by Sorin & 1Lattice | 3. Redseer Research and Analysis, Deloitte Analysis

Specialised categories and value-led platforms are rapidly broadening the scope of India's commerce ecosystem

Long tail & niche categories reached \$19B⁺¹ in 2025

Driven by long tail merchants



Fashion accessories



Home décor and furnishing

Driven by product innovation and niche creation



Personal care and beauty



Grocery



Nutraceuticals

Targeted serums

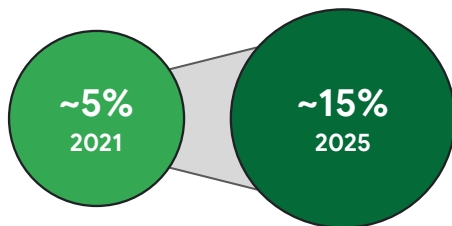
Ethnic superfoods

Functional beverages

Skinimalism kits

Specialty diet ingredients

Hydration powder



Hyper-value platforms' GMV as a share of e-commerce GMV

15% e-commerce GMV driven by hyper-value commerce²

Led by unbranded and private-label categories, hyper-value commerce is resetting the standard for affordability and access. Anchored in low prices, steep discounts and cost-effective logistics, hyper-value platforms have become effective launchpads for regional brands, driving hyperlocal innovation and steep online price competition.

Frictionless payments and inclusive access set the stage for an immense audience-first, digital-powered future

3 key shifts transformed digital commerce in India...

Popularisation of digital payments

Total active UPI users¹

210M+ **400M+**
2021 → 2025

Monthly UPI transactions²

4.2B+ **18B+**
2021 → 2025

Regional and vernacular interfaces

2M+

hours/year
spent on video
commerce⁴

+270%

YoY jump in
voice search
queries⁵

+30%

new shoppers
who use vernacular
search⁶

Route optimisation and last mile delivery

14K+

2019 → 2025
pin codes serviced
by 3PL providers⁷

19K+

410M+

orders delivered
on same or next
day in 2025⁸

... and unlocked massive growth

Market expansion and optimisation

80%

of **new** UPI users live in Tier 2 and beyond³



UPI's simplicity and reliability
has **reduced delivery friction**

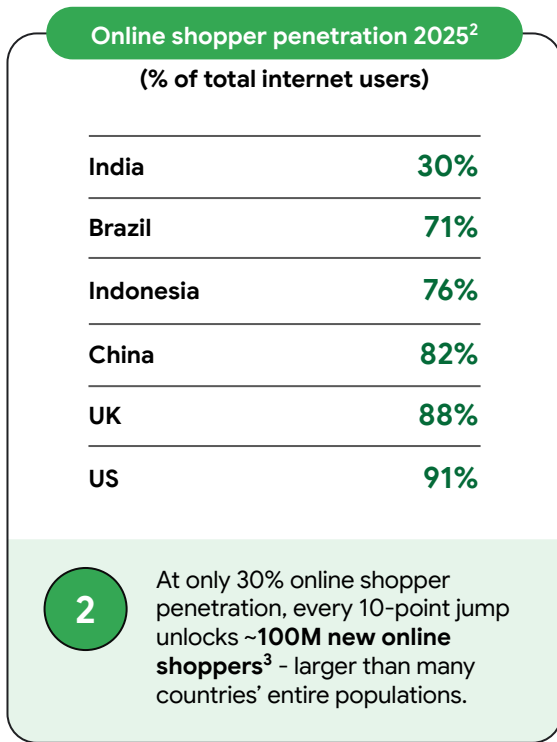
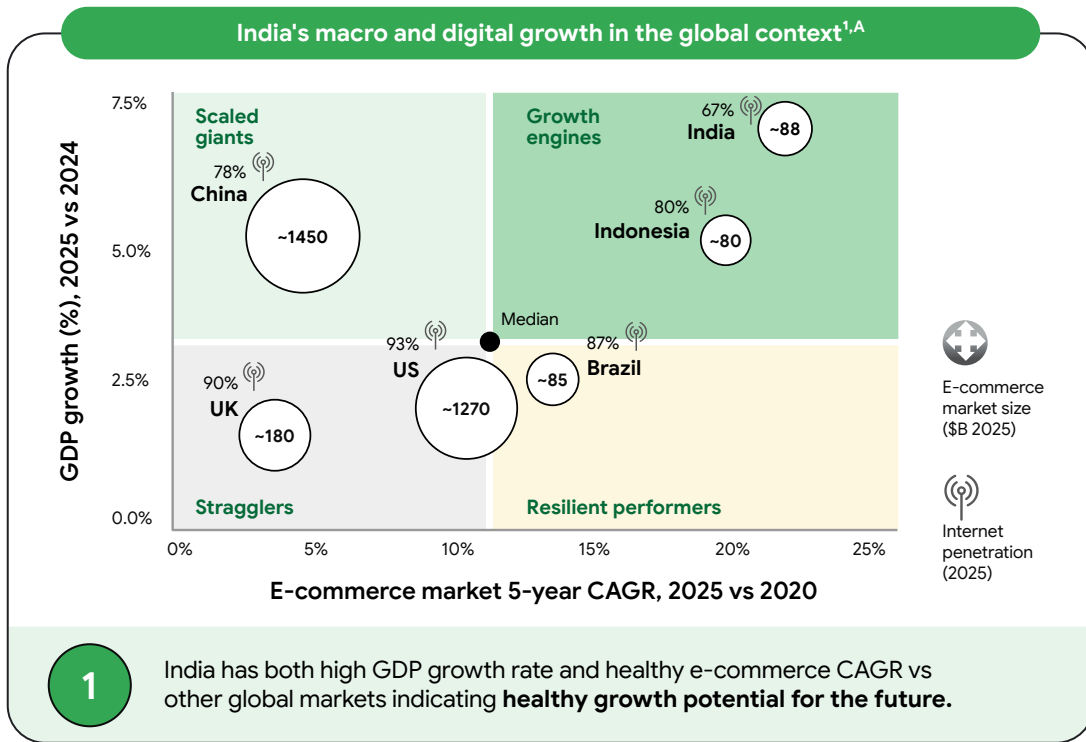
New engagement models for new audiences

- **Unique engagement formats** like video, voice search and community-led commerce have emerged
- Voice interfaces, regional content, intuitive UI became critical to engaging **first-time internet users**

Accessibility + speed + innovation

- 3PL providers now reach **>99%**⁹ of India's population
- **Delivery slot selection** and **fewer-boxes deliveries** have increased customer satisfaction

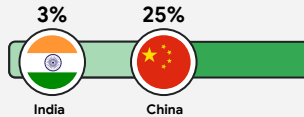
High GDP growth coupled with low online shopper penetration signal massive potential for Indian e-commerce



Other markets offer proven pathways to higher e-commerce adoption, each with different strategies for India to learn from

% = the channel as a % of the country's total e-commerce market^{1,A}

Social commerce



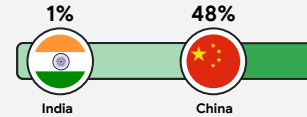
From celebrity influencers to peer voices

China's Xiaohongshu prioritised authentic user reviews over celebrity endorsements.

Preference for social validation

Pinduoduo's viral 'group-buy model' rewarded shoppers in lower-tier cities for sharing deals with their networks.

Live commerce



Merging shopping and entertainment

China's Taobao embedded livestreaming into its purchase flow - key to the success of Singles' Day.

Influencers as retail hosts

E-commerce influencers Viya and Li Jiaqi built studio-scale productions to maximise engagement and conversion.

Fulfilment and logistics

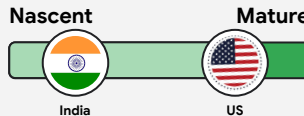


Brazil

Optimised last-mile costs and speed

Partnering with local couriers and store-based fulfilment centres greatly reduced costs for customers and lead times for vendors.

Omni-channel retailing



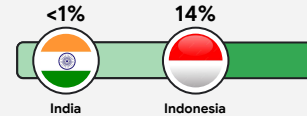
The demand for convenience

Pandemic habits normalised BOPIS and curbside pickups, leading Target to scale this service across the US.

Last-mile fulfilment hubs

Walmart turned its 4,500+ stores into an extensive network of pickup and delivery locations.

Conversational commerce



Preference for personal interaction

WhatsApp's universal reach has made the platform a key sales channel for the country's many MSMEs.

Conversational buying culture

Tokopedia and Shopee embedded in-app chat services across the purchase journey to support shoppers throughout.



Indonesia

Greater logistics capacity via pooled resources

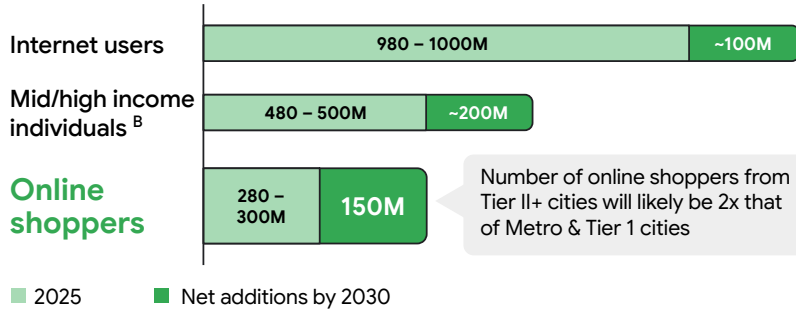
Startups, logistics and e-commerce players jointly created mutually beneficial community-based networks, smart lockers, relay delivery models and shared warehousing.

Notes: A. Percentages are based on the most accurate data available at the time of printing. | BOPIS = Buy Online, Pick Up In-Store | MSME = Micro, small, and medium enterprises

Source: 1. ECDB, Shopify, Research and Market, Tik Tok, Retail Economics, Grand view Research, IMARC, IT Consultis, Forbes, Deloitte Report – US Retail Industry Outlook, S&S Insiders, Deloitte research, Walmart website

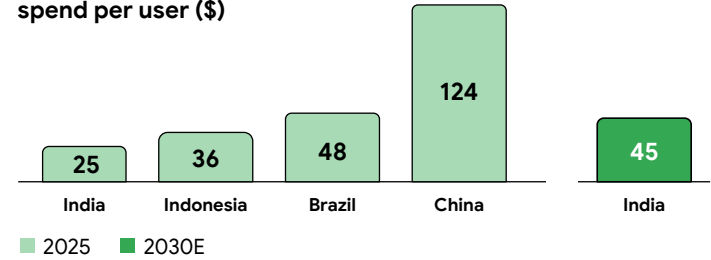
Rapid online shopper expansion and doubling of spends will turbocharge India's e-commerce ecosystem by 2030

150M incremental online shoppers to drive expansion¹



~2x increase in per capita spend to drive value expansion²

Monthly e-commerce spend per user (\$)



Growth drivers



New channel expansion

Quick commerce will onboard new buyers by converting casual browsing to instant delivery.



Trust & accessibility

Secure payments, vernacular interfaces and easy return policies will boost confidence among new shoppers. Diverse 'Buy Now, Pay Later' (BNPL) offerings will attract price-sensitive customers and boost conversions.

Growth drivers



Smarter platforms

AI-powered personalisation and rich engagement models will strengthen conversions and drive higher spends.



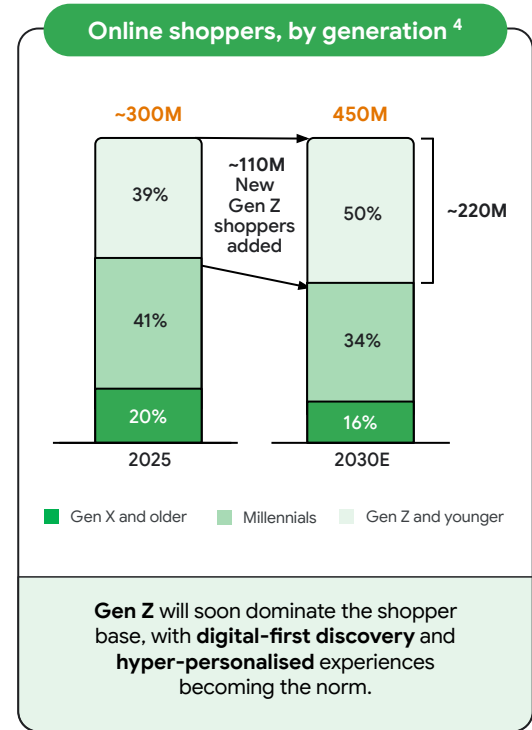
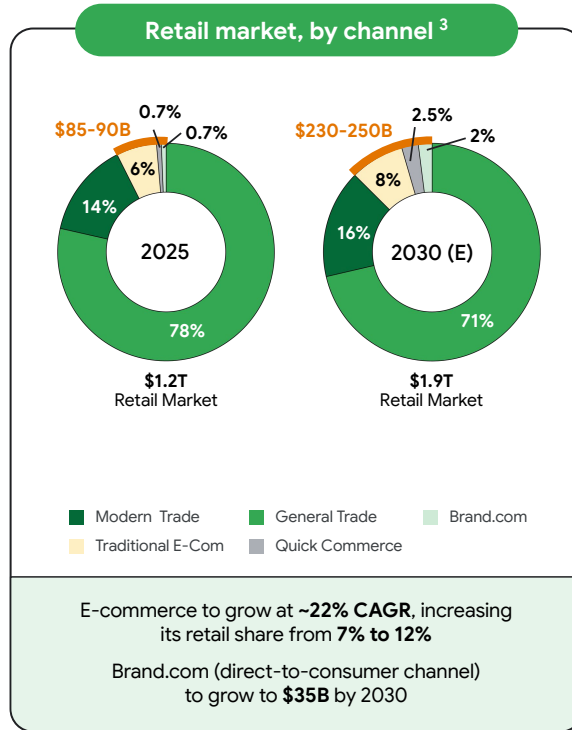
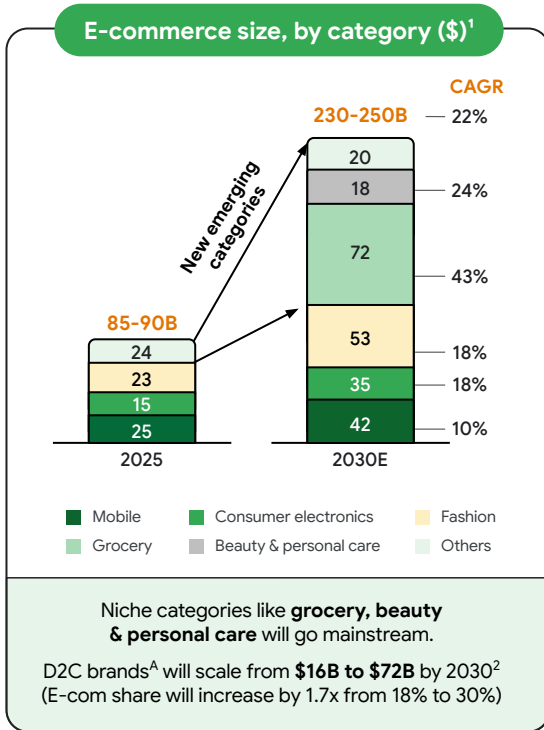
Engaging user journeys

Embedded immersive experiences will deepen consumer engagement, boosting involved and high-ticket purchases.

Notes: A. Calendar year estimates | B. Includes Individuals with an annual household income greater than INR 5 lacs

Source: 1. Deloitte Analysis, TRAI, MarketLine Report, Swiggy DRHP report, Indus Valley 2024 by Blume, Indian Retail Report by ANAROCK and ETRetail, Brickworks Report, PRICE's ICE 360 Survey | 2. Deloitte Analysis, EIU Viewpoint, Payments & Commerce Market Intelligence Report

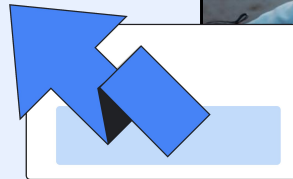
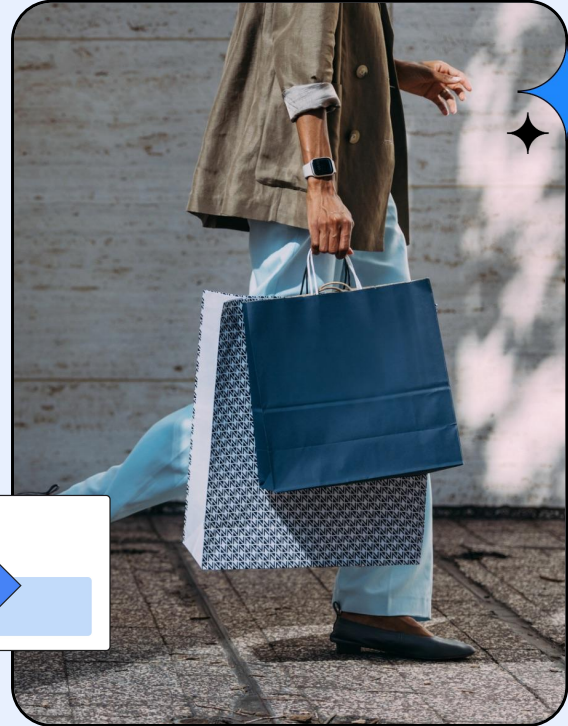
India's e-retail sector is projected to leap 3x by 2030, reshaping category mix, channel dynamics and consumer base



Notes: Calendar year estimates | A. Direct-to-consumer companies/brands are independent companies/brands which have 50%+ revenue from online channels and have own website/app
 Source: 1. Deloitte Analysis, Datum Report, Economics Times, BDO Report, CoherentMi Report, Swiggy DRHP, Technavio Report, Redseer Research and Analysis | 2. Deloitte Analysis, Redseer Research and Analysis | 3. Deloitte Analysis, BofA Securities, Swiggy DRHP, Barclays | 4. Deloitte Analysis, UNPF, Kantar

02

The four forces of commerce in 2030



Modern shopper expectations have evolved to prioritise **reliability, engagement, speed & intelligence**

The modern shoppers mindset



Shoppers hope to **discover new products or learn about new possibilities** from trusted sources.

1 in 3

Tier-1 and 2 shoppers who do live shopping say real-time product demos make beauty, personal care and fashion items more appealing.

77%

of Tier-1 and Tier-2 shoppers have made impulse purchases based on influencer content.



Shoppers seek deeper brand engagement to determine which **brand they identify with and trust.**

44%

of shoppers who have tried AR/VR try-on tools have increased their online purchases.

1 in 3

shoppers prefer smart trial rooms and virtual try-ons when it comes to apparel and fashion.



Consumers expect to **shop for an item as soon as they see it**, whether it's on TV, online or via a friend, and to receive it quickly.

1 in 2

offline shoppers would buy online if same-day delivery was offered across categories.

44%

of shoppers bought instantly after discovering a product via quick commerce platforms.



Shoppers want **simplified journeys, personalised recommendations and instant answers.**

17%

of Indian shoppers now use Gen AI tools to uncover new and relevant products.

52%

of shoppers who have discovered new products online now lean on personalised recommendations.

The future of commerce will be powered by **four forces**: Inspired, immersive, instant and intelligent commerce

Consumer needs

New inspirations and discoveries



Four forces

Inspired commerce

How the four forces will power commerce growth by 2030¹

By 2030, creators will spur **50-60M** new Bharat users to shop online, accounting for approximately **10%** of e-commerce GMV

Meaningful interactive experiences



Immersive commerce

Immersive commerce will drive a **20% increase in revenue** by optimising the customer experience, creating immersive, interactive touchpoints and embedding omnichannel journeys

Maximum speed and convenience



Instant commerce

Instant commerce is poised to leap **6x**, mainly through scaled quick commerce in Bharat, the rise of specialist quick commerce players, and the integration of hybrid retail models

Smarter purchasing choices



Intelligent commerce

Intelligent commerce sees retailers leveraging AI in two distinct ways: to reshape shopper journeys and to optimise backend operations, potentially boosting profitability by **30-35%**



Inspired commerce



Immersive commerce



Instant commerce

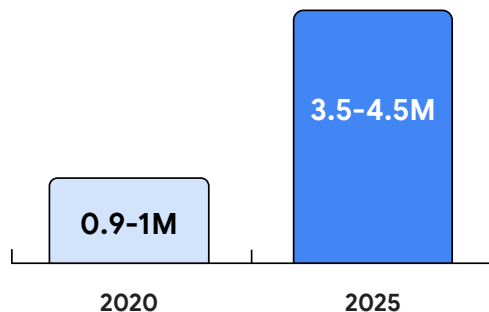


Intelligent commerce



Content is no longer just for entertainment : it's **reshaping discovery, preference and purchase decisions**

Number of creators



A 3x surge in content creators over the past four years signals higher appetite for creator led content and their growing influence¹

28% of shoppers now discover new products through creators³

- Creators have turned everyday routines and regular content into an always-on source of product discovery.
- Short-form video is how many consumers encounter new styles, products and ideas for the first time.

✦ **Google and/or YouTube are present in 87% of the journeys** where Indian consumers said they discovered a new brand, product or retailer.²

63% of shoppers trust influencers for product information and recommendations¹

- Content creators are fast becoming trusted brand/product reviewers and demonstrators, offering transparency through try-ons, unboxings, comparisons and 'real user' feedback.
- Creators are now more trusted than brand ads, with many seen as advisors, shaping preference and intent.



Creator growth is surging on authenticity : sharper content and seamless experiences can unlock more impact



Trust and credibility must be nurtured among Tier 2+ consumers

480 million Tier 2+ consumers watch online video and social media, but only ~35% have shopped online¹.

These consumers will require guidance, validation and nudging before online video and social media will become common purchase funnels.



Clear attribution and embedded commerce will create a seamless discovery-to-purchase journey

Only ~23% of brands currently track direct conversions from influencer campaigns³.

Attribution is often murky due to elongated and dislocated journeys, requiring stronger tracking systems to link purchases back to the creators who influenced them. In addition, integrated journeys within the content would also unlock further conversions.



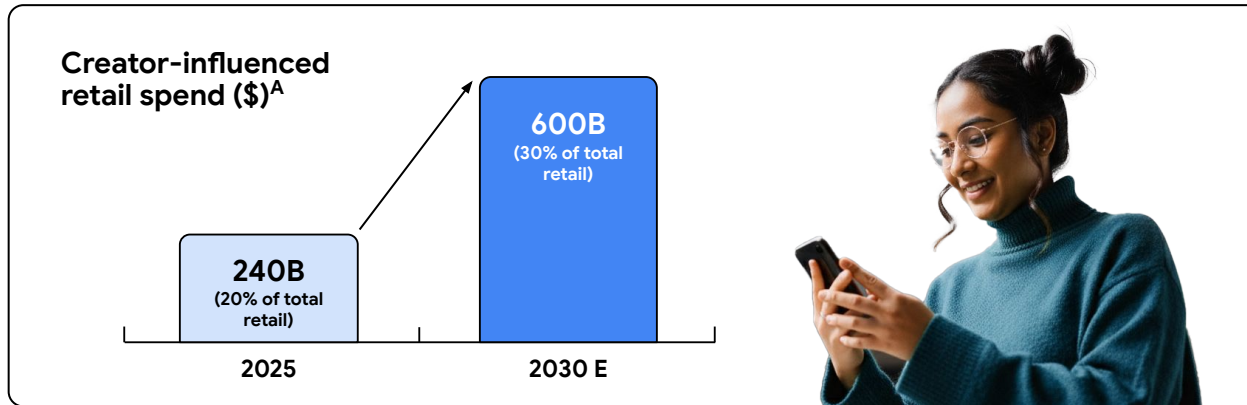
Only the most relatable, unique and engaging content will capture and retain audiences

31% of all shoppers expect unique creator content and another 31% enjoy real-time product demos and live Q&As².

Repetitive formats and overload of sponsored content can be overwhelming, while content that's too similar or reposted too many times reduces effectiveness.

2. The four forces of commerce in 2030

By 2030, 1 in 3 retail purchases will be creator-influenced



“The creator economy is reshaping how purchase decisions are made. Discovery and intent are increasingly driven by trusted creators, with a growing share of demand originating through creator-led ecosystems.

Moving ahead, the winning strategies for brands will involve precision, aligning the right creators to the product, and equipping them with commerce tools enabling shoppable content, in-app checkout, and clear attribution to insights. This is especially powerful beyond metros, where video-first, local-language creators drive engagement at scale.

As these interactions become measurable and instantly shoppable, the funnel will collapse, turning influence into transaction in a single, seamless interaction.”

Sunder Balasubramanian
CMO, Myntra

The increase from 20% to 30% will be due to a combination of factors:

Increase in influenceable consumer base

+

Higher transaction values via seamless touchpoints

+

Bigger brand investments in influencers



Inspired commerce



Immersive commerce



Instant commerce



Intelligent commerce



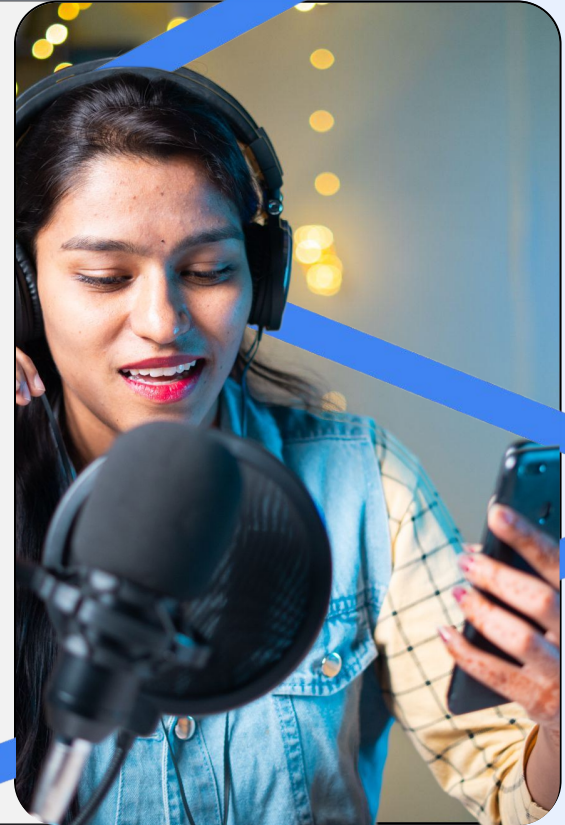
Trusted



Embedded



Interactive



India's creator-driven spending will be anchored in three distinct phenomena



When inspiration becomes **trusted**

As creators' roles evolve, their content will increasingly earn **trust and relatability** among Tier 2+ customers

Creators will steer **50-60M new Tier 2+ shoppers online**¹, their influence rooted in earned credibility and not reach, driven by communities, private networks, and authenticity



When inspiration is **embedded** in commerce

Creators will own the **curated micro-storefronts** that live within their video and e-commerce platforms

By 2030, **~\$25B (9-11%) of India's e-commerce GMV will be transacted via creator-owned micro-stores** and videos¹



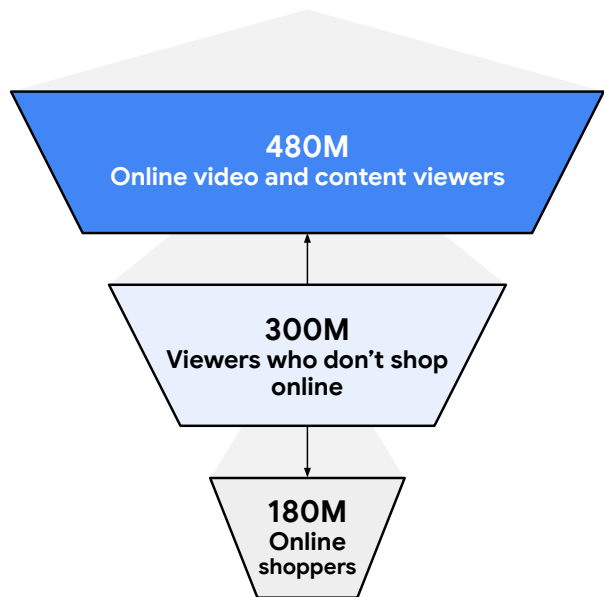
When inspiration turns into **real-time interactions**

A significant portion of creator content will feature **immersive and interactive shopping experiences**

Live commerce will scale **into a \$7-8B mainstream market**¹, merging real-time discovery, engagement, and purchasing

~300M online content users in Tier 2+ have not transacted online yet: Creators will onboard 60M of them to online shopping

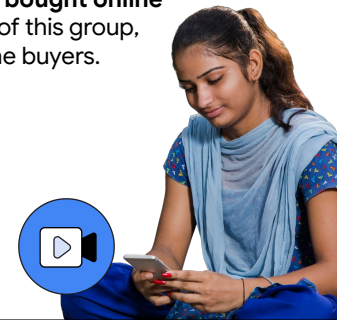
Tier 2+ consumer funnel



Tier 2+ India is home to 480M online video and social media users, with 300M who are leaned in and receptive but who have not bought online yet. If influencers capture the hearts and wallets of 15-20% of this group, the sector would easily welcome an additional 50-60M online buyers.

Currently, three key hurdles stand in the way of this cohort embracing e-commerce:

1. T2+ users often require personal assistance and guidance to make confident choices.
2. Social media tends to be for entertainment, with relatively low exposure to creator-led shopping.
3. Digital content feels universal or urban-first.



“Trust is one of the real hurdles in Bharat. People want to be sure they’ll get the right product, and they rely on creators for that trust. From brand POV, creators play an important role in bringing new users to D2C brand websites by increasing penetration of the brand amongst their engaged followers - for a lot of brands, their primary discovery is via creators. Within this, vernacular creators, especially micro and nano, are increasingly important as follower count no longer defines influence. If a brand is spending to push content, micro/nano creators make sense because they can recruit more creators with a deeply engaged audience. In addition, brands are now also able to track the full funnel and not limit to just top of funnel - making it possible to start tracking and optimising ROI of their spends.”

Shaurya Gupta
Founder, Wishlink

Onboarding these 60M Tier 2+ shoppers will require new formats of engagement that entertain them while guiding them

Validation

Closed chat groups and micro-marketplaces mimic local trust networks

45-60% CTR is reached when Tier 2+ India shops via messaging apps¹

Chat groups are where creators build trust. Product reviews and advice feel like personal recommendations, and curated deals turn these micro-marketplaces into digital local markets.

Assistance

Step-by-step buying guidance converts first-time shoppers

4x more engagement is achieved by micro-influencers than celebrities²

Creators ease online shopping concerns by guiding shoppers through the process with 'how-to' content, from app navigation to payment. They simplify decisions by explaining features, comparing options, and recommending products in a friendly, approachable way.

Familiarity

Regional language and cultural cues make commerce feel like home

45% of consumers buy via content in their native languages³

84% of Indians find content in their regional languages more relatable³. Regional creators have the ability to leverage cultural touchpoints, festivals and traditions to anchor products, turning entertainment into purchase triggers.

Creators will soon move from inspiring to hosting customers on their branded shopping aisles within platforms and marketplaces

Before



Going forward

Influence without transactions

Creators spurred demand but purchases happened elsewhere

Creators are key to discovery. **About 3 in 10 expressed an intent to purchase after watching a short-form video**, but never bought via the video platform.

65% of shoppers rely more on creators for product discovery in the last 2-3 years, but wind up buying on marketplaces¹

Product discovery occurs on social content / video, but product details are only mentioned in the video description or creator bio, fragmenting the purchase journey.

22% shoppers say long checkouts are why they abandon their carts²

Embedded e-commerce

Creators have become mini-storefronts, across several channels and formats

Platforms

1 On online video and social media

2 In marketplaces

3 Platforms featuring independent storefronts

What it looks like

The product is tagged in the creator video or livestream. Users can tap the items they like to save or purchase it right away.

Creators' dedicated storefronts offer curated products and creator collections.

An e-commerce destination spotlighting creators with popular content, product catalogues and direct monetisation capabilities.

The impact

Simplified purchases and increased conversion

Viewers engaging with shoppable videos show a **9x increase in purchase intent**³

Full-funnel attribution and insights on ROI

85% of creators say they rarely have insights into campaign results. Storefronts can change that dynamic⁴

Creator platform: Shoppable videos will redefine commerce by embedding discovery, consideration and purchase touchpoints seamlessly




1

Video commerce organically morphs discovery into purchase opportunities

Creator storefronts live right in the video

Creator videos will organically evolve into integrated, shoppable platforms. Impulses will fluidly convert into purchases, regardless of the channel or device they are on, boosting both frequency and basket value.

Key impact

-  Builds higher trust and repeatability through platform-backed shopping
-  Every video is measurable to reveal performance-driven optimisations
-  The checkout process could happen in-app, reducing the journey from ~6 steps to ~3

A global case study

TikTok Shop merges entertainment and e-commerce by letting viewers shop as they scroll. Globally, users can go from seeing an item in a video to the final checkout without ever leaving the app.

In 2024, **47.2M Americans** made purchases on TikTok Shop, marking a **34.2% YoY increase**, with an average of **47.3 minutes per day** per user spent on the app.¹

This largely contributed to **TikTok becoming the 8th largest beauty retailer in the US.**²



Growing appetite in India



YouTube Shopping enables creators to tag products directly in their videos so that viewers can purchase the items through links surfaced on the platform.

In the last year, shopping-related watch time on **YouTube increased 250% YoY.**³

More than 40% of eligible creators in India are enrolled on YouTube Shopping, with over **3M videos being tagged for sale** since launching in October 2024.³

“The YouTube Shopping Affiliate Program has been a game changer for me. It’s super easy to use, the dashboard gives me great insights into what my audience is actually buying, and that helps me plan better content for them. I focus on sharing budget-friendly, premium-looking fashion through my hauls - and this program fits perfectly into that. It has also bumped up my earnings by almost 70%, which honestly keeps me more motivated than ever to post consistently. I’d 100% recommend it to any creator - you really don’t know what you’re missing until you try it.”

@amillionbuckstyle

Creator platform: Personalised storefronts on multi-brand platforms will offer customers a wide variety of ways to engage

2

Creators will own micro-storefronts in marketplaces and on branded websites

Marketplaces and brand websites will feature **creator storefronts**, leveraging creators as **discovery engines as well as transaction points**, and everything in between.

Shoppers can **browse by creator** instead of product category or brand. Storefronts will be **curated micro-shops** that reflect the creator's personality and values.

Creators' digital shelves will remain live beyond campaigns, inviting **ongoing discovery and conversion** spanning from inspiration to purchase.

3

Creators will leverage independent 3rd party multi-creator platforms

Creators will leverage independent commerce platforms to monetise their content, by collaborating with multiple brands, and selecting the right players to partner with.

Real-time, reliable attribution will offer creators and brands visibility into which content are effective and which don't resonate.

Brands will tap into **highly scalable, creator-led distribution channels** that consistently deliver predictable, performance-driven ROI rather than loosely estimated marketing costs.

Case study

UK-based clothing chain **boohoo** launched the 'boohoo Collective' program and invited creators to host personalised storefronts on the brand's website.¹

Revenue growth rocketed **an average of 65.6% MoM** and generated a revenue run-rate of **£15M**. boohoo gained 25,000 new customers from the campaign at an impressive £6.1 cost per acquisition.

Case study

Conde Nast's Vette (2026) offers creators like Vogue editors an online marketplace where they run their own D2C storefronts. Customers can buy directly from the creator, while fulfilment is handled by the platform.²

"Creators are becoming the new storefronts because their followers gain inspiration for their lifestyle and purchase choices from them. Some creators have already launched their own brands and convert strongly, like Kusha Kapila. For mid-tier influencers, launching a brand is harder because it requires an extensive ops muscle - hence, they recommend products to their audience that they consume themselves."

Shaurya Gupta
Founder, Wishlink

The rapid scaling of live commerce in leading digital economies illustrates its significant growth potential as a retail format

What is it?

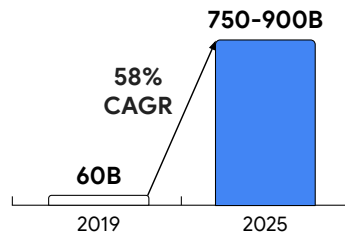
Livestream commerce uses a live video broadcast that's hosted by an influencer or a Key Opinion Leader (KOL). Real-time product demonstrations spur viewer interaction and instant purchases within the stream.

Merging entertainment and trusted endorsements has prompted significant impulsive purchases.

How big is it?

Livestream shopping gained traction in China in the mid-2010s and today accounts for **48% of the country's e-commerce market**.

Live commerce in China (\$)¹



How did it happen?

In China,

- Consumers were already spending a large amount of time on livestreams
- Livestreaming was integrated with popular shopping platforms
- Consumers enjoyed lively discussions and shopping as a social community
- Digital payment and logistics infrastructure were well-established

Global learnings

- Live commerce represents **15-20%** of total e-commerce in Southeast Asian markets like Indonesia and Thailand²
- After incredible success in China, Zara rolled out live shopping in the UK, Europe and US³
- Tommy Hilfiger extended its livestream programme to Europe and North America following successes in China, where one show sold 1,300 hoodies in two minutes⁴

The convergence of **shifting consumer habits and a robust digital infrastructure** is set to unlock the scale of live commerce in India



Reasons for previously low acceptance

Weak unit economics

Low volumes and small AOVs made live commerce financially unviable for small players.

Distrust of sellers and low quality products

Unknown sellers and lack of credible platforms drove skepticism.

Poor fulfilment

Clunky interfaces, payment issues and long delivery times led to resistance among shoppers.

Factors that will unlock live commerce

Creators nurture trust and aspirations

Unlike unfamiliar presenters, influencers have nurtured authentic relationships and credibility with their audiences.

90M hours of shopping videos on YouTube are being watched daily. From unboxing and DIY videos to gadget reviews, viewers continue relying on their favourite creators for authentic product recommendations.¹

Short-form video is becoming an enabler

Short-form video (SFV) builds the parasocial bond, live shopping converts it. After nurturing the fan/creator relationship over time, earned trust is generally intact by the time a live event happens.

Shift toward livestream content viewing

India's Gen Z and millennials are already hooked to livestream gaming and entertainment, setting the stage for live shopping adoption.

26% of India 1 Shoppers are open to live shopping.² Unsurprisingly, Gen Z across all tiers are the most open-minded age cohort, with 25% happy to use it.

Infrastructure enables momentum

Socially-driven, chat-friendly interfaces with engaging polls and real-time comments create an attractive proposition for new users.

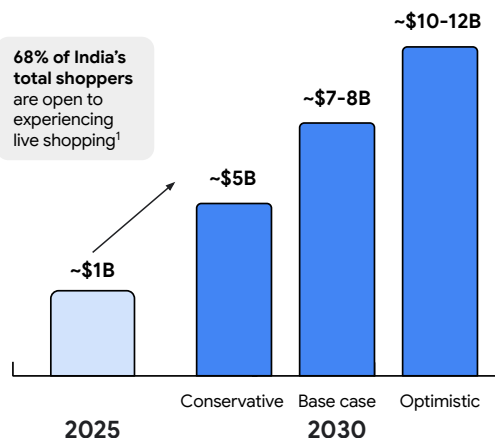
Trustworthy payment options and robust logistics address core concerns around security and delivery delays.

Big players offer end-to-end capabilities

Flipkart's 'Glam Up Fest 2025', a 100-hour beauty live commerce extravaganza³ brought together over 140 beauty brands, 40+ influencers and garnered 100K+ engaged viewers.

Building a \$7-8B industry requires an **experience-led** approach in India 1 and a **hyperlocal, community-driven** approach in India 2

India's live commerce opportunity by 2030²



To be prominent in categories like fashion & BPC, electronics, and home furnishing

India 1 : Experience-led and seamless



Immersive live shopping. High-quality visuals, AR-enhanced product try-ons and multi-angle demos will give shoppers detailed product close-ups. 3D showrooms will allow users to navigate virtual spaces, similar to an in-person experience.



Seamless updates and integrated checkout. Live commerce will integrate instant checkout and digital payment options, while auto-updates will trigger a notification whenever a creator broadcasts a product that matches the individual's preferences.



Quick commerce as an enabler. Rapid deliveries, usually within 30 minutes, will fuel real-time, impulse-driven purchases, uplevelling live commerce into a high-conversion channel.

India 2 : Community-driven and hyperlocal



Community-driven, peer-validated engagement. Shoppers will rely on peers' opinions and social evidence to guide their purchase decisions. Live chats, comments and real-time interactions will let viewers see others' reactions and experiences, reinforcing trust and confidence before buying.



Mass discounts and deals. Live commerce will enable mass discounts, group buys and limited-time offers to build urgency and participation, converting impulse into purchases.

Notes: 1. A conservative approach denotes a scenario where the market is expected to gain slowly, reaching 1/4th of what China's penetration was when live commerce took off. Base case would be the average scenario, indicating half a penetration what China had 5 years back. Optimistic scenario represents a case where the market is expected to reach where China was 5 years back | 2. The definitions for India 1 and 2: India 1: The Affluent segment (NCCS A1 or NCCS A2/HHI >= ₹7.2 Lacs) validated by high spending across key categories, notably Smartphones/Durables (>= ₹20k) and Fashion/Personal Care (>= ₹1k/₹500). India 2: The Aspirational segment (NCCS A2 (with HHI below ₹7.2 Lacs) refined by moderate spending on key categories, generally Smartphones (<= ₹20k) and Durables (<= ₹35k), marking the core middle-class consumer.

Source: 1. Future of Commerce, Google Kantar Consumer Survey 2025 | 2. Deloitte analysis



Inspired
commerce



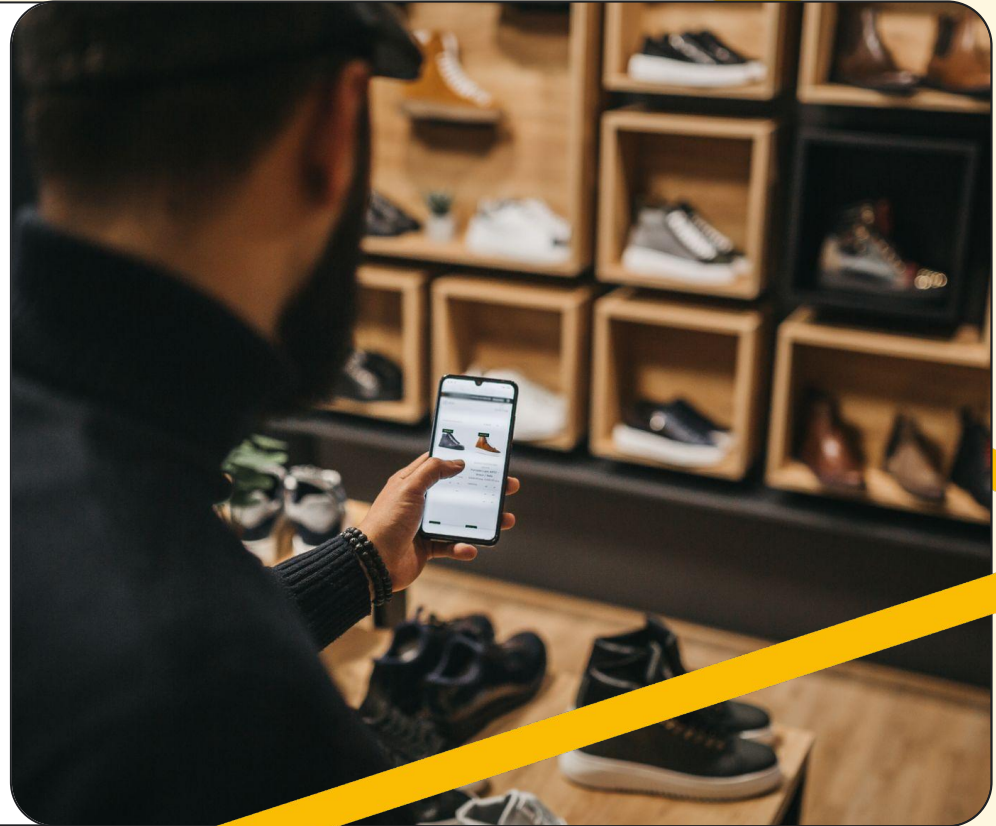
Immersive
commerce



Instant
commerce



Intelligent
commerce



The retail ecosystem is sustained by the **unique and complementary value propositions** of both physical and digital channels

Offline retail

India's offline retail sector holds **nearly 90% market share** and sustained an 8% CAGR expansion from 2020 to 2025¹



Key benefits / growth drivers

Social and sensory

Touching and physically seeing an item gives shoppers confidence, a tactile experience and oftentimes adds a social element of shopping with friends and family.

Instant gratification

Purchases can be experienced and enjoyed immediately without waiting. Uncertainty about quality, size, colour, delivery times, and logistical errors are also mitigated.

Personal assistance

One-on-one guidance, hyper-tailored recommendations and real-time support from store staff greatly boost confidence in the purchase.

Online retail

Online retail currently accounts for 7 to 10% of the total market, driven by a **3x growth spurt** over the past five years¹



Compare and buy

Comparing prices, product features, reviews and promotions across a myriad of platforms help customers make the most informed choices.


At-home convenience

The ability to shop from anywhere, anytime, removes the cost, effort and time needed to visit a brick-and-mortar store.

Wide and rich selection

Online platforms provide unmatched variety, encouraging shoppers to explore niche, premium, regional and global options at their fingertips.

Neither format currently meets all consumer expectations, resulting in **fractured purchasing journeys**

Offline retail	Highly experiential and engaging, but inconvenient and inefficient	Online retail	Convenient and accessible, but lacks reliability and consumer trust
<p>Challenges</p> <ul style="list-style-type: none"> ~25% of shoppers list stockouts as a challenge in physical stores¹ ~32% of shoppers say visiting multiple stores to buy everything they want is a top frustration¹ ~32% of shoppers cite in-store navigation and long checkout queues as annoying¹ 	<p>Impacted categories</p> <ul style="list-style-type: none">  Lack of sizes is common in Fashion. Beauty & Personal care often run out of variants or shades  Categories that have many models/brands to choose from  Low involvement, small ticket purchases 	<p>Challenges</p> <ul style="list-style-type: none"> ~32% of shoppers want to touch, feel and try the product¹ ~27% need personal assistance and guidance when shopping¹ ~37% of shoppers say lengthy delivery times are a concern¹ 	<p>Impacted categories</p> <ul style="list-style-type: none">  Apparel and smartphones, which often require physical inspection  Big ticket and technical items like dryers and smartphones  Low cost, urgent needs like groceries and everyday items

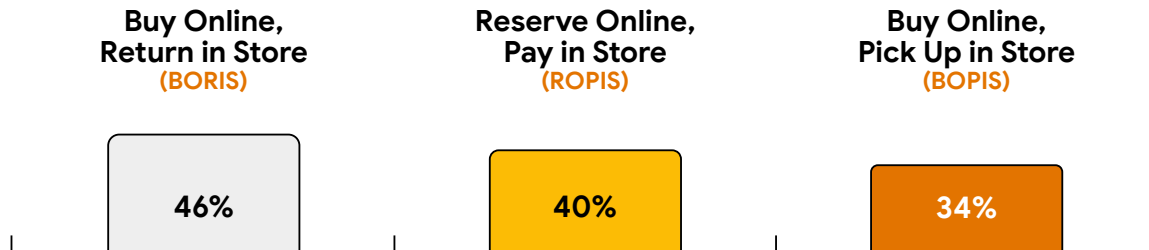


These systemic frictions cause **discomfort**, **drop-offs** and **distrust**, limiting the market's true commercial potential

9 in 10 shoppers want the best of online and offline shopping, leveraging each channel's strengths while minimising friction

Consumers want online convenience with offline assurance, showing preferences for hybrid formats like BORIS, ROPIS, and BOPIS

% of shoppers who would like to try different purchase options¹



BORIS is popular in fashion/apparel, where fit and style mismatches are common. In-store returns offer immediate replacements, often driving incremental purchases.

IKEA allows shoppers to buy items online and return the product in any store across India.²

ROPIS is preferred for smartphones and durables to secure stock and price, while still being able to see and try the product before purchasing.

Decathlon's 'Reserve and Collect' allows customers to reserve online and pay at the store to avoid it being out of stock.³

BOPIS is most common in groceries, fashion and beauty & personal care, signalling that consumers want speed and cost savings on time and delivery charges.

Shoppers Stop offers 'Express Store Pick Up' so shoppers can purchase online and pick up at the nearest store.⁴

"In five years, these channel differentiations won't exist - not in the customer's mind, nor in the organization's mind. In the future, these borders will disappear. A store and its website/app will be viewed as a single integrated environment, leveraging one another for marketing, data and fulfilment."

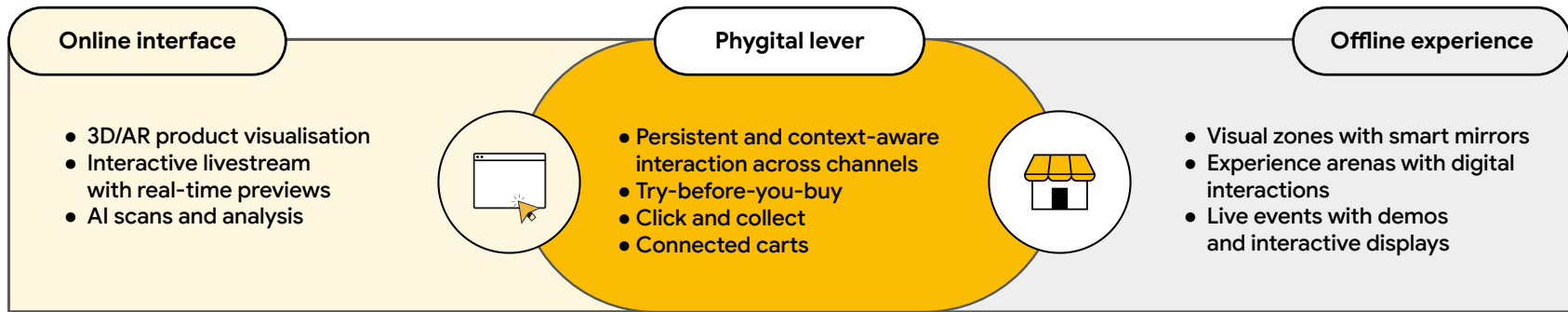
Rajeev Chandrashekhar
VP, Omnichannel,
Malabar Gold & Diamonds



Google Maps 'Promoted Pins' in Demand Gen campaigns boosts visibility, converting online discovery into physical footfall. It blends digital marketing solutions with real-world outcomes.⁵

Immersive commerce integrates online and offline channels, unlocking their respective strengths to create unified shopping journeys

Immersive commerce will spawn a new customer journey. **Virtual try-ons, 3D previews** and **AI-powered expert assistance** while shopping online, and experiential features like **endless aisles** and **contactless checkout** while shopping in physical stores will see consumers zig zagging between channels in different stages of the shopping journey, based on their interests, needs and entry points.



Online

Immersive technology will act as a catalyst for bringing more shoppers online, generating additional revenues.

Phygital

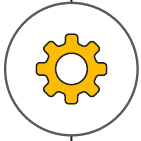
Omnichannel adoption will surge significantly, powered by immersive experiences that deliver the reassurance, speed and utility shoppers need to embrace blended journeys.

Offline

Tomorrow's stores will earn more per square foot from experiences than pure product sales, evolving into multi-faceted hubs.



Inspired
commerce



**Immersive
commerce**



Instant
commerce



Intelligent
commerce



Online immersive



Offline immersive



Phygital immersive



AR/VR awareness-to-adoption ratio is low, but narrowing the gap could prompt **1 in 2 shoppers to increase their online spend**

While shoppers know of them, immersive tools are not often used¹



Google's new AI-powered Virtual Apparel Try On tool lets shoppers virtually try on clothes by uploading a photo of themselves to see how the outfit looks.²

Reasons for low adoption

Perceived as gimmicky

Many view immersive tools as a 'fun' feature, not a useful tool that can assist with purchasing decisions.

Often hidden

These tools are often hidden behind menus or banners that require clicking into them - not featured upfront in the right moments.

Low familiarity

There's hesitation on where to find the tools or how to use them, even among digitally savvy users.

AI can help close the gap by

Cueing trials

Serving usage prompts when there's endless scrolling or carts getting abandoned.

Facilitating decision-making

Matching shopper behaviours with characteristics like skin tone and home floor dimensions, so try-ons are accurate.

Adoption of immersive tools will support visual decision-making, recreating physical shopping experiences in digital environments



Beauty & Personal Care

Fashion

Smartphones

Durables (i.e. appliances)

Current usage

Virtual makeup try-ons using AR face-tracking is offered, with some basic skin diagnostics

AR-enabled **virtual try-ons** are available, but very few brands offer this

There is little AR product placement or AR demos, mostly **3D views** are available

Limited use, with **'View in room'** and 'place appliance in your space' 3D modelling being most common

Illustrative future use cases

- AI-driven facial mapping and skin analysis that detects concerns to recommend a personalised skincare routine
- AR engines with real-time, multi-lighting simulation adjusts shades and finishes
- AI-led virtual retail associate offers personal assistance and product support

- A 3D fit visualiser does a quick body scan to generate a 3D avatar that can depict how a garment looks on the person, in motion
- AR styling tools let shoppers upload images of an outfit, then layer online items to see how the combinations look together

- AR camera simulations let a consumer 'experience' the phone's performance, camera modes, thickness and grip virtually
- Virtual demos enable trying the phone's interface, speed and multitasking capabilities
- AR spec overlay compares phones side-by-side, simulating the store counter experience

- Personalised AR allows users to customise wall finishes, panels and decor styling in real-time to match the look and feel of home
- VR tutorials and feature demos enable experiencing key functions through immersive walkthroughs and VR tutorials
- AR/VR takes users through step-by-step repairs or maintenance of their appliances

Some brands have effectively embarked on the immersive route, improving brand recall through deeper engagement and higher utility

Growing appetite in India

Nykaa, an Indian beauty player introduced a virtual try-on technology which offered advanced face tracking. A quick scan by the tool can map the customer's lips, eyes, cheeks and hair so they can see what the product looks like on them. This feature is responsible for driving 76% of Beauty GMV from existing customers and INR 2,021 AOV in 2025.³

Asian Paints, a Mumbai-based multinational, uses AI and 3D visualisation to enhance the customer experience. Their AR-powered Colour Visualizer allows homeowners to virtually preview paint colors, wallpapers and finishes, creating a consistent visual aid for the buying process.⁴



Global use case

Home Depot, the US's biggest home renovation chain, leverages AR technology to let customers virtually place online catalog items (patio furniture, vanities, doors, faucets, etc.) into their homes for a preview.¹



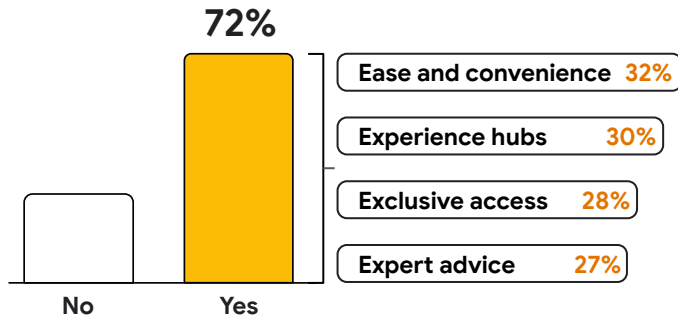
“Omnichannel retail that combines inventories across digital and physical branded stores is expected to emerge, enabling a future built on distributed, hyperlocal deliveries.”

Atul Mehta

CEO, Domestic Shipping, Shiprocket

Tomorrow's stores will drive higher square-foot earnings through immersive experiences rather than traditional product-led retail

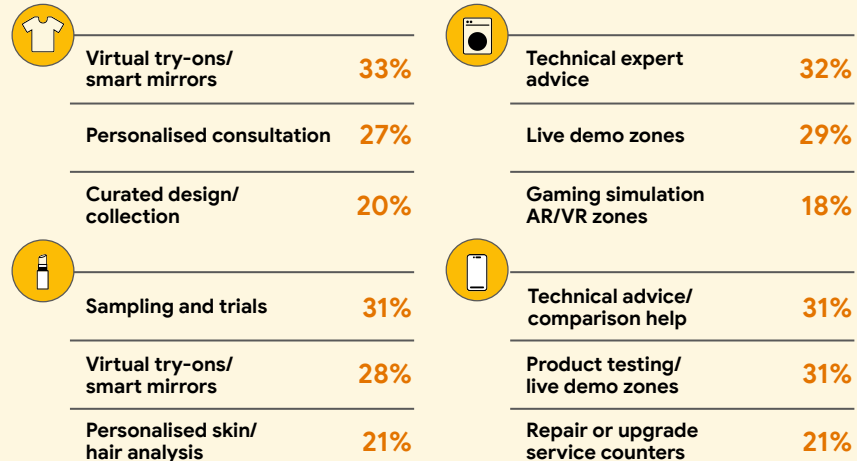
Willingness to pay for in-store experiences¹



Nearly 3 in 4 consumers are willing to pay for a better shopping experience, incorporating convenience, exclusive access and trustworthy advice.

This offers brands a sizable opportunity to scale their offerings and expand revenue streams. Targeting audiences based on their aspirations (Exclusive access for millennials, Personalised guidance for Gen X and Tech-led, in-store interactions for GenZ) will provide new revenue pathways for brands.

Top 3 in-store enhancements, by preference¹



Future stores will be firmly anchored in tech-first experiences

including in-store advisors, AR try-ons and smart environments. Metrics like 'time spent in store', 'brand hashtags', 'event check-ins' and 'experience-to-purchase rate' will become standards. To capture consumer spending, brands will need to deliver what customers want, how they want it.

Global retailers are **redefining premium experiences** by bridging in-store engagement with digital innovation

Experiential

A themed retail storefront brings OTT content to life

Netflix's¹ new retail spaces offer dining, merchandise, theatre and other experiences inspired by their shows. The themed spaces invite fans to walk through movie set replicas and participate in games, such as Squid Game challenges.



Exclusivity

Priority unlock and exclusive drops for select clients

Singapore's **ION Orchard**² shopping mall offers VIP members access to private events, suites at concerts and tailored shopping experiences, blending exclusivity with personalisation.



Convenience

High convenience using online tech, in-store

US supermarket chain **Schnucks**³ lets in-store customers shop via the Instacart Shopper app. They utilize Caper Carts, which are equipped with AI, cameras, and a built-in scale to automatically identify products as they are added. Items are scanned, added to the customer's tab, and checked out directly from the cart.



Expertise

Turning stores into expert-led, interactive playgrounds

Superdrug⁴, a UK health and beauty chain, launched 'Beauty Playground' where brand ambassadors offer personalised beauty advice, demos and tips on trending items. Key features include interactive displays, self-serve 'Try Me Tables' and social content stations.



A global case study

Fair Price Group (FPG) deploys Google Cloud-enabled Agentic AI for smart shopping in the store. It added a multi-layered shopping assistant to its Smart Carts, enhancing in-store navigation and barcode scanning. Through a tablet that's integrated into the cart, a virtual assistant offers personalised product recommendations. For special assistance, multiple dedicated AI agents collaborate to help customers make accurate and informed decisions.

Phygital journey: Omnichannel commerce will seamlessly blend offline and online touchpoints into a single customer-first experience

Widespread omnichannel adoption will largely be powered by immersive technologies



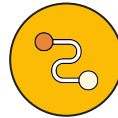
Generative, conversational commerce

Customers can digitally explore products using immersive tools like 3D previews, virtual try-ons and smart devices, and complete purchases offline. Virtual assistant conversations initiated on one device will flow effortlessly across platforms.



No more 'out of stock' run-arounds

Out-of-stock products in stores will have a shelf tag that provides product details in 3D, allowing customers to order the item and make delivery arrangements instantly.



Easy store navigation

Using AR overlays or smart apps, shoppers can locate product aisles, view in-store offers and navigate to products in their wish list - all while standing on-site. AR scan-and-checkout lets users scan the product and pay online to avoid queues.



Information on demand

AR-enabled shelves or QR-based product interfaces let consumers access instant demos, 'how-to' videos, peer reviews and product comparisons, bridging the information gap without in-store assistance.



A single cart across touchpoints

With a single shopping cart across touchpoints, users can browse online, in-app or scan items in-store. The cart automatically syncs across devices and shoppers can complete their purchases whenever and wherever is most convenient.

Global retailers who have embraced omnichannel

Walmart¹ customers can use its app to navigate aisles in-store, helping check stock availability and product prices. Store maps on the app then guide the user to the shelf where the item is located. An AR scanner scans entire shelves, retrieving prices and customer ratings on the products it sees.



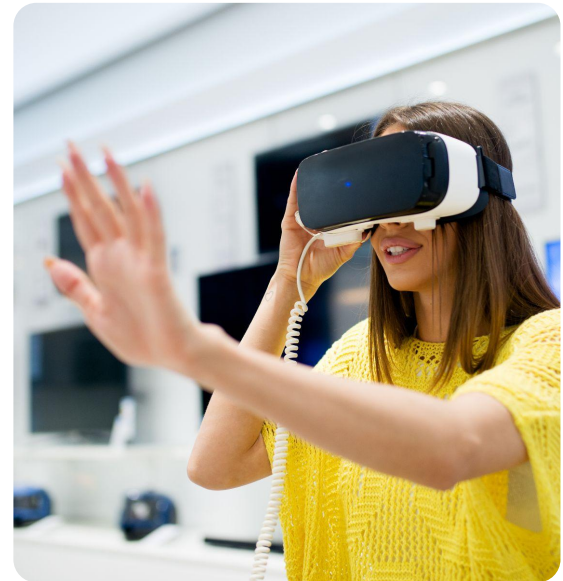
Immersive commerce is projected to drive a **20% revenue uplift** through enhanced channel synergy

Adopting immersive tools and redefining omnichannel journeys will unlock in-store monetisation opportunities and boost online spend

A **10-15% revenue increase** will come from omnichannel integration through blended formats like BOPIS/ROPIS, endless shopping aisles, quick click and collect mechanisms, and online visibility.

Another **5-7% revenue increase** will hail from in-store experiences via virtual tours, tech-led experiences and live arenas.

Up to **20% leap** in revenue through immersive experiences¹





Inspired
commerce



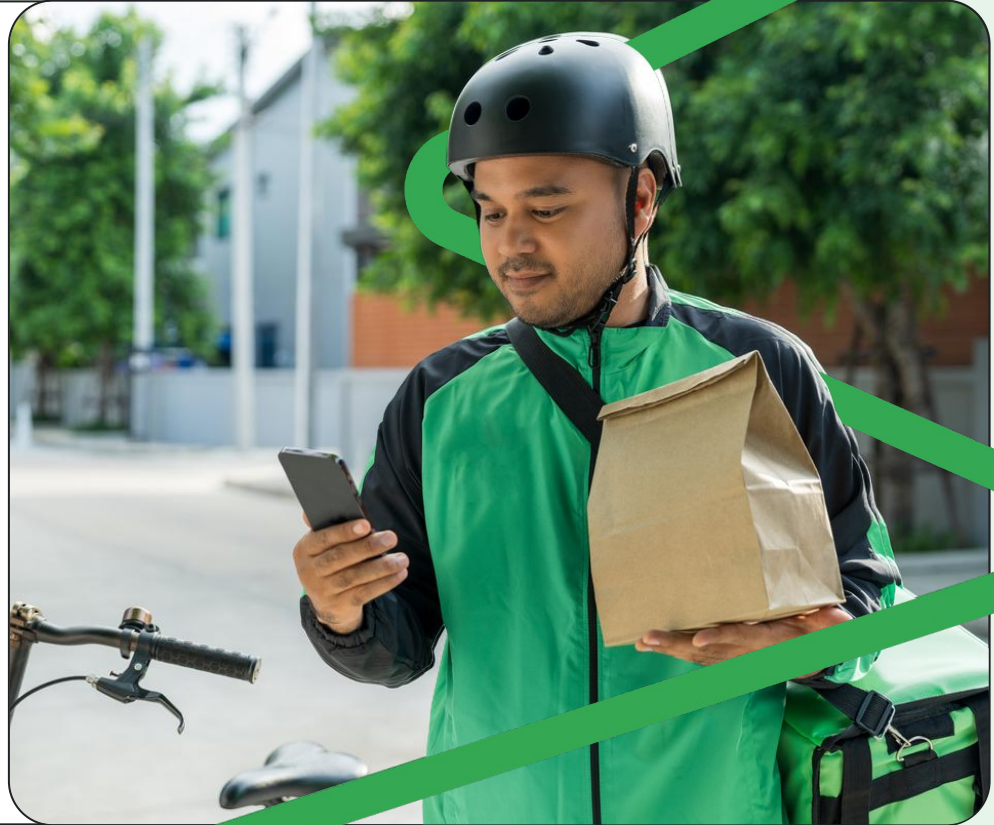
Immersive
commerce



**Instant
commerce**

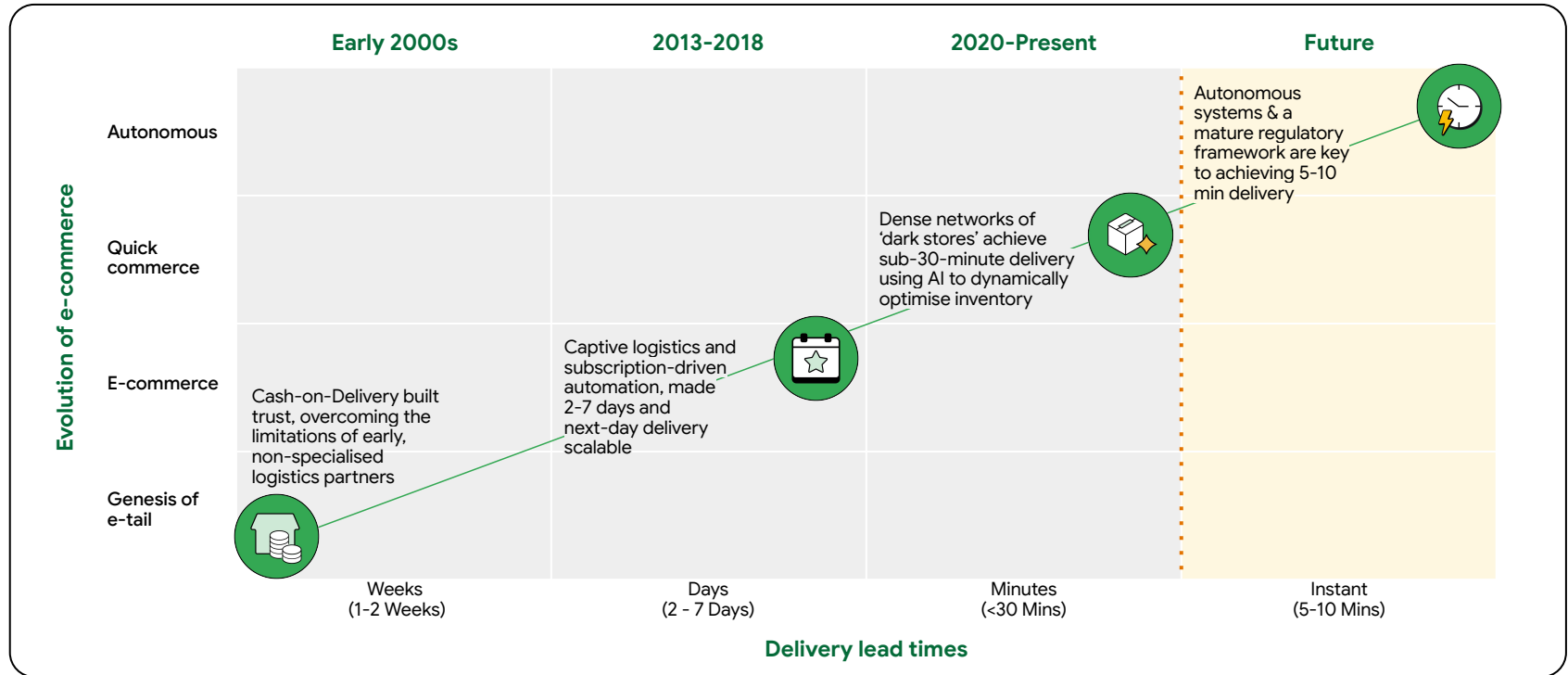


Intelligent
commerce



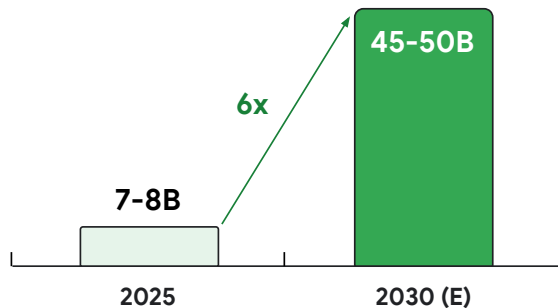
2. The four forces of commerce in 2030

India's e-commerce delivery lead times have gone from **weeks to minutes**



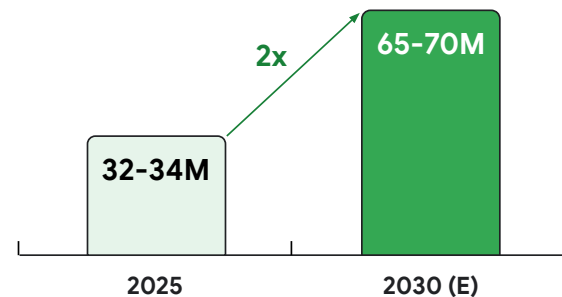
Quick commerce market is set to scale 6x to \$50B, powered by a doubling of the active shopper base to 70M through 2030

Quick commerce, by sales¹ (\$)



A **6x growth** is expected in quick commerce GMV over the next five years, driven by a steep preference for convenience and instant gratification.

Quick commerce, by user base²








The number of quick commerce shoppers is expected to **double by 2030**. As frictions and hurdles are eliminated, buying on quick commerce will become the norm.






Quick commerce has permanently redefined consumer expectations for convenience and speed

Growing customer preference for quick delivery¹

Speed sensitivity is now broad-based

% of people who want instant delivery	All categories					
India (Overall)	37%	43%	39%	39%	34%	32%
Metro + Tier 1	40%	43%	44%	44%	35%	36%
Tier 2+	34%	42%	34%	34%	33%	27%

Instant gratification is fueling the willingness to pay a premium for speed

% of people who would pay a premium for instant delivery	All categories					
India (Overall)	33%	34%	27%	39%	32%	39%
Metro + Tier 1	34%	33%	28%	41%	36%	44%
Tier 2+	32%	39%	24%	37%	28%	27%

Instant as the new standard

Instant delivery has evolved from a niche convenience to a standard market expectation.

For commodities like Groceries, efficiency and speed are vital as families rely on these for daily needs.

In emerging categories like Fashion and Beauty, speed can be a key trust-builder and differentiator.

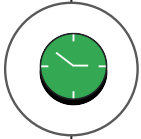
For planned items like Electronics, faster deliveries can become an upsell opportunity.



Inspired commerce



Immersive commerce



Instant commerce



Intelligent commerce



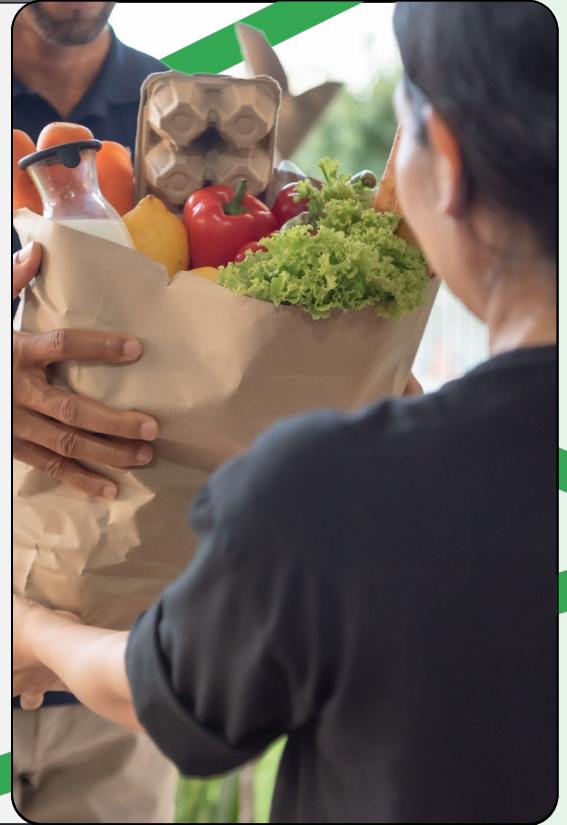
Alternate models



Lifestyle enabler



Hybrid formats



Innovative operating models and hybrid formats are set to trigger the next phase of growth for the instant commerce ecosystem



Alternate models beyond metros

Scaling quick commerce in Tier 2+ has posed challenges, but strong consumer pull and a growing appreciation of its benefits is expected to drive business model innovations. By 2030, these markets are expected to account for **~30% of the total market**.¹



Quick commerce will be an instant lifestyle enabler

Quick commerce has thus far been grocery-led. It will evolve towards a **40-45% non-food and service model** by 2030.

More vertical specialists will emerge and are expected to contribute **~20% share (~\$10B)** by 2030.

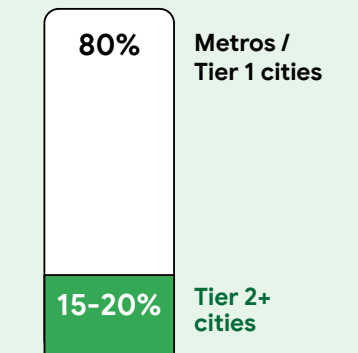


Rise of hybrid retail formats

With its steep upward momentum, quick commerce may soon unlock a new hybrid model that taps into offline branded retail, driving **\$15-20B incremental spending** through this format.¹

Scaling quick commerce in Tier 2+ cities necessitates new solutions to address **existing operational challenges**

~80% of quick commerce GMV currently hails from **Metros / Tier 1 cities** as structural hurdles stall further expansion in Tier 2+ cities¹



“While quick commerce platforms have scaled successfully in dense urban centres by leveraging heavy discounts and the cost-of-time factor, replicating that model in areas with lower order density will be challenging.”

Sidharth Das, Founder, Channelier

Key challenges hindering quick commerce adoption in Tier 2+ cities



Economic and operational issues

Weak unit economics

Lower order density (700 orders / store vs. 1,000 in metros) and small baskets hurt profitability.

Geographical barriers

Scarce real estate (limited warehouses and fulfilment centres) and spread-out addresses inflate expansion costs.

Infrastructure constraints

Poor road connectivity, ambiguous addresses and longer rider turnaround times stir frustration.



Consumer and legacy issues

High consumer inertia

Long-established local shopping habits and low awareness of instant delivery.

Prioritising value over speed²

44% of Tier 2 India (vs. 27% in Tier 1) prioritise savings over speed. Local stores maintain a stronghold via discounts and credit.

To capitalise on the Bharat opportunity, players will need to optimise unit economics and shape new customer habits

Innovations that address cost and scaling challenges

Leverage kiranas to form local mini-fulfilment centres

Combine local kiranas with dense clusters of micro dark stores (shoebox-sized warehouses that exist solely to quickly fulfil online orders) in areas where homes are far from one another.

Scale this model by investing in digital inventory systems, training local staff and rolling out incentive programmes for delivery teams.

Integrate AI-driven operations to achieve delivery and revenue efficiencies

AI-driven logistics can reduce last-mile costs by 30%.³ For e.g. batching group deliveries for maximum efficiency, outperforming today's one-rider-per order model.

AI-led revenue engineering also drives up to 15% AOV uplift with personalised nudges that suggest bundling basket items.

Balance speedy deliveries, cost management and consumer expectations

Setting dynamic delivery lead times according to demand density and unit economics.

By tiering service-level agreements (SLA) - 10 to 20 minute deliveries in dense areas and 60 to 120 minute guarantees in less dense Tier 3 cities, costs can be reduced from ₹100-150 to ₹80-120 per order.

Case in point – Early signals

Flipkart, a leading e-commerce player, has integrated its 2 lakh kirana-strong network with its e-retail operations, to handle up to 30% of its hyperlocal last-mile deliveries.¹

Case in point – Streamlining with tiered solutions

Swiggy Instamart, a leading quick commerce player, achieved a 10 - 13% improvement in AOV (INR 527, in Q4 FY 2025) by leveraging analytics backed AI personalization (search, recommendations, targeted offers)²

"Tier-2+ markets are an important growth lever for quick commerce and will become more significant as the model to effectively deliver on convenience, access, and affordability continuously improves."

Phani Kishan Addepalli
Co-founder and CGO, Swiggy Ltd

Bharat is projected to drive 30% of the quick commerce market, powered by operational pivots and consumer centric innovations

Innovations that address consumer related challenges

Product variety as a differentiator

By filling gaps left by fragmented offline retailers, online platforms can attract customers with their vast selection.

The much wider variety (15,000 SKUs online versus 1,000 SKUs in local kiranas) is especially appealing to underserved micro-markets, since the curated assortment serves as a gateway to urban lifestyles and conveniences.

To scale this model, platforms need to curate regional product assortments based on micro market-level trends and preferences.

Zero in on value to earn attention, then trust

Mirror Kirana 'Udhaar': Offering short-term credit (through BNPL) to new or first-time users emulates traditional monthly credits extended by local shops.

Value-oriented subscription models: Subscriptions with free deliveries, preferential prices and early access to deals, etc. can enhance value for price-sensitive users.

Case in point

Zepto, a leading quick commerce player, piloted interest-free credit up to INR 5,000 via a BNPL partner to drive trial and repeat orders in Tier 2+.¹

New onboarding channels for Bharat consumers

Chat-first interactions: Overcome app fatigue with end-to-end shopping experiences that live entirely on messaging platforms.

Voice-enabled interfaces: With most of Tier 2+ fluent in vernacular speech input, expanding voice commerce widely is crucial.

Shift inspirations: Working with micro-influencers will command a higher conversion rate than with celebrities.

Case in point

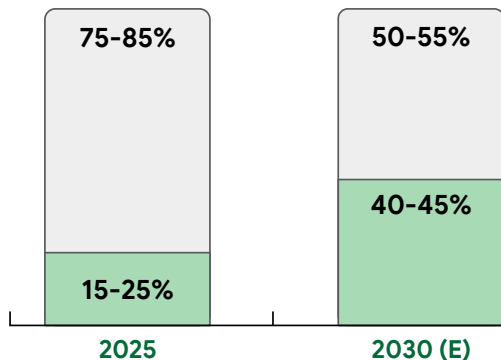
Flipkart, a leading e-commerce player, launched its app in 12 regional languages, with enabled voice interface for high-traffic categories like Beauty & Personal Care in Tier 3 markets.²

Category diversification will drive **non-food verticals to contribute 45%** of the quick commerce sector by 2030

2X growth in Non-food categories expected by 2030






Quick commerce market split by category¹

- Food
- Non-food



With growing channel preference, categories like household essentials, Beauty and personal care, health and wellness may evolve into quick commerce first categories with some brands already observing up to **50% - 80% YoY growth** in their quick commerce sales

Breakdown of non-food categories by 2030¹

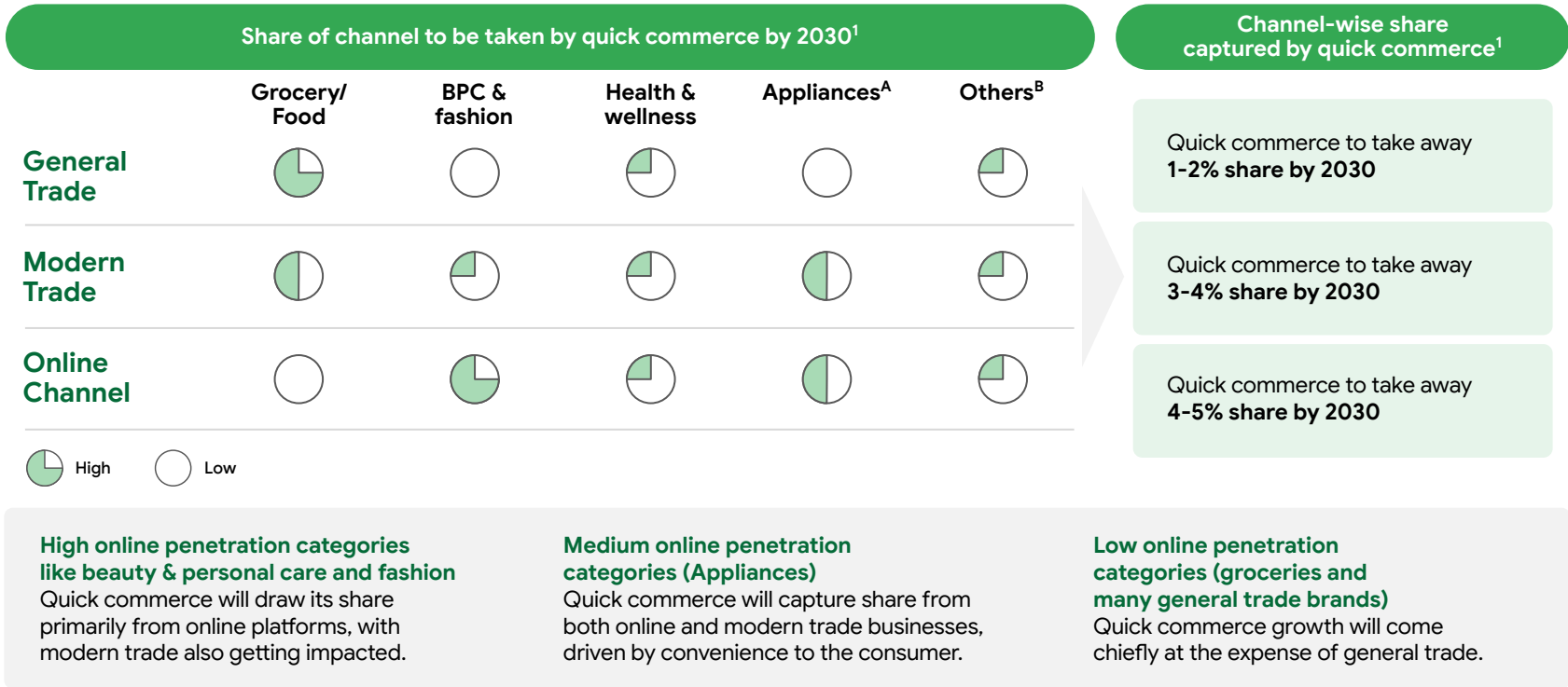
	Beauty and personal care	9% - 13%
	Health and wellness	5% - 8%
	Fashion	3% - 5%
	Mobile and small appliances	3% - 5%
	Electronics	~1%



Category diversification will enable platforms to improve AOV and reduce reliance on low-margin food SKUs, allowing platforms and brands to plan their selections based on audience needs and preferences rather than competitive pricing.

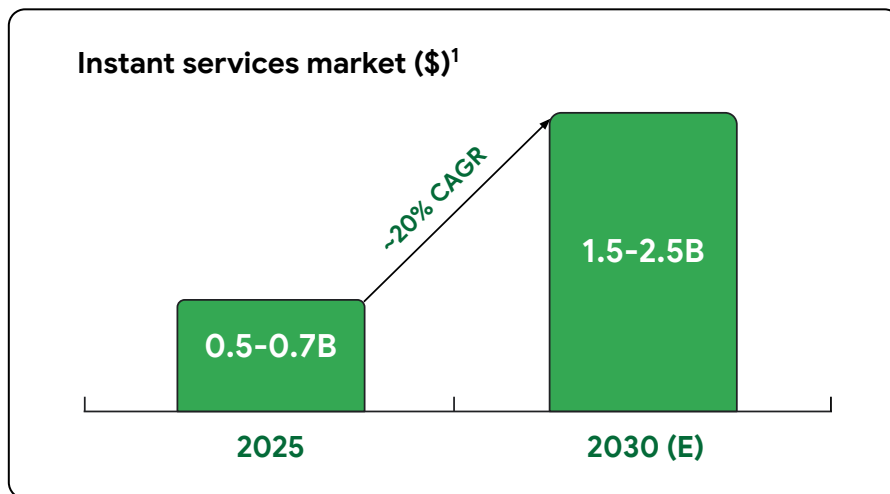
2. The four forces of commerce in 2030

As the quick commerce model scales, 2% share will shift over from General Trade and 3-5% each from Modern Trade and Online channels



Driven by demand for speed & reliability, **instant services market will triple to reach \$2B by 2030**

The demand for instant services such as home repairs, wellness (i.e. massages) and beauty services stems from a **new consumer preference for speed, reliability and convenience**. While they are currently available in top metros, their scale-up hinges on providers balancing hyperlocal supply with reliable quality.



Emerging opportunities in instant services might include:



Last-minute beauty/salon services such as eyebrow threading can be quick, **'10-minute beauty' moments**. Pilot programmes have been seen in major metros.



Rising pet ownership could spur the need for **instant walkers, groomers and pet-sitters**, inspired by overseas startups.



Wellness-related services, from virtual consultations with physiotherapists and nutritionists to instant spa services and prescription deliveries, are gaining traction locally and internationally.

Categories with high urgency and elevated trust requirements will be a natural fit for verticalised quick commerce models

Certain categories possess natural enablers

Certain categories contain the right attribute mix making them 'clear winners' for verticalisation:



High urgency and frequency needs

Increasingly, consumers respond to 'I-need-it-now' triggers with quick deliveries.



Strong trust and authenticity

Specialists are more trusted than generalists when customers want verified, reliable brands.



Curated experiences and assortments

Demand for tailored discovery, premium packaging or brand-controlled storefronts, which cannot be optimised for by horizontals.



Superior economics

Higher margins, customer stickiness, etc.

Supply-side realities and investor economics



Limitations of the horizontal model

Dark stores were a highly fitting response to high-frequency, low-assortment grocery SKUs. Expanding to low-frequency, high-assortment categories, however, has strained margins and operations.



Vertical quick commerce players are fast becoming investor favourites

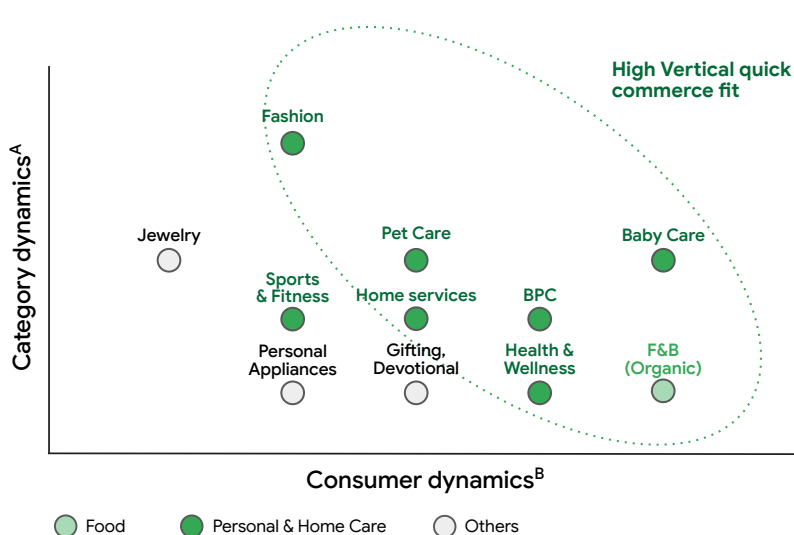
Strategic, purpose-built supply chains and superior cost structures are drawing strong VC confidence and funding momentum.

“Quick commerce is expanding beyond groceries to categories like Apparel, with specialised platforms potentially offering **better user experiences** and **deeper SKU selections** than horizontal platforms. India's top-tier cities are seen as large enough markets to support significant vertical players.”

Abhishek Mohan,
Principal, Peak XV Partners

2. The four forces of commerce in 2030

Vertical quick commerce players are projected to capture 20% market share by 2030, reaching a \$7-10B market value



Category^C

Vertical Quick Commerce Fitment

Baby Care	High-involvement, urgent replenishment requiring specialised curation
F&B (Organic)	Trust-led, high-frequency needs necessitating a specialised supply chain
Beauty & Personal Care	Impulse-driven top-ups benefiting from a premium, niche selection
Health & Wellness	Acute, time-sensitive demands requiring high-velocity SKU precision
Pet Care	Loyalty-focused, repeat patterns supported by deep category relevance
Home Services	Execution-heavy, on-demand requests requiring specialised oversight
Fashion	High-touch occasion driven or impulse purchases requiring wide assortment and expert return and sizing management
Sports & Fitness	Mix of subscription and impulse-led purchases requiring premium curated options
Gifting, Devotional	Occasion-driven, planned purchases with low urgency and complexity
Personal Appliances	Infrequent replacement cycles with minimal urgency or specialisation
Jewelry	High-value, planned occasions with logistical complexity

Vertical quick commerce will thrive in categories with **high urgency and elevated trust needs** where generalist dark-store models are sub-optimal

Within Food, **micro-segments** such as organic, functional and regional specialties to drive verticalisation

Agility will be critical, with operational complexity and supply chain finesse emerging as key differentiators

Source: Deloitte analysis

Notes: A. Category dynamics: function of degree of involvement, returns, assortment complexity; B. Consumer Dynamics: function of urgency and trust C. Personal Appliances includes smartphones, electronic accessories and small appliances

Strategic pilots and concentrated VC inflows are validating the shift towards verticalised quick commerce models

Fashion-focused¹

A leading fashion startup, **Knot**, launched a fashion-focused quick commerce platform in Mumbai in 2025 with a vision to reimagine the fashion experience by making it accessible, fast, and seamless. The platform **partnered with 70+ brands to offer a curated assortment** and is already processing **thousands of orders monthly**.

Exclusive features offered are

- **60-minute** delivery
- **Try 'n Buy** with instant returns
- **AI try-on**
- **Community and culture integration** with short videos, influencer content and real reviews to drive engagement

BPC-focused²

Nykaa² is piloting **10-minute deliveries** of select fast-moving beauty & personal care essentials (~5% of current SKU base) **in select parts of Mumbai**.

Baby care-focused³

A new entrant in Baby care plans to offer a wide assortment (from apparel to toys, shoes, etc.) delivered within **30-60 minutes**. Currently, operational in **10 pincodes in Bengaluru**, the platform is piloting innovative features such as **try-and-buy and instant returns**. The company has **secured \$3.2M in seed funding**.³

Frozen food-focused⁴

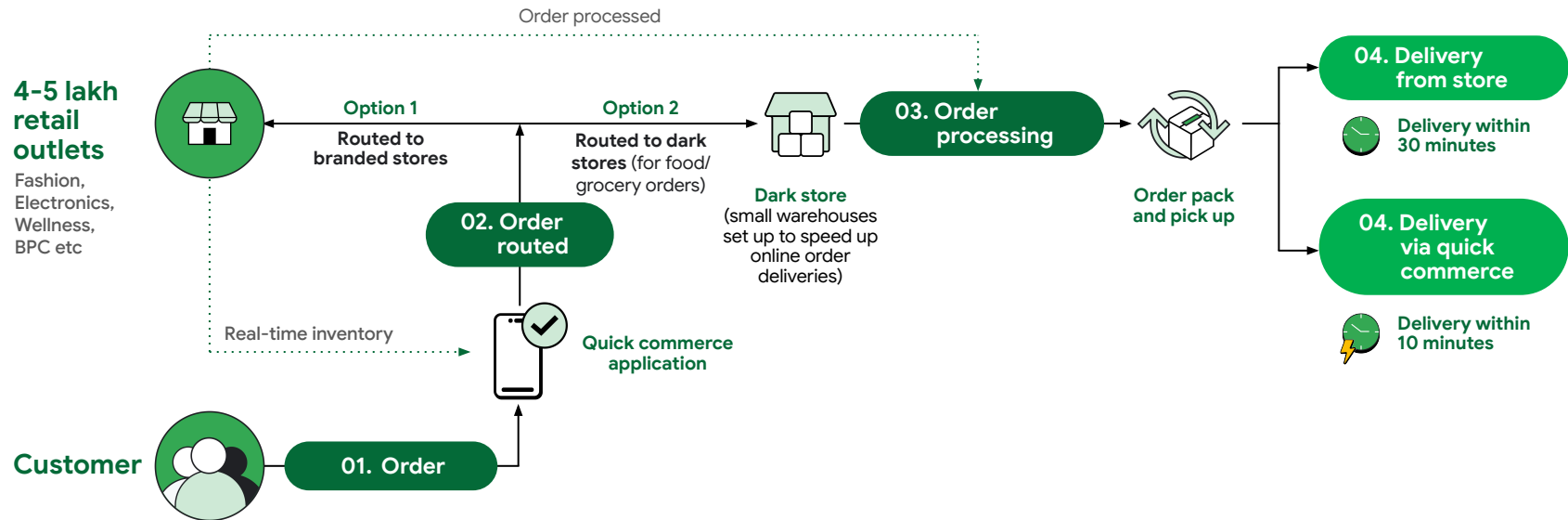
Licious, a leading D2C meat brand, is piloting with **15-minute deliveries** of ready-to-cook meals and food items in **select pincodes in Gurgaon**. This is faster than its usual 30-minute delivery promise. The pilot aims to meet growing consumer demand for quicker delivery



Vertical quick commerce startups accounted for nearly half of all VC inflows (~\$40M) into the quick commerce space in 2025, signaling growing investor conviction in this models⁵

2. The four forces of commerce in 2030

A new hybrid quick commerce format unifying hyperlocal fulfilment with inventories previously only available offline could lead to further growth



Greater convenience through an expanded assortment featuring products from consumers' preferred retail outlets

Quick commerce platform to become a **super app** offering a wider assortment (**offline + digital**) inventory

Hyperlocal deliveries leveraging a **combination of retail outlets and dark stores**

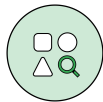
This format could strengthen unit economics for quick commerce players and offer significant reach for large retailers

Benefits for quick commerce players



Inventory lite strategy

Rapid dark store rollout has inflated fixed costs and weighed on EBITDA margins. Partnering with offline branded stores create a inventory-lite strategy that maximises cost efficiency, speedy deliveries and wide selections.



Category diversification

Quick commerce players have been expanding into higher-margin and higher-ticket categories, such as private labels and branded products, in view of strengthening platform economics. Adding offline inventory to the mix further accelerates this shift.



Strengthens 'go-to app for everything' positioning

Showcasing branded offline inventory will help e-commerce players expand beyond today's reliance on essentials and impulse purchases. In the near future, these players aim to be the go-to destination that meets all their consumers' needs, driving frequency, relevance and user stickiness.

Benefits for large retailers



Higher consumer engagement

Many retail chains struggle to scale daily active users (DAU) by solely relying on their own apps



Access to built-in demand

Channels that have an established DAUs and gross order value (GoV) in place offer big players instant reach. Example: The country's three leading quick commerce players together processed 4-4.5M daily orders (in H1 2025) - a 2x YoY growth. Platforms have witnessed a similar upswing of 20-25% QoQ growth in GoV¹.



Cost effective recruitment

Quick commerce platforms help retailers acquire and educate new customers at a relatively low cost compared to traditional marketing efforts. This is a proven model in similar markets such as China, where instant commerce has become a place for discovering and trialing new brands and channels.



\$15-20B incremental spending could flow through this hybrid retail format

Incremental spending¹ could flow through this hybrid retail format for discretionary and irregular purchase categories, driven by:

- **Consumer adoption:**
Especially in metro and Tier 1 cities where urgent shopping missions, higher purchasing power, and familiarity with QC behaviour converge
- **Retailer-QC partnership:**
Enabling branded stores to monetise incremental demand beyond walk-ins through rapid delivery and digital discovery

Case in point

Successful digitisation of offline branded store inventory in conjunction with dark stores by a quick commerce player, **Grab**, in Southeast Asia²

- The company built API and self-service tools for merchants to upload inventory and integrated it with their point-of-sale systems
- Combined with GrabMaps for hyperlocal delivery and route optimisation
- Achieved 4M+ active merchant partners and 46M monthly transacting users

Case in point

Successful activation of hybrid fulfilment model leveraging dark stores alongside physical outlets by a retail giant and quick commerce player, JioMart³

- Adopted a dual strategy combining 600+ dark stores with 3,000+ physical retail stores to enable sub-30-minute deliveries
- Leveraged store inventory to broaden product range beyond essentials, improving geographic coverage and assortment depth
- Built real-time inventory sync and routing algorithms to optimise hyperlocal fulfillment
- Achieved 200% growth YoY in average daily order and attracted 5.8M new customers in Q2 FY26



Inspired
commerce



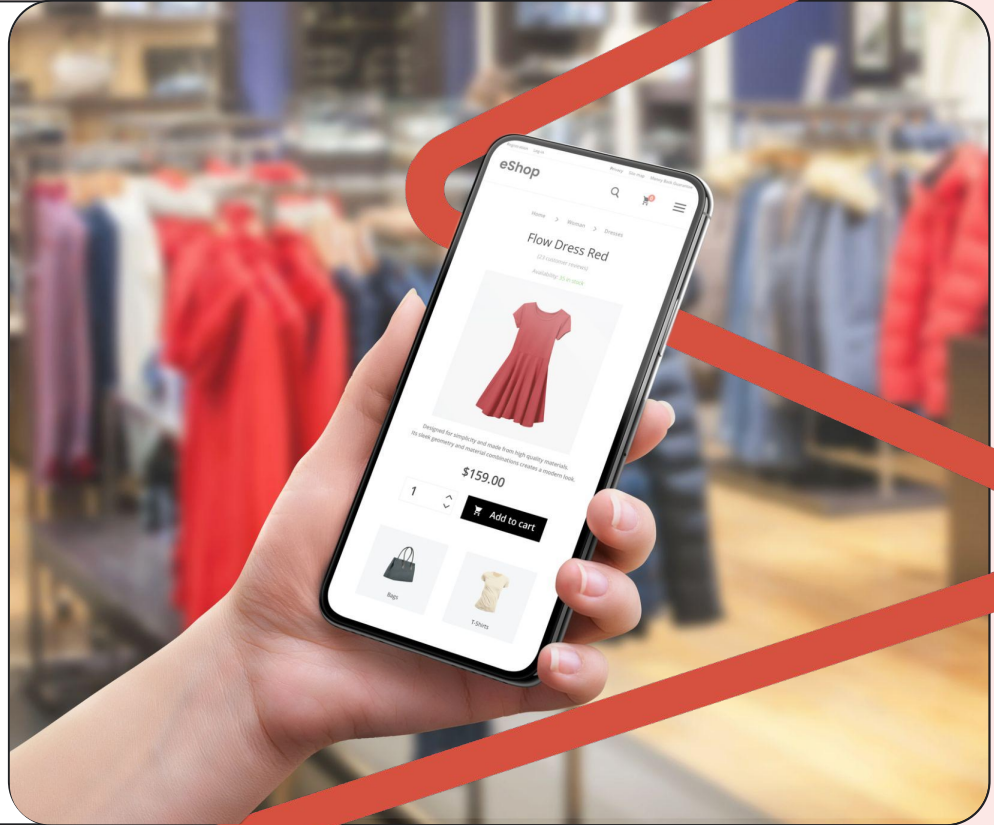
Immersive
commerce



Instant
commerce



**Intelligent
commerce**



Shoppers and retailers today are grappling with overwhelming complexity, operational friction and critical information gaps

Common consumer struggles

Frayed and frictioned purchasing journeys

Choice overload and decision fatigue

Shoppers are bombarded with product and brand information, leading to confusion and cart abandonment.

Trust and relevance gaps

Distrust in seller claims is driving consumers elsewhere for options that actually meet their needs.

Tedious steps to routine purchases

Regular purchases tend to require lengthy processes - browsing, comparing and re-adding to shopping carts - increasing friction.

Common company struggles

Process inefficiencies and siloed data

Product and content lag

Sub-optimal inventory systems, SKU proliferation and outdated digital assets (i.e. websites) are slowing planning and content cycles.

Lack of real-time insights

Insufficient unified consumer data severely limits personalisation and business agility, leading to poor decision-making.

Cost of operational inefficiencies

Without accurate forecasting, profit margins are being eroded by costly back orders, dead stock and stock-outs.

These challenges can be structurally mitigated by AI, driving an 30-35% increase in retail profitability by 2030

AI will act as a dual lever to navigate this shift:

Enhance the shopper journey

Generative AI will simplify discovery and decision-making, while nurturing trust among end-users, turning intent into meaningful choices and 'smarter' decisions.



**Intelligent
Front End**

Drive enterprise efficiency

AI will drive efficiencies and cost savings across the organisation. With intelligence prevalent across the value chain, every function will benefit, from streamlined forecasting and sourcing to marketing.

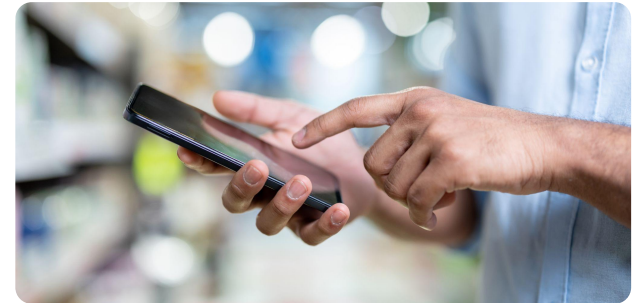


**Intelligent
Back End**

AI will scale revenues through **distinct India 1 and India 2 value propositions**, contributing **a third of overall profitability improvement**



**AI powered
Intelligent
Shopper
Journeys**



AI will evolve into an end-to-end expert assistant for India 1 - from simplifying discovery to enabling execution



Agentic AI will accelerate purchase decisions by proactively guiding customers from intent to checkout

1 Discovery will shift from prompt-led to anticipatory

43% of shoppers want help finding new products according to their needs¹

An AI agent interprets customer's intent, preferences, context and the latest market trends to suggest relevant products.



Did you know

Powered by Google's Shopping Graph, the Gemini app now provides helpful shopping ideas directly within its interface. Features include shoppable product listings, pricing, product comparison tables, and direct links to retailers for purchase.²



2 Decision-making will shift from manual evaluation to auto-optimisation

43% of shoppers want an assistant to explain product details and recommend the best options¹

AI agents can tap into merchants' systems to locate items, retrieve product details, check inventory availability and look for applicable deals, minimising friction in the decision-making process.

Multi-criteria searches from multimodal data enables the AI assistant to score a product or service based on customer fit, urgency and value-for-money without requiring additional input from the shopper.



Did you know

Google's new Business Agent lets shoppers chat directly with a brand on Google Search for product queries, acting as a virtual associate.²

Case in point

Instacart, an online grocery player, deploys AI agents to help customers plan and shop with natural language requests like, "I am hosting an Italian-themed dinner. Find a seafood linguine recipe and fill my grocery cart with what I need".³

Agentic AI will accelerate purchase decisions by proactively guiding customers from intent to checkout

3 Purchases will become agentic and autonomous

45% of shoppers would let AI make purchases for them if they are notified before payment¹

AI agents can optimise a shopping cart based on best prices, delivery time and payment preferences, and loyalty point offers. This 'ready-to-buy cart' saves time while ensuring that routine purchases never run out at home.



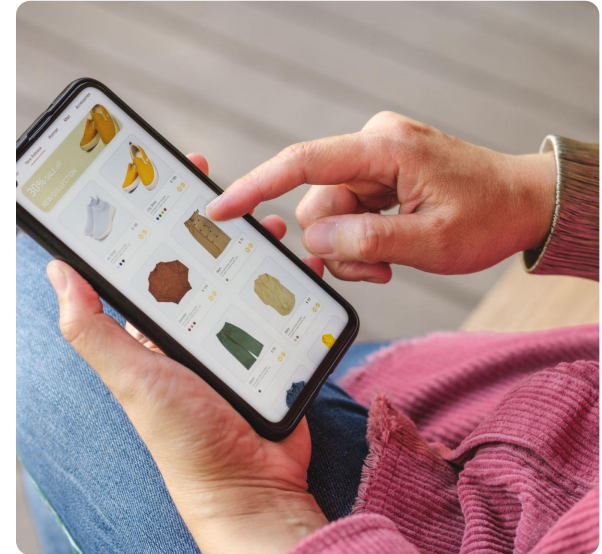
Did you know

Google's AI shopping agent's 'buy for me' feature automatically fulfils a purchase based on a set target price and pre-selected criteria (e.g. colour and size).²



Did you know

Gemini Enterprise for CX deploys multimodal Shopping Agent which processes text, voice and images to proactively build carts and execute consented actions.²



Case in point

US grocery chain **Kroger's** AI engine predicts when shoppers need to top up their essentials and auto-fills a grocery cart. Past purchases, product preferences and restocking patterns cue timely reorders, and propose substitutions and deals where applicable.³

Agentic intelligence will transform the India 1 experience into a fully automated loop of discovery and fulfillment

India 1 Shopper

A shopper sees someone wearing trendy sneakers at a restaurant, and wants to buy something similar



Discovery



Shopper initiated

Shopper uploads a picture and requests **'Find me similar sneakers in pastel and in size 8. I need them delivered this week.'**



AI takes over

The AI agent immediately finds **similar sneaker options, combining latest trends and influencer recommendations** for a view of all the best choices.

The agent also **auto-applies smart filters based on past preferences**, suggesting sneakers from favourite brands in a suitable price range, and presents the personalised shortlist of five to seven top matches.

Purchase



AI-completes transaction

The shopper makes a choice and **instructs the agent to complete the purchase.**

The agent applies the best coupon code, **selects delivery** to the residence and initiates the secure payment.

Consideration



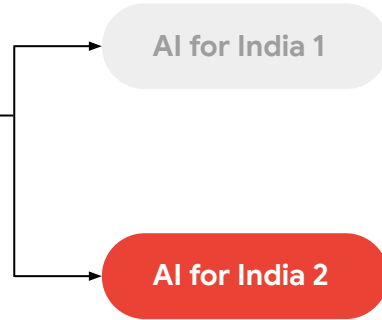
Quick shopper confirmation

The AI agent **synthesises peer reviews to highlight the top pros and cons** for each option and provides a comparison of the features, specs and delivery lead times, along with a final recommendation.

AI will help bridge the India 2 confidence gap by architecting a high-trust and intuitive guided shopper experience



AI powered Intelligent Shopper Journeys



A trusted shopping companion

- 1 Simplify discovery and navigation**
Move beyond vernacular translations to purpose-built, conversational and context-aware interfaces.
- 2 Facilitate thoughtful evaluation**
Human-like interactions like demos, try-ons and step-by-step guides help consumers make confident choices.
- 3 Build post purchase certainty**
Help shoppers know what is most suitable for them with key points to make the right purchase.

AI will circumvent the primary adoption barriers for India 2 through intuitive solutioning across the funnel

1 Simplify discovery and navigation

31% of India 2 shoppers want vernacular language assistance¹

Vernacular conversations

AI will enable platforms to move from just translating web pages to launching shopping assistants that can converse in vernacular languages. Voice-led website/ app navigation will help shoppers find the right products without complex UI and page filters.

Visual search

Visual search eliminates the language and literacy barriers of text queries, allowing India 2 shoppers to find exactly what they need simply by snapping a photo.

Mimic 'ask a friend' culture

Featuring products inspired by local community members, similar buyers and regional influencers signal appreciation for contextual and local sensitivities.

2 Facilitate thoughtful evaluation

28% of India 2 shoppers seek step-by-step guidance to make purchase decisions¹

Simulate cost of ownership

For complex items like home appliances, AI can outline the total cost and considerations of owning the item (i.e. monthly payment plans, energy consumption, maintenance costs, resale value, etc.) so shoppers are properly equipped to make a choice.

AI-generated demos and try-ons

Interactive demos and visual explainers, AR/VR try-ons, help shoppers visualise how a product would look on them or in their home before purchasing.

Social proof

Displaying peer reviews and Q&As from other local buyers can guide shoppers, akin to chatting with the shopkeeper or fellow patrons.

3 Build post purchase certainty

26% of India 2 shoppers want to be clear on policies like refunds and returns before buying¹

Confidence score

Scoring a product's suitability (i.e. 'this product meets 90% of your budgetary and size requirements') helps shoppers make their final selection.

Surface critical information

Clearly displaying crucial factors, such as service availability, warranty coverage and return policies, mitigates uncertainty about after-sales support.

AI will circumvent the primary adoption barriers for India 2 through intuitive solutioning across the funnel

India 2 Shopper

The shopper has been wanting to purchase a smart LED TV that's within budget



Shopper takes purchase actions, but AI adds a layer of trust and confidence throughout the journey

Discovery



Shopper initiates

Shopper says in local dialect, '25,000 ke andar smart TV jo movie chalaye' (I need a smart TV under 25k that plays movies).



AI takes over

AI understands the voice command and displays the relevant TV models that are within budget, without requiring manual navigation or input.

Purchase



Shopper completes transaction

A final recommendation is given based on the option that meets the criteria given by the shopper.

At checkout, trusted payment options are highlighted, summarising total cost, delivery and return details, and any after-sales details.

Consideration



AI facilitates evaluation

For shortlisted items, the AI agent offers a short video via chat that explains the features in simple language. The agent responds accurately when asked follow-up queries like 'will it operate YouTube?'

The AI agent presents pros and cons for the models: 'This seller is rated 4.7 stars and has a 2-day delivery policy. Return window is 7 days.' It adds: 'Another seller is cheaper but has low rating - not recommended.'

AI will turn business operations into a continuous, always-on and highly reliable intelligence loop across the value chain

Effects of AI integration

Continuous optimisation

Manual planning shifts to dynamic inventory allocation and automated smart decisions via real-time monitoring.

Pre-emptive resolution

Systems predict failures and auto-correct issues before they occur, minimising human intervention.

Hyper-local decisions

Scalable models guide stores and clusters with micro-market precision based on real-time data.

Strategic realignment

Automation frees personnel from low-value monitoring to focus on high-value strategic decision-making.

Drivers behind the change



Increasing landscape complexity

Tighter cost structures and complex logistics demand constant optimisation.



Exponential data overload

Data volume has exceeded the processing capacity of traditional human-led tools.



Real-time competition

Supply and demand shifts require decisions in minutes, not weeks.



Smart differentiation

Competitive edge relies solely on accurate predictions and automated action.

By 2030, retail operations will save costs through AI-powered workflows, contributing **two thirds of overall profitability improvement**

AI will drive efficiencies across the value chain

Merchandising and New Product Development

AI will reshape product development by rapidly generating product concepts, optimising the assortment and enabling speedier launches that can quickly transition from idea onto store shelves.

Sourcing and Supply Chain Management

AI will optimise operations by sharpening demand forecasts, auto-resolving supply-chain disruptions, optimising delivery routes in real-time and signalling any better sourcing options by continuously surveying market and supplier conditions.

Store operations

AI will elevate store operations by providing employees with real-time sales scripts, continuously simulating optimal physical layouts, analysing store performance and powering smarter, automated in-store workflows.

Marketing and sales

AI will orchestrate intelligent marketing end-to-end, from content creation and insight generation to churn prediction, as well as dynamic campaign orchestration, and personalised recommendations.



Did you know

Google Gemini's Veo 3 model for video generation enables video creation with cinematic control and improved image-to-video consistency, and visual storyboarding.¹



Did you know

Google's Customer Experience Agent Studio lets companies build and manage multiple AI agents using service transcripts and internal data, with tools for performance analysis, quality scoring and real-time support for human agents.¹

AI will streamline the commerce value chain from initial creation to final delivery through predictive operational intelligence

Case studies

Merchandising and NPD

Walmart¹ is leveraging Gen AI to enhance its product catalogue for easy navigation, shorten fashion production timelines by up to 18 weeks and streamline the shopper journey. They also reduced customer-care resolution lead times by up to 40%. By embedding Gen AI across workflows, Walmart is making operations more efficient and seamless.

Sourcing and SCM

Fashion chain Zara² is using an AI and ML-powered Just-Intelligent supply chain system to monitor real-time data, predict customer demand and dynamically optimise stock levels. This shift is enabling rapid turnaround of new styles, reduced overstock and stockouts, and adapted sourcing to market trends in near real-time.

Store operations

Carrefour³ is piloting the use of AI, a smart rails system, computer vision technology and digital shelf labels to deliver merchandising compliance, real-time shelf monitoring and stockout detection, automated price and label compliance, and precise product geolocation. The technology is currently being trialled at the Carrefour hypermarket in France.

Marketing and sales

The Coca-Cola Company⁴ has been using Gen AI to generate its ads, most recently releasing a refreshed version of “Holidays Are Coming”, an ad developed with AI that debuted last year. Along with achieving high association and conversion rates, the use of AI also enabled faster innovation

AI will unlock new scale and efficiency, but companies must navigate carefully to establish differentiation, credibility and long-term value

Areas of caution

Content saturation will dilute brand differentiation

As AI democratizes content, the challenge shifts to uniqueness – homogeneous outputs threaten brand distinction. AI's effectiveness requires quality data, demanding robust digital infrastructure.

Focus on unique brand characteristics that AI cannot easily replicate.

AI adoption lags when it's not embedded into daily interactions

AI is often not integrated into core systems, which limits its usefulness. Without being embedded into the primary workflows, employees will not use it consistently and consumers will not experience its full value.

Integrate AI into everyday workflows and touchpoints to avoid tools that exist but never get used.

Trust in agentic AI decisions is still developing

Hesitation remains given security and privacy concerns around Agentic AI. Transparency, explainability and the ability to retain control will be critical for delegation to agentic AI.

Build trust, awareness and transparency, so consumers are comfortable acting on AI-led decisions.

Legal, compliance and brand-safety guardrails are still evolving

AI-generated outputs (copy, assets, decisions) must comply with evolving data and copyright regulations. Minor lapses risk major reputational and regulatory issues.

Maintain strong guardrails so AI-generated content and decisions stay compliant, fair, and on-brand as regulations evolve.

“AI adoption needs to feel seamless for India 1. However, building consumer habits around AI will take time. Organisations must learn to integrate AI in ways that make it intuitive and useful, so it becomes a natural part of everyday life.”

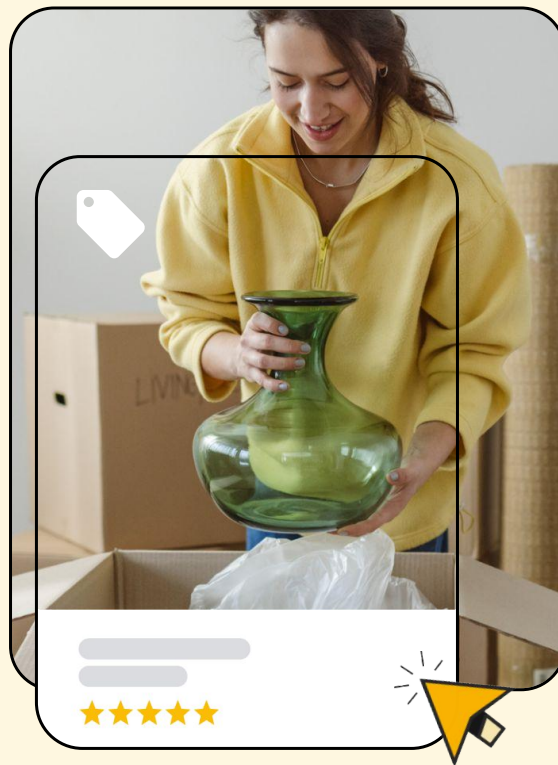
Anurag Agarwal,
Founder, Nestasia







03

Implications

Reimagining commerce
across the four forces –
Inspired, Immersive,
Instant and Intelligent



New technologies are revolutionising the retail landscape, meeting old habits and needs in entirely new ways

		Level of technological adoption		
		Foundation	Intermediate	Advanced
 Inspired commerce		Turn creators into conversion engines	Scale with hyperlocal intelligence and operations	Build autonomous creator commerce systems
 Immersive commerce		Make decision-making effortless with connected O2O	Shift from quick glances to full trials by honing vertical nuances	Monetise in-store experiences and deploy shared experiences
 Instant commerce		Optimise assortments and logistics for rapid fulfilment	Expand audience reach with multimodal acquisition and hybrid networks	Boost profitability via media and offline partnerships
 Intelligent commerce	AI-led shopper journey	Formulate product information that's highly discoverable	Customise shopping assistance to audience needs	Empower autonomous execution and operations
	AI-powered enterprise operations	Digitise foundational workflows	Offer agent-optimised recommendations	Architect autonomous operations to maximise end-to-end margins



Turn creators into conversion engines

1

Establish retail nodes

Equip creators with seamless storefront tools (Social link-in-bio, YouTube Shopping Affiliate) to shorten the inspiration-to-purchase cycle.

2

Connect content with commerce data

Shift focus from 'vanity metrics' (likes, shares) to 'commercial metrics' (customers, sales). Integrate creator content with web analytics and CRM for accurate attribution.

3

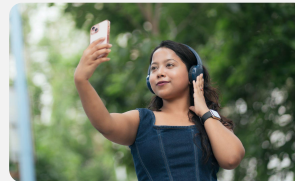
Deploy live commerce storefronts

Operationalise shoppable live commerce storefronts with unified attribution to maximise real-time conversion impact.

Case studies



Rapid adoption of **YouTube's Shopping Affiliate Program** has seen 40% creator participation and 3M+ shoppable videos, underscoring how embedded storefronts and checkout tools are facilitating direct commerce. As brand participation scales, creators are increasingly evolving from pure awareness drivers to conversion channels.¹



AJIO partnered with YouTube Shorts creators to promote their tentpole Big Bold Sale, driving 2x higher conversion rates and 1.5x higher ROAS compared to regular campaigns, demonstrating the power of creator-led content in driving performance.



Scale with hyperlocal intelligence and operations

1

Drive hyperlocal activations

Prioritise creator partnerships based on geo-affinity and community trust rather than follower counts to establish authentic brand resonance within Tier 2+ markets

2

Leverage creator signals for trendspotting

Creator community signals offer a solid R&D platform to recognise early-stage emerging behaviours and micro-category opportunities

3

Institutionalise creator ops

Establishing dedicated 'creator operations' with centralised governance for contracting, compliance and asset management ensures clarity, fairness and consistent growth

4

Build creator communities

Investments in creator development programmes (e.g. training, mentorship, etc.) help nurture loyalty and sustain collaborations



Case studies



SUGAR Cosmetics' #BeYourOwnMuse YouTube campaign tracked real-time conversations with 1,200+ influencers on self-confidence and beauty insecurities, leading the brand to take cues from values-based trends¹



Meesho collaborates with micro and nano-creators to drive trust and activate consumers in Tier 2+ markets. The online retailer's creator community program 'Meesho Creator Club' aims to empower and support influencers²



Establish co-creation and autonomous creator commerce systems

1

Build creator-led R&D pods

Work with key creators as co-design partners; share prototypes and iterate on features based on community feedback.

2

Activate autonomous workflows

Deploy AI agents for real-time creator selection, brief orchestration and dynamic budget routing.

3

Launch co-branded IPs

Launch co-branded products or sub-brands with top creators to build long-term loyalty.



Case studies



Jones Road Beauty, a clean-beauty brand by industry veteran Bobbi Brown, uses AI to analyse creator reviews on YouTube and Reddit, and identify early consumer signals and 'real-world personas' (e.g. busy parents). This exercise informed the development and campaign for their highly popular 'Just Enough' tinted moisturiser.¹



Immersive

Foundation



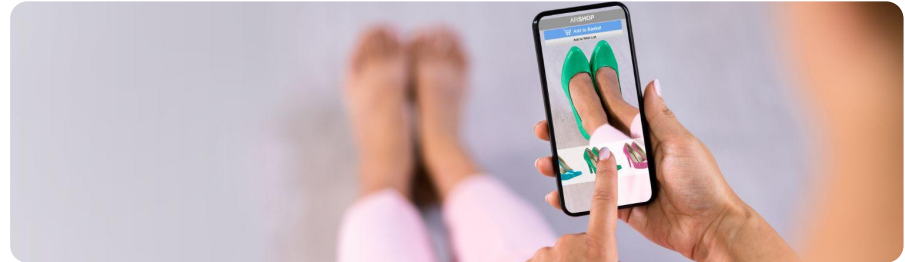
Render decision-making effortless with connected omnichannel strategy

1 Let shoppers start anywhere, finish anywhere

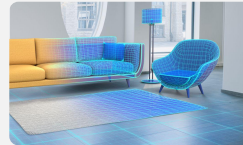
Customers may start in one channel and complete the transaction on another (i.e. BORIS/ROPIS/BOPIS/ endless aisle). Live inventory and consistent pricing are critical to minimising frictions throughout.

2 Address “Will it work for me?” concerns right away

Facilitate quick decisions by offering lite versions of immersion tools at critical moments. Offering easy-to-load 360° imagery, size/fit advisories and AR ‘place-in-room’ micro previews will help minimise wait times and checkout disruptions.



Case studies



Light immersion tools are quickly gaining traction. **Google Virtual Try-On**¹, **Ikea’s AR digital design experience**² and **Meesho’s virtual trial rooms**³ are proof that ‘try-before-you-buy’ digital experiences support purchasing decisions and lift conversions.



Glance’s Gemini-powered immersive solution superimposes products like a dress or sunglasses on a user’s uploaded selfie. The item can be purchased directly from their phones, reducing decision friction and fatigue.⁴



Immersive

Intermediate



Shift shoppers from quick checks to rich trials by mapping to vertical nuances

1 Focus on speed for fast moving items (FMCG, personal care)

Enable quick decision-making through AR-led micro experiences (e.g. shade match for beauty, pack visualisation) complemented by pre-curated bundles and frictionless checkout within the immersive flow.

2 Offer extensive immersions for research heavy buys (appliances, furniture, beauty devices, fashion)

Provide deep immersions such as virtual personalised consults, avatar try-ons, guided demos and saved room/outfit builds to support confident decision-making.

3 Bring advisors and creators into the purchase flow

Embed expert advisors and trusted creators directly into the digital purchase flow through co-browsing and virtual demonstrations to provide real-time, high-touch guidance.



Case study



L'Oreal offers various immersive experiences¹ that are mapped to category nuances aimed at driving conversion. Examples of varying depths of immersive experiences:

- AR-powered 'StyleMyHair' allows customers to virtually see how different haircuts look on them
- An AI-powered skin diagnostic tool assesses users' face images and geo-location data like weather, pollen and UV index, to propose personalised skincare formulas.



Immersive

Advanced



Monetise in-store experiences and offer shared experiences

1

Capitalise on physical footfall

Monetise in-store experiences by offering paid consultations, curated events, and exclusive access, while enabling instant conversion through AR interfaces and in-store kiosks.

2

Enable collaborative immersions

Make immersion collaborative, allowing co-browsing or sharing of live immersions with family, friends or virtual experts/advisors to enable faster decision-making.



Case study



Walmart's new features enhance search and navigation via its app, allowing customers to locate products in-store the way they would in an online shopping experience. AI party planning assistants also drive incremental conversions during store trips.¹



Optimise assortments and logistics for rapid fulfillment

1 Curate instant-ready assortments with dynamic pricing

Identify high-velocity 'hero SKUs', smart pack sizes and bundles that fit instant fulfillment requirements. Implement a pricing strategy that adjusts to delivery needs (e.g. surge pricing or convenience premiums).

2 Foster strategic partnerships with third party or hyperlocal logistics

Integrate hyperlocal third party logistics into the checkout process to enable 60-120-minute delivery lead times.

3 Rethink the service playbook

Redesign customer support for 60-minute cycles (faster refunds, automated substitutions).



Case study



A leading FMCG brand is collaborating with quick commerce platforms to introduce larger monthly pack sizes (e.g., 20kg+ rice/5L oil). Consumers are buying these bulk items on quick commerce during the first ten days of the month for their monthly purchases.¹



Instant

Intermediate



Expand audience reach with multimodal acquisition and hybrid networks

1

Enable multimodal access

Enable ordering via messaging and voice interfaces to capture less-tech-savvy 'Bharat' consumers.

2

Build hybrid networks

Reduce dark store CAPEX by converting kiranas into last-mile fulfilment hubs and brand stores into micro-fulfilment nodes.

3

Implement tiered delivery models

To protect margins, brands and delivery teams can offer 'instant deliveries' (i.e. 15 minute) for urgent needs and 'slotted deliveries' (i.e. 60-120 minute) for planned purchases.



Case study



Zepto, a major quick commerce player, is tiering their delivery services by piloting 'slotted' deliveries alongside 'instant deliveries' in select markets to capture larger, planned shopping missions.¹



Instant

Advanced



Boost profitability via media and offline partnerships

1 Activate retail media on quick commerce platforms

Treat quick commerce apps as media platforms and invest in retail media networks to drive predictable, high-intent sales.

2 Digitise offline inventory

Integrate the inventory of offline brand stores with quick commerce inventory systems to broaden product selection into infinite shopping aisles. This is especially apt for non-urgent, discretionary purchases.

3 Enable distributed inventory across nodes

Integrate ERP, POS, and WMS for intelligent order routing across dark stores, retail outlets and 3PL partners.



Case study



Renee Cosmetics, an Indian makeup brand, wanted to boost discoverability and drive traffic to its D2C website and quick commerce channels. Leveraging Google Performance Max for Marketplaces to integrate quick commerce product and sales data, the brand achieved 11.5% higher sales with a 48% lower CPA. They optimised ad spend by focusing on relevant and available SKUs.



Strengthen product information foundations for easy discovery by shoppers and agents

1 Enable visual and intent-led search

Replace keywords with visual search and intent-based sorting (e.g., "fastest delivery").

2 Remove language barrier with phonetic search

Democratise access with phonetic search and auto-translation to handle mixed-language queries, removing literacy barriers.

3 Optimise content for generative AI discovery

Structure product content (images, attributes, FAQs, reviews, etc.) so AI engines can correctly understand, rank and recommend it.

Case studies



Target leveraged Google Cloud to build a hybrid search platform, including semantic search coupled with filtered vector queries to achieve product discovery relevance by 20% and gains in customer experience.¹



Launch of solutions like **Glance's** Gemini-powered content knowledge graph underscore the growing importance of AI-driven contextualised search and information personalisation. The solution offers enhanced search relevance, personalised content discovery, etc.²



Launch of a Google Ads pilot in the US enables advertisers to directly show promotions and discounts in AI search mode, highlighting the rising importance of GEO and agentic commerce³



Intelligent AI-led shopper journey

Intermediate



Offer customised shopping assistance by consumer cohort

India 1

1 Enable adaptive UI with personalised storefronts

Interfaces that shift dynamically between chat, visual and voice based on user intent, coupled with unique digital storefronts for each user.

2 Offer intelligent recommendations

Analyse consumer profile (past behaviour, market signals, real-time context, etc.) to deliver proactive and hyper-personalised recommendations.

India 2

1 Build trust through AI-powered intelligence

Leverage AI to build consumer trust through AI summaries of "Good-better-best" comparisons, product reviews, red flags, calculate total ownership cost while factoring in MRP/service/repair, etc.

Case studies



MakeMyTrip introduced an AI-enabled travel assistant 'Myra' (beta phase), offering users a conversational interface to book holidays. Supporting English & Hindi, Myra enables multi-modal inputs (text, voice, image) and real-time pricing.¹



A leading Chinese consumer electronics player is running a pilot wherein up to 80% of the website content is personalised basis consumer profiles by leveraging AI.²



Launch of Google's AI-mode checkout within Search and Gemini app highlights the shift toward adaptive, AI-orchestrated storefronts and intelligent recommendations.³



Intelligent AI-led shopper journey

Advanced



Empower autonomous execution of commerce transactions

Enable agentic checkout

A shopper-controlled, intelligent checkout layer that allows 'Buy for Me' agents to automatically execute routine or repeat purchases based on predefined preferences, constraints and rules. For example

1

Driving routine replenishments

AI agents can execute routine replenishment purchases for categories like groceries, household essentials and personal care refills.

2

Auto execute purchases at target price-points

Auto-trigger purchase when a product reaches a specific price range.

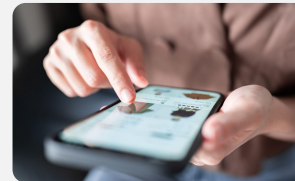


Case study



'Buy for Me' Agent:

Google's AI Shopping Agent (US Pilot) allows users to research products and click 'Buy for Me,' where the agent autonomously navigates the retailer's checkout flow to complete the purchase on the user's behalf.¹



Universal Commerce Protocol:

Google's Universal Commerce Protocol (UCP) enables shoppers to buy directly from Google (Search, AI Mode, Gemini), apply offers and complete secure checkout with saved details.²

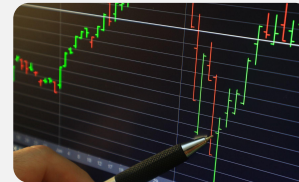


Digitise foundational workflows

- 1 Clean data pipelines**
 Standardise product, pricing and inventory availability to build interoperability and improve efficiency.
- 2 Generate accurate demand forecast**
 Move away from static, rules-based inventory planning to 'smart' learning models that identify patterns, trends and anomalies.
- 3 Digitise SOPs and tasks where possible**
 From automated checklists to allocations and scheduling, digitalisation can be done across functions to drive efficiency.



Case Studies



Enterprise solutions like Google Cloud's multi-agent system¹, Blue Yonder Luminate², etc. offers broad planning platforms and specialist AI forecasting tools. This spotlights the shift towards AI-first planning and execution as a cornerstone of retail operations.



Intelligent AI-powered enterprise operations

Intermediate



Offer agent-optimised recommendations

Activate AI-augmented decision-making

Brands can tailor their offerings to local demand and supply by interpreting hyperlocal signals and featuring the most relevant actions, for each store, region or audience segment. For example.

1

Optimize merchandising operations

Optimise store assortments, pricing or replenishment according to local demand signals and supply constraints.

2

Leverage AI for operations diagnostics

Lean on AI to flag planogram gaps, shrinkage and service issues, then provide recommended fixes.

3

Drive contextual engagement

Leverage AI to dynamically identify high potential users; activate them via contextual messaging, optimised channel mix and real-time bidding.

Case studies



A leading apparel player narrowed their demand predictions and stock planning using AI, resulting in 30% less overstock and a ~20% drop in inventory holdings.¹



Swiggy piloted Google's AI powered Pmax retention campaign to re-engage dormant users cost-effectively. Creative personalisation and iterative testing ensured relevance and efficiency delivering 70% better cost per session and halving cost per order.



Tira Beauty used Gemini's generative AI capabilities to optimise its product feed, improving product discoverability and enhancing online revenue by 27%.



Architect autonomous operations to maximise end-to-end margins

Establish an autonomous control tower

Adding a unified AI layer that brings together real-time data across the value chain, then processes the data signals and executes (autonomously or with human-in-loop) across functions will drive both efficiency and business outcomes.

1 Optimise supply chain operations

Auto-balance ordering, capacity and inventory in real time.

2 Drive efficiencies in marketing & media

Auto create assets, allocate budgets/channels and optimise ROI



Case study



Walmart is leveraging real-time AI and automation to re-engineer their supply chain operations globally. AI helps dynamically re-route and balance inventory across stores and fulfilment centres, reducing manual intervention while improving speed, availability and efficiency at scale.¹

Acknowledgements

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