

From Screen to Store:

*Seizing the
Omnichannel
Opportunity in
India's D2C Retail*

REPORT

INDIA

REAL ESTATE

CBRE RESEARCH | SEPTEMBER 2025



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A woman with blonde hair, wearing a light blue button-down shirt and brown pants, is standing in a clothing store. She is holding a smartphone in her right hand and gesturing with her left hand. She has three brown paper shopping bags hanging from her arms. The background shows racks of clothing and a counter area.

01

The Growth Story

India's Retail Sector: Changing consumption patterns, evolving retailer models

India's retail sector has exhibited remarkable expansion and resilience in the past decade growing from USD ~0.4 trillion in 2014 to USD ~1 trillion in 2024 and is projected to more than double to USD ~2.2 trillion by 2034¹.

This growth is largely fuelled by the country's sustained economic and consumption expansion. The Indian consumer of today is a mix of contrasting trends and consumption patterns, with nuanced differences between Millennials, Gen X, Gen Z and Baby Boomers. While increasing affluence is driving demand for aspirational products, **"Made in India" has emerged as a central consideration** – thereby paving way for international luxury retailers to co-exist with home-grown traditional brands. The need for convenience coupled with the urge to "touch" a product before purchase is mirrored in the rise of omnichannel retail strategies. This interplay of online and offline behaviour, combined with a blend of global inspiration and local pride, creates significant growth opportunities, particularly for agile, consumer-focused models such as **Direct-to-Consumer (D2C)**.

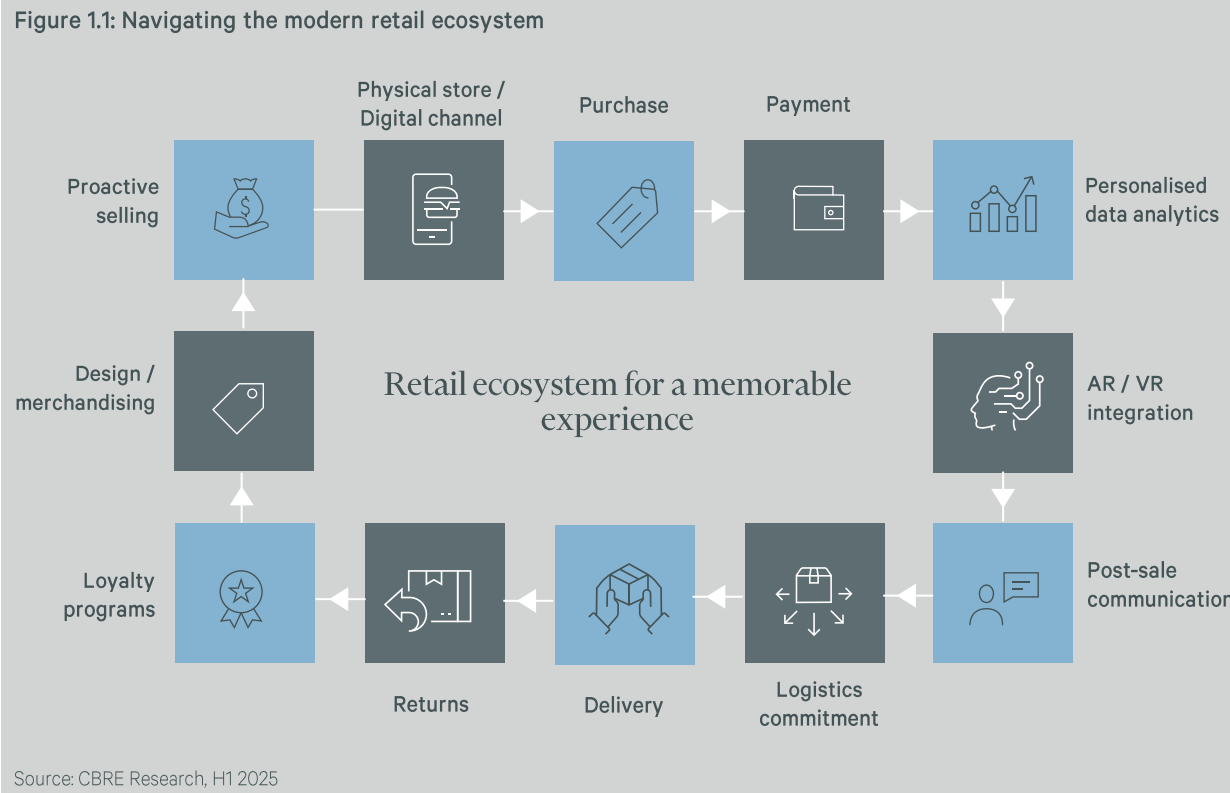


Figure 1.2: India's retail market performance at a glance

ONLINE RETAIL SALES HAVE WITNESSED PROFOUND GROWTH, FROM USD ~45 BILLION IN 2021 TO USD ~90 BILLION IN 2024²

E-COMMERCE IN INDIA IS PROJECTED TO REACH USD ~300 BILLION BY FY30, UP FROM A MARKET VALUE OF USD ~123 BILLION IN 2024³

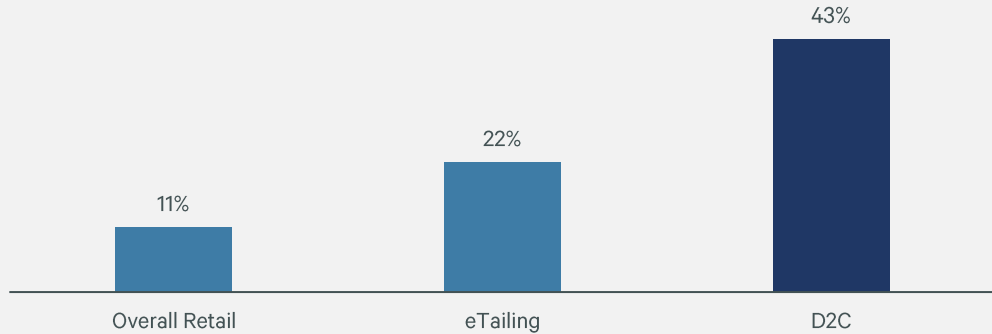
INDIA'S PRIVATE CONSUMPTION HAS ALMOST DOUBLED TO USD ~2.1 TRILLION IN 2024 FROM USD ~1 TRILLION IN 2013⁴

The **D2C model** is a retail strategy in which a company produces its products in-house and sells them directly to consumers through its own channels, such as e-commerce websites, physical retail stores, online marketplaces, and social media platforms. The D2C model has emerged as a significant force in the Indian retail landscape, fundamentally altering the way retailers engage with consumers. The foundation stone for this growth was in part laid by the growth of E-commerce, particularly accelerated by the pandemic. This strong E-commerce foundation has empowered D2C brands to deliver personalised customer experiences, rapidly launch product innovations, and actively track the entire customer purchasing journey.

1. BCG - Winning in Bharat & India the Retail Kaleidoscope, February 2025; 2. EMIS - Consumer Goods & Retail Report India 4th Quarter 2024, January 2025; 3. E-commerce Industry Report, India Brand Equity Foundation (IBEF), August 2025; 4. Deloitte India and RAI report - India's discretionary spend evolution

D2C retail: Shaping India's retail story

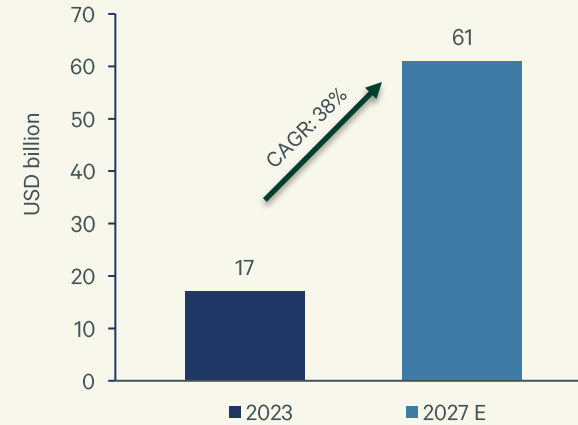
Figure 1.3: D2C Gross Merchandise Value (GMV) CAGR, 2022 - 2028E



Source: State of D2C in India: A Logistics Update, Redseer Strategy Consultants, May 2024

Between 2020 and 2022, numerous digital-first brands witnessed considerable growth fuelled by a rise in online sales during the COVID-19 pandemic. As the next step in their evolution, these brands are now progressively adopting omnichannel strategies to integrate online and offline retail — **a movement often described as the "mainstreaming" of these brands**. This transition is clearly reflected in the D2C segment's real estate leasing activity, which accounted for ~18% of the overall retail leasing volume in H1 2025. Reflecting leasing trends of traditional retail, majority of this space (over 60%) was absorbed by brands in the fashion and apparel, homeware, and department store categories.

Figure 1.4: India's D2C market growth (2023-2027E)



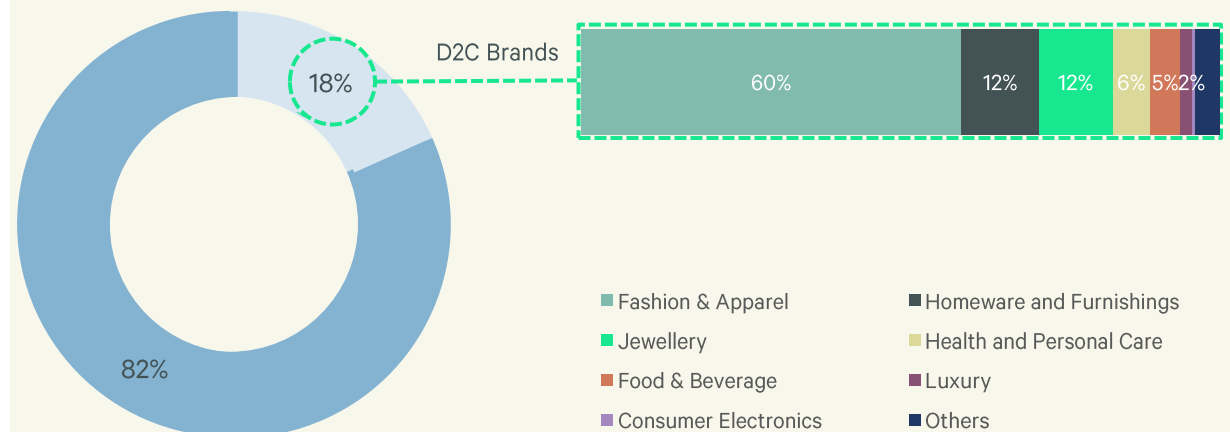
Source: The D2C Report 2024, The Evolving World Of Digital-first Retail, IMAGES Group, August 2024

800+
D2C Brands in India as of April 2021¹

1300+
D2C Brands in India as of August 2025²

1 Inc24 Decoding India's \$100 Bn+ D2C Opportunity: Market Landscape And Trends Report, 2021
2 D2CStory, Indian D2C Brands Database

Figure 1.5: Direct-to-consumer (D2C) sector's retail leasing activity in H1 2025



Source: CBRE Research, H1 2025

02

What's
Driving the
Growth?



Technology: Powering India's D2C Revolution

Figure 2.1: India's massive digital footprint



~1 billion

Internet connections in 2024 ¹



~260 million

Online shoppers in 2024 ²



180+ billion

UPI transactions in FY2024-25 ³

Technology's transformative role in the Indian consumer market is undeniable in revolutionising shopping habits, brand interactions, and purchasing decisions.

- **E-commerce and Online Shopping:** The ascent of e-commerce has redefined the consumer basket, granting access to a vast spectrum of products and services while fostering competitive pricing. This expansion of online shopping is primarily driven by rising internet penetration and is further supported by increasing disposable incomes.
- **Digital Payments:** Digital payment methods such as mobile wallets and the Unified Payments Interface (UPI) have facilitated seamless transactions, encouraging consumers to increase their expenditure across diverse categories of goods and services. According to the RBI, the total volume of digital payment transactions grew to 185.8 billion in the financial year, with UPI transactions alone making up 83.4%⁴ of the total retail payment volume⁵.
- **Consumer Insights through Data Analytics:** Several platforms process first-party⁶ and zero-party⁷ consumer data for segmentation, A/B testing⁸, and predictive modelling. Analytics enable better targeting, reducing customer acquisition costs and improving return-of-investment (ROI) on advertisements.

Growth in digital adoption and internet penetration



INTERNET CONNECTIONS QUADRUPLED FROM ~ 0.25 BN IN MARCH 2014 TO ~ 1 BN IN JUNE 2024 ¹



~96% OF VILLAGES IN THE COUNTRY HAVE 4G MOBILE CONNECTIVITY ¹



INDIA IS EXPECTED TO ADD OVER 300 MILLION ONLINE SHOPPERS DURING 2026-2030 ²

Source: CBRE Research, H1 2025



1. Technology Ten Years of Digital Progress, Press Information Bureau (PIB), June 2025; 2. Indian E-commerce Industry Analysis, India Brand Equity Foundation (IBEF), May 2025; 3. Ministry of Finance, PIB, March 2025; 4. UPI's contribution to payments ecosystem volume grows to 83.4% in FY25, Business Standard, May 2025; 5. Annual Report 2024-25, Reserve Bank of India (RBI), May 2025; 6. First-party data is collected by tracking user behaviour which includes customer buys / views, their account information, subscription data, behavioural data, etc. 7. Zero-party data is the data shared proactively by the customer which includes responses to quizzes / surveys, customisation tools, etc. 8. A/B testing or split testing, is a method of comparing two versions of a marketing element or customer experience to see which performs better. By showing a random group of customers either version A (the original) or version B (the modified version), a company can track their behaviour to gauge the customer's preference and achieve a specific goal, such as increasing sales or conversions.

Evolving Needs of Consumers: Paving the way for D2C brands

The changing consumer landscape is significantly shaped by the rise of **digitally native millennials and Gen Z, who are projected to comprise 75% of consumers in emerging markets by 2030**¹. Notably, the younger demographic demands more personal experiences and brands that align with values such as sustainability and ethical practices.



Need for Personalisation

- Consumers today are no longer satisfied with generic offerings; they crave products and experiences tailored to their individual preferences, needs, and values².
- D2C brands, by cutting out intermediaries, gain direct access to customer data, enabling them to understand their audience on a deeper level. This direct relationship allows for the creation of personalised product recommendations, targeted marketing messages, and customised customer service interactions.



Social Media Influence

- Blurring lines between discovery and purchase, social media has evolved from marketing channels to direct sales platforms. As per the **DHL e-commerce report 2025, 84% of all Indian shoppers buy directly from social media platforms**³.
- Social media platforms offer unparalleled reach, enabling these brands to build broader awareness, often amplified through collaborations with influencers. Around **94% of Indian shoppers** agree that trends or viral products influence their purchase decisions, while **89% say that social media platforms could become their top shopping medium by 2030**³.



Convenience

- **41% of Indian consumers make an online purchase at least 2-3 times a week**³. The ability to access goods and services anytime, anywhere, has become a significant determinant of brand acceptability and success.
- The demand for ease and efficiency is driving the popularity of services such as quick commerce platforms, digital payment solutions, and on-demand transportation.
- Delivery timelines and cost of delivery continue to remain critical factors for **almost 50%** of Indian shoppers³.

1. Gen Z is challenging consumer norms, McKinsey & Company, June 2024; 2. Personalizing the customer experience: Driving differentiation in retail, McKinsey & Company, April 2020; 3. Clicks, carts & conversions in India: What today's online shoppers really want (and how to deliver), DHL, 2025

03

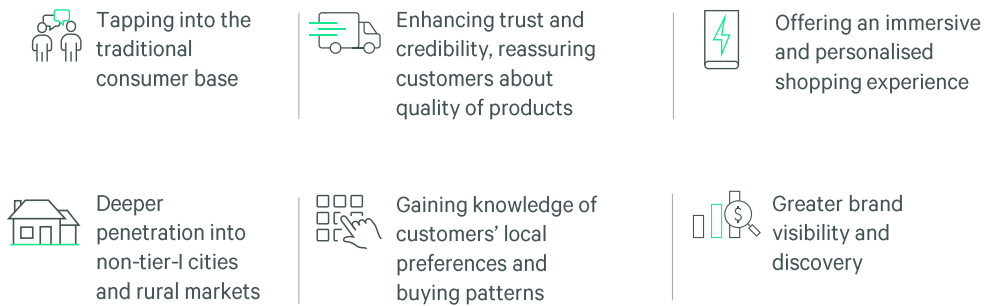
Real Estate
Play and
Strategies for
Success



The Real estate Impact: From click to bricks

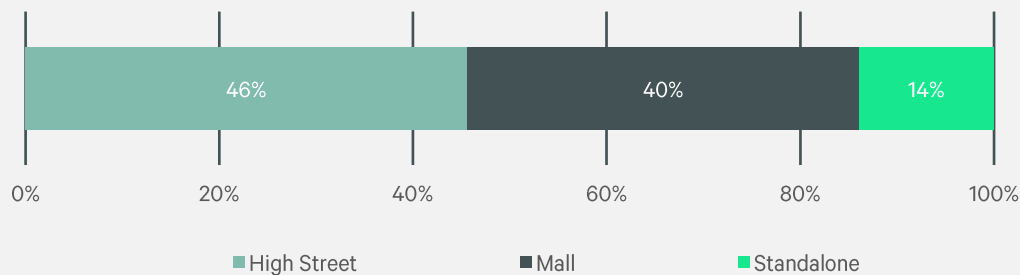
Going offline for a D2C brand is more than just opening a physical store. Unlike the standardised online experience, a physical space allows brands to create a tailored shopping environment that reinforces their ethos and deeply connects with their target audience. D2C brands are expanding into physical retail through a mix of formats, from pop-up shops and showrooms to traditional brick-and-mortar stores.

Figure 3.1: Why D2C brands are going omnichannel?



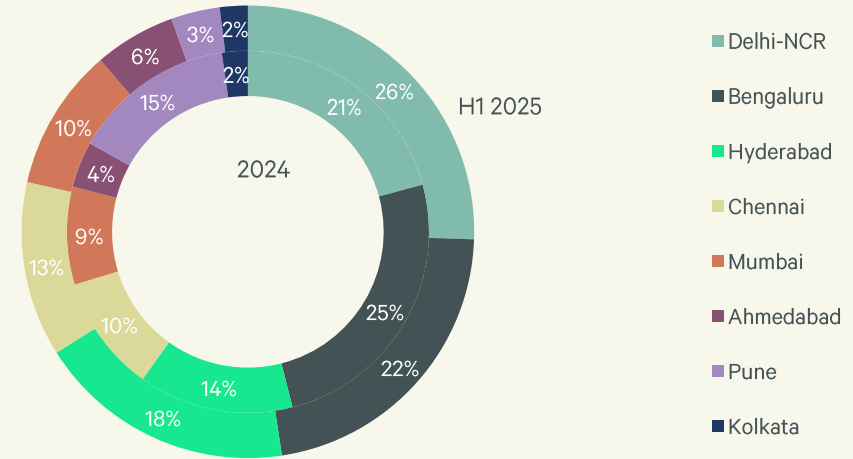
At times, the omnichannel strategy is amplified by strategic alliances with established retailers or adoption of franchise models. A careful selection of physical locations ensures immediate brand recognition and reinforces market presence.

Figure 3.2: Percent share of D2C leasing across various retail formats in H1 2025



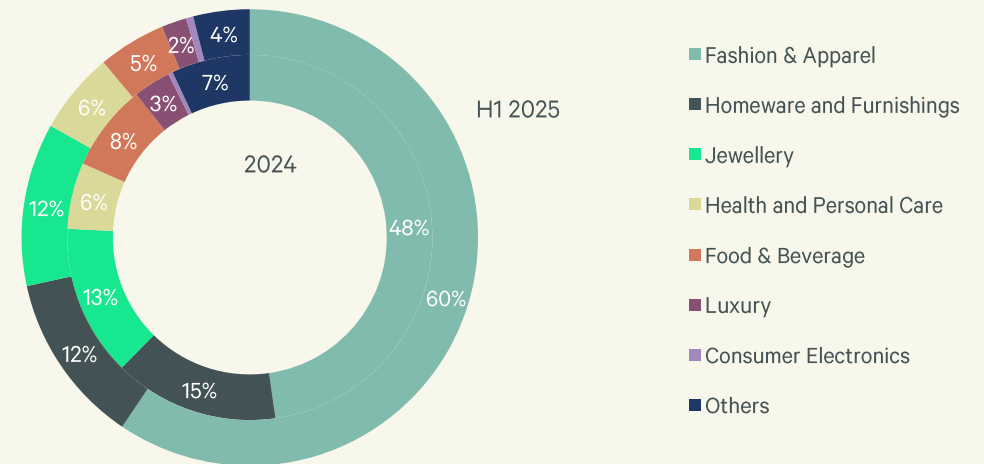
Source: CBRE Research, H1 2025

Figure 3.3: City-wise split of retail leasing by D2C brands



Source: CBRE Research, H1 2025

Figure 3.4: Tenant sector-wise split of retail leasing by D2C brands



Source: CBRE Research, H1 2025

Note: Others includes Leather Goods and Other Clothing Accessories, Travel & Luggage and Others brands.

The Digital to Physical Journey: Success Stories

With India's D2C market projected to exceed USD 300 billion by 2030¹, numerous brands are successfully expanding into physical retail as part of a broader omnichannel strategy. This strategic transition is designed to amplify sales performance, leveraging offline channels to significantly increase their contribution to the total sales mix.

Success is particularly evident in categories such as beauty, fashion, and home décor, where a physical presence can significantly boost conversions. However, outcomes tend to vary basis execution, with top-performing brands leveraging data-driven pilots and strategic partnerships to ensure greater success.



Jewellery







Homeware and Furnishings



Health & Personal Care



Others

	 Lenskart	 BlueStone	 Nykaa	 Wooden Street
Founding Year	2010	2011	2012	2015
Number of stores	2000+	270+	245+	100+
Number of cities	300+	115+	80+	20+
Key Investors	SoftBank Vision Fund, TPG Growth, Abu Dhabi Investment Authority (ADIA), Temasek, KKR (Kohlberg Kravis Roberts), Chiratae Ventures, Alpha Wave Global, Premji Invest, ChrysCapital, Fidelity Investments	Became public listed company in 2025	Became public listed company in 2021	Premji Invest, WestBridge Capital, Indian Angel Network (IAN) Fund, Rajasthan Venture Capital Fund (RVCF)
Strategy	<ul style="list-style-type: none"> ➤ Extensive eye screening initiatives ➤ Transformed eyewear into a fashion accessory ➤ High-tech manufacturing facilities with automation ➤ Smart pricing strategy 	<ul style="list-style-type: none"> ➤ Lifestyle-focused jewellery collections ➤ Design-led offerings ➤ Targeted marketing ➤ Data-driven approach to expansion 	<ul style="list-style-type: none"> ➤ Content led platform to educate customers ➤ Strategic marketing via influencers ➤ Multi-brand beauty retailer ➤ Different store formats to cater to specific customer segments 	<ul style="list-style-type: none"> ➤ Personalized and versatile home décor ➤ Reviving traditional practices and employing local artisans ➤ Superior customer service ➤ Environmentally friendly products

Note: The data regarding store count, presence across cities and key investors is compiled from recent, publicly available information and may vary from the exact scenario.

¹ 122 D2C Brands That Are Disrupting India's Consumer Market, Inc42, March 2025; Media articles, 2025

Source: CBRE Research, H1 2025

Strategies for a successful D2C real estate play

Moving to physical retail gives digital-native brands a strategic edge that goes beyond just having storefronts. It allows for the development of customised customer journeys that strengthen the brand-consumer relationship. Unlike the uniform online experience, physical stores enable D2C companies to carefully craft a shopping environment that embodies their brand identity and engages their target audience.

A D2C brand can adopt several strategies for smooth transitioning from digital-only to an omnichannel format

Identification of geographic clusters

- Analyse online sales data to find geographical clusters where target customers are concentrated. This data, which includes insights into customer demographics, interests, and preferences, is a vital first step in making the offline shift.
- Maximise visibility by identifying store locations that offer high foot traffic, easy accessibility, and proximity to complementary businesses.
- Target quick commerce hubs for hybrid fulfilment.

Focusing on customer experience over scale

- Establish flagship stores across leading micro-markets to create brand visibility and authenticity.
- Tailor store environment to focus on "high touch" products.
- Undertake detailed customer analysis through data and insights collected through online channels and showcase targeted SKUs and product lines.
- Invest in a visual merchandising and store designer, to help enhance overall in-store experience of the customers.

Integration of online and offline channels

- Maintain consistent branding and messaging across all channels to foster trust.
- Utilise offline channels to boost online sales by providing post-purchase coupons, rewards, discount codes, etc.
- Align company's customer relationship management capabilities and after sales services, to ensure consistency across customer touch points.

Developing an effective marketing plan

- Select the right retail format for low-risk entry based on brand maturity and budget.
- Collaborate with retailers and quick commerce platforms to access established networks.
- Conduct a comprehensive evaluation of the competitive landscape by examining the existing brick-and-mortar presence within the targeted locations. Brands can create informed marketing campaigns which highlight their unique advantages and clearly convey their value to consumers.



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