India’s D2C Revolution:

The New Retail Order

REPORT

INDIA

REAL ESTATE

CBRE RESEARCH | OCTOBER 2025

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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 2034[1]. 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 Baby Boomers, Gen X, Millennials, and Gen Z. While increasing affluence is driving demand for aspirational products, **"Made in India"** ***has emerged as a central consideration -*** thereby paving the way for international luxury brands to co-exist with their home-grown counterparts. In addition, 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 1.1: Navigating the modern retail ecosystem

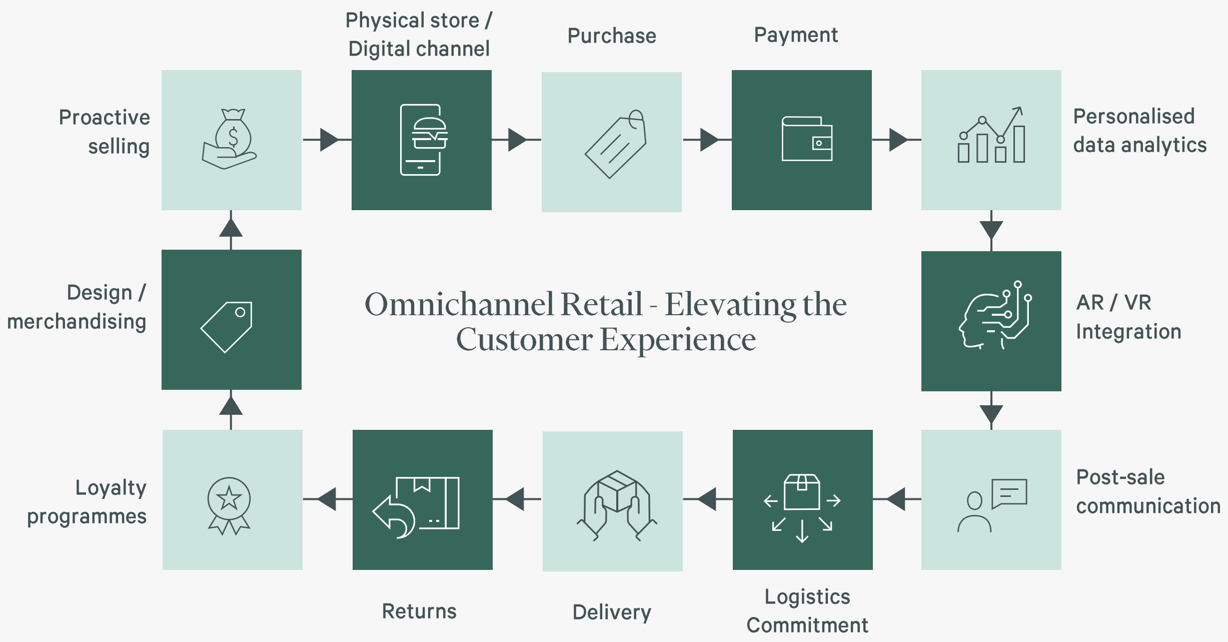


Figure 1.2: India's retail market performance at a glance

ONLINE RETAIL SALES HAVE WITNSSED PROFOUND GROWTH, **FROM USD ~45 BILLION IN 2021 TO USD ~90 BILLION IN 2024** [2]

INDIA'S E-COMMERCE MARKET VALUE IS PROJECTED TO REACH **USD ~300 BILLION BY FY30,** UP FROM USD ~123 BILLION IN 2024[3]

INDIA'S PRIVATE CONSUMPTION HAS ALMOST DOUBLED TO **USD ~2.1 TRILLION** IN 2024 FROM **USD ~1 TRILLION** IN 2013 [4]

Direct-to-Consumer (D2C) Retail: A Market Transformation

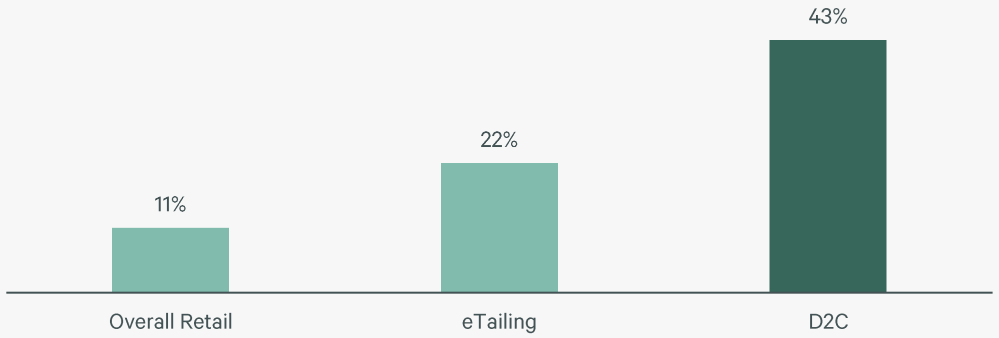
The D2C model is a powerful retail strategy where a company manufactures products in-house and sells them directly to consumers through their own channels (e.g., e-commerce sites, physical stores, social media). Accelerated by e-commerce growth and the COVID-19 pandemic, D2C is fundamentally altering the Indian retail landscape. This direct control enables brands to ***personalise customer experiences, rapidly drive product innovations, while also tracking and optimising the complete purchasing journey.***

Source: CBRE Research, Q3 2025

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 Shaping India's Retail Story

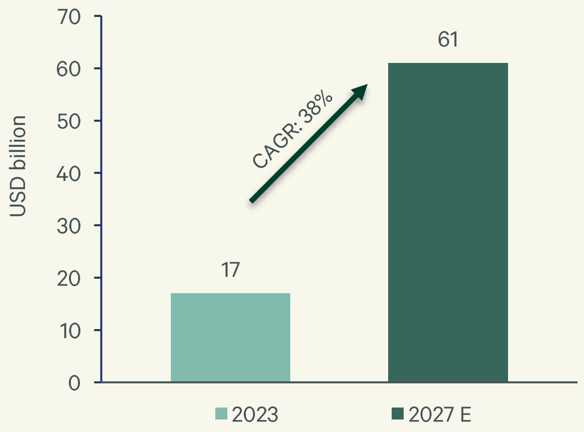
Figure 1.3: D2C Gross Merchandise Value (GMV) CAGR, 2022 - 2028E



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 increased 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 space take-up in H1 2025. Reflecting leasing trends of traditional retail, the majority of this space (over 60%) was absorbed by D2C brands in the fashion and apparel, homeware and furnishings' 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+

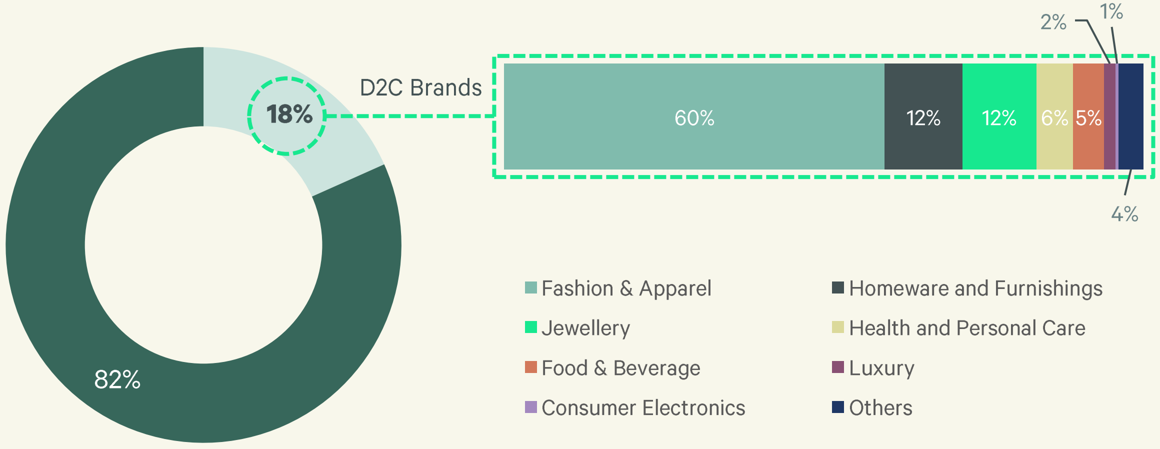
D2C Brands in India as of April 2021[1]

1300+

D2C Brands in India as of August 2025[2]

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

Figure 1.5: D2C sector's retail leasing activity in H1 2025



Source: CBRE Research, Q3 2025
Others include leather goods and other clothing accessories, travel & luggage and opticals

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What's Driving the Growth?

Technology Powering India's D2C Revolution

Figure 2.1: India's massive digital footprint

~1 billion	~260 million	180+ billion
Internet connections in 2024 [1]	Online shoppers in 2024 [2]	UPI transactions in FY25 [3]

Growth in digital adoption and internet penetration

INTERNET CONNECTIONS QUADRUPLED FROM ~250 MILLION IN MARCH 2014 TO ~ 1 BILLION 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, Q3 2025

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 increasing disposable incomes.

- **Digital Payments:** Powered by mobile wallets and the Unified Payments Interface (UPI), digital payment methods have significantly enabled seamless transactions. RBI figures underscore this trend: the total digital payment transaction volume reached 185.8 billion in FY25, with UPI alone representing 83.4%[4].

- **Consumer Insights through Data Analytics:** D2C brands typically leverage consumer data analytics—specifically first-party [5] and zero-party [6] data—for advanced segmentation, A/B testing [7], and predictive modelling. This data-driven approach enhances targeting precision, directly reducing customer acquisition costs and boosting advertising return on investment (ROI).

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. Reserve Bank of India (RBI) Annual Report 2024 -25, May 2025; 5. First-party data is collected by tracking user behaviour which includes customer buys / views, their account information, subscription data, behavioural data, etc. 6. Zero-party data is the data shared proactively by the customer which includes responses to quizzes / surveys, customisation tools, etc. 7. 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 personalised retail experiences and prefer brands that align with sustainability values 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 values.
- By cutting out intermediaries, D2C brands gain direct access to customer data, allowing them to create personalised product recommendations, targeted marketing messages, and customised customer service interactions.

Social Media Influence

- Blurring lines between product 'discovery' and 'purchase', social media has evolved from marketing channels to direct sales platforms. As per the DHL 2025 e-commerce report, influencer posts play a significant role in determining what they buy for **43% of Indian shoppers**[2].
- Social media platforms offer unparalleled reach, enabling these brands to build broader awareness, often amplified through collaborations with influencers. Around **89% say that social media platforms could become their top shopping medium by 2030**[2].

Convenience

- **41% of Indian consumers make an online purchase at least 2-3 times a week**[2]. 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 cost and timelines continue to remain critical factors for **almost 50%** of Indian shoppers[2].

1. Gen Z is challenging consumer norms, McKinsey & Company, June 2024; 2. Clicks, carts & conversions in India: What today's online shoppers really want (and how to deliver), DHL, 2025

Powering Growth Through Investments

India's D2C sector is increasingly viewed by investors as a resilient, high-potential landscape ripe for systematic brand creation. As the ecosystem matures, investor focus has sharpened, targeting brands that can prove their long-term viability. Table 2.1 details the time each brand took to reach the significant milestone of USD ~11 million (INR 1 billion) in revenue. Investors today are focused on execution over narratives, and they typically demand the following:

Profitability: Margins now trump scale, investors favour brands using AI / generative AI for personalisation, right-paced expansion, and reduced marketplace reliance

Differentiation: Investors prefer brands that employ a unique value proposition (UVP)[1] by targeting underserved needs, through glocalisation[2], customised offerings, and sustainable / ethical sourcing

Right-Timed strategies: Adoption of hybrid models – timing/scale of physical stores to complement the online model is essential to build investor trust

Table 2.1: Analysing India's D2C journey to USD ~11 million (INR 1 billion): A few key examples

CATEGORY	COMPANY	YEARS
Grocery and Gourmet	Licious	3
	MuscleBlaze	3
	Country Delight	4
Apparel and Footwear	Indya	3
	Hopscotch	4
	Lenskart	4
Jewellery	CaratLane	5
	BlueStone	5
Electronics	boAt	2
	Noise	5
Personal Care	The Derma Co.	2
	Mamaearth	3

Source: India D2C Report 2022, Confederation of Indian Industry (CII) and Shiprocket, 2022

1. A Unique Value Proposition (UVP) is a simple statement that tells customers why your product or service is better than the competition. 2. Glocalisation refers to adapting a global product or service to meet the specific needs and preferences of a local market.

Key Investments Across D2C Brands

In 2024, India's D2C sector secured about USD 757 million in funding, where organic/natural cosmetics and jewellery brands were some of the top-funded segments. BlueStone, a jewellery brand, secured the largest funding round, raising USD 71.5 million [1].

While investments continue to pour into the segment, the Indian government is also actively supporting the D2C sector through various initiatives. Programmes such as Digital India and Startup India are improving the digital infrastructure and streamlining regulations. The Open Network for Digital Commerce (ONDC) is a key development, aimed at reducing brands' reliance on specific e-commerce platforms. Furthermore, schemes such as the Export Promotion Mission, the Government e-Marketplace (GeM), and the Green Credit Programme are helping D2C companies to expand into global markets, access new customers, and embrace environment-friendly business practices.

1. D2C in India Annual Funding Report – 2024, Tracxn Technologies Ltd., 2024

Figure 2.2: Top funded D2C brands in 2024 (USD million)

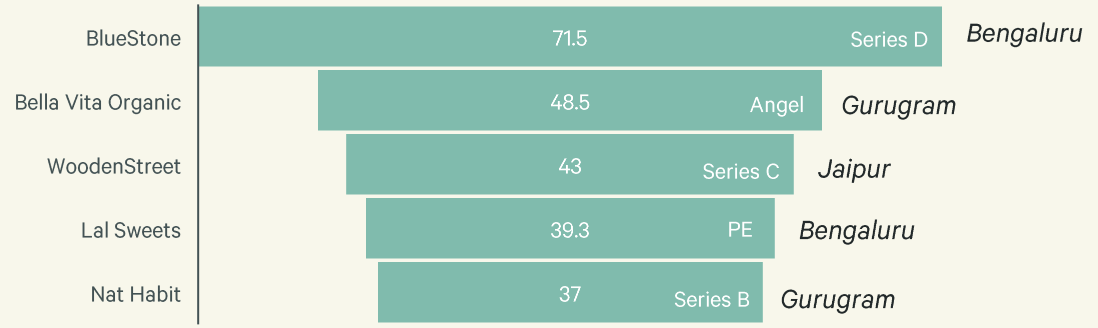
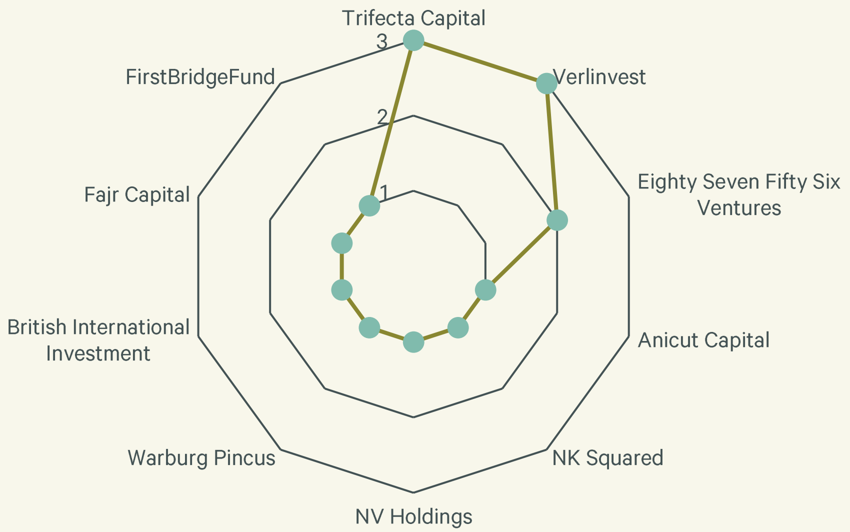


Figure 2.3: Most active PE investors in the Indian D2C space (2024)



Note : The axis denotes number of deals by investors in 2024

Source: Tracxn Geo Annual Report, D2C in India – 2024

03

The D2C Effect: Reimagining Indian Retail Real Estate

Real Estate Impact: From Clicks to Bricks

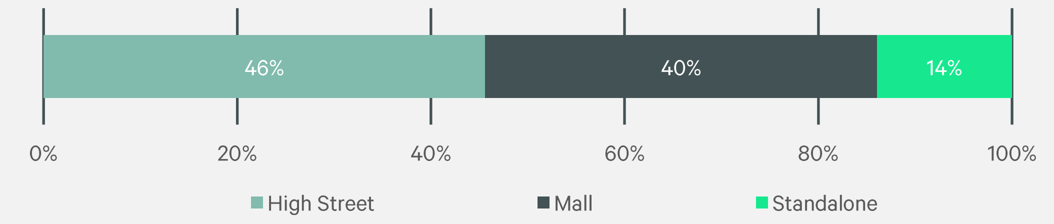
Going offline for a D2C brand is more than just opening a physical store. Unlike the standardised online experience, a physical space allows brands to create a tailored shopping environment that reinforces their ethos and deeply connects with their target audience. D2C brands are expanding into physical 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?

- Tapping into the traditional consumer base
- Enhancing trust and credibility, reassuring customers about quality of products
- Offering an immersive and personalised shopping experience
- Deeper penetration into non-tier-I cities and rural markets
- Gaining knowledge of customers' local preferences and buying patterns
- Greater brand visibility and discovery

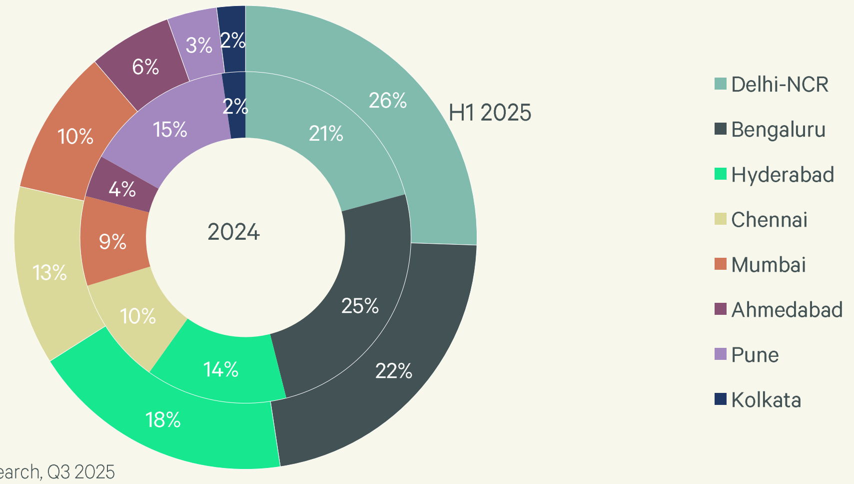
At times, the omnichannel strategy is amplified by strategic alliances with established retailers or adoption of franchise models. A careful selection of physical locations ensures immediate brand recognition and reinforces market presence.

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



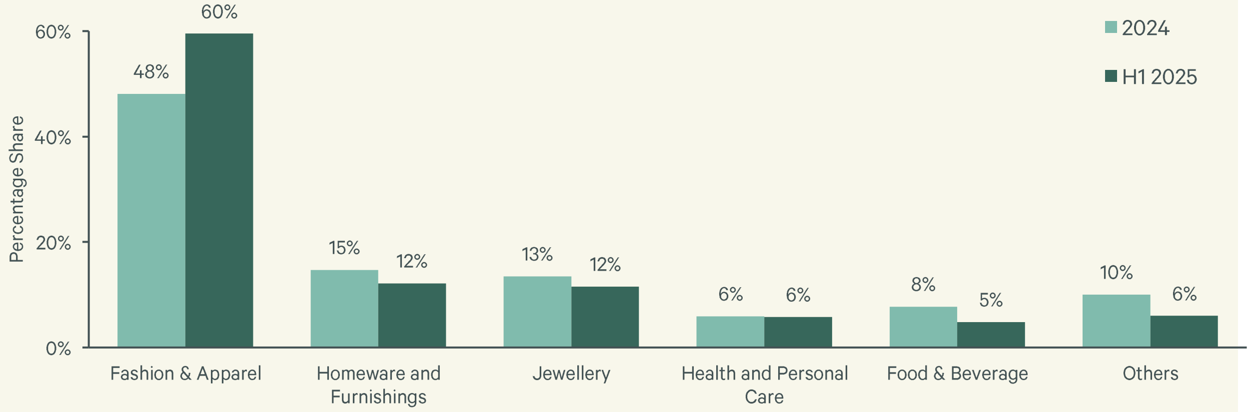
Source: CBRE Research, Q3 2025

Figure 3.3: City-wise split of real estate leasing by D2C brands (2024 and H1 2025)



Source: CBRE Research, Q3 2025

Figure 3.4: Tenant sector-wise split of real estate leasing by D2C brands (2024 vs. H1 2025)



Source: CBRE Research, Q3 2025

Note: Others includes Consumer Electronics, Hypermarket, Entertainment, Bank, Insurance & Finance, E-Commerce and Others brands.

D2C Brands: Spread Across the Retail Spectrum

Fashion Apparel & Footwear

Athleisure	Ethnic	Men's Apparel	Women's Apparel	Gen Z Fashion	Footwear
BlissClub, Technosport, aastey	Pernia's Pop-Up Shop, House of Masaba	Bombay Shirt Company, Snitch, Rare Rabbit	Urban Suburban, VIRSHETÉ, Raisin Global, Berrylush, FableStreet	Bewakoof, Freakins, Urban Monkey, NorBlack NorWhite	Neeman's, Fizzy Goblet, Needledust, Anaar

Health and Personal Care

Health & Wellness	Beauty & Personal Care
Kapiva, OZiva, Plix, Cureveda, Man Matters	The Derma Co, 1 Hair Stop, SoulTree, SUGAR, Vilvah

Jewellery

Lab Grown Diamonds	Fashion Jewellery
Limelight Diamonds, Firefly Diamonds, Voylla	BlueStone, Melorra, PALMONAS

Homeware & Furnishings

Home & Interiors	Bed & Mattress
Zishta, Wooden Street, Nicobar, Furniselan	Wakefit, The Sleep Company, Sleepyhead

Note: Above brands are cited solely as representative examples of the category, and the list should not be considered exhaustive
Source: CBRE Research, Q3 2025

Emerging Physical D2C Formats

The "Shop-Vibe-Tribe", Broadway

SHOP PROVIDES A PHYSICAL SHOWCASE FOR PRODUCTS, ALLOWING CUSTOMERS TO TOUCH, FEEL, AND INTERACT WITH THE BRAND IN A WAY THAT IS IMPOSSIBLE ONLINE

VIBE IS A CAREFULLY CURATED ATMOSPHERE, ENRICHED BY SPECIAL EVENTS, WORKSHOPS, AND GATHERINGS THAT TURN A SHOPPING TRIP INTO A MEMORABLE EXPERIENCE

TRIBE ELEMENT FOCUSES ON COMMUNITY BUILDING, FOSTERING A SENSE OF BELONGING AND LOYALTY THAT EXTENDS FAR BEYOND A SINGLE TRANSACTION

Curated specifically for D2C brands, Broadway is a lifestyle-led retail platform that reimagines retail as an experiential ecosystem. Designed with modular zones to showcase brands, each outlet spans 25,000 – 30,000 sq. ft. and provides an app-integrated online + offline experience. Currently, their flagship stores are located in Hyderabad and Delhi-NCR with expansion plans in Mumbai[1].

The Micro-Store

Small, specialised spaces serve a specific purpose, such as acting as a showroom for customers to experience a product firsthand. The goal is to build brand awareness and a memorable connection, rather than just drive sales.

For example, Pepperfry uses its "Studio Pepperfry" outlets as experience centres where customers can browse furniture and receive design consultations before placing their order online.

Co-Retailing / Shop-in-Shops

Co-retailing is a collaborative strategy where a D2C brand sets up a dedicated space within a larger, established retail outlet. This allows the brand to leverage the host store's foot traffic and credibility, while enabling to "touch and feel" the product offerings. It's a low-risk way for brands to gain immediate access to a wider audience.

Leading the way in India is boAt, which has dedicated shop-in-shop spaces within major electronics retail chains such as Croma and Reliance Digital, allowing customers to test their products while the store benefits from the high footfall.

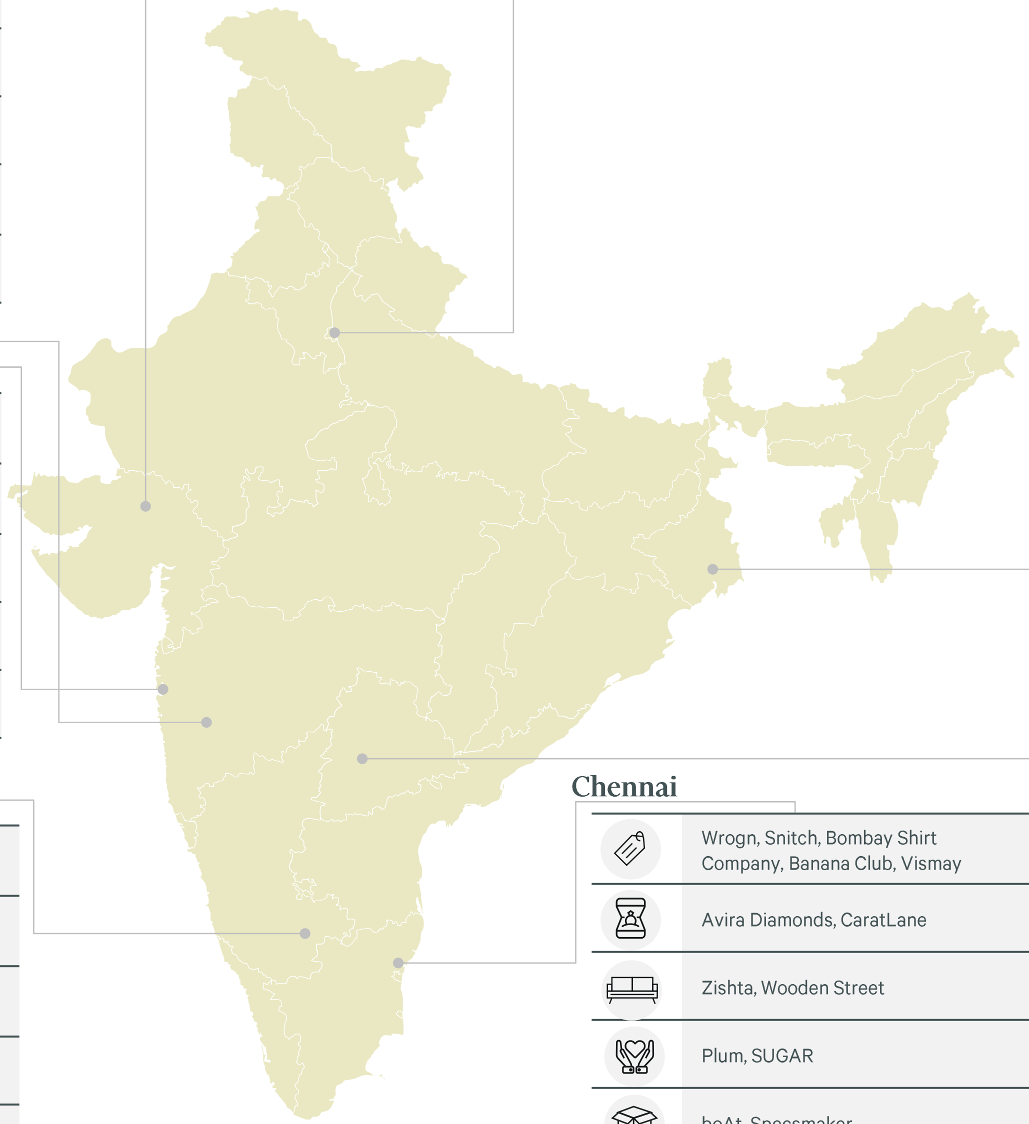
Content to Commerce (C2C)

Brands leverage engaging, value-driven content to build trust, educate consumers and guide them towards purchasing their products. This approach enables brands and creators to collaborate on tutorials and livestreams that directly influence purchases, while also encouraging customers to share reviews and photos.

For instance, BlueStone creates reels showcasing customers trying on jewellery virtually via their AR try-on feature.

1. Broadway website, https://www.broadwaylive.in/

D2C Brand Penetration Across Key Cities



Ahmedabad

- Virgio, Suta, Bombay Shirt Company, Bonkers Corner, Snitch
- BlueStone, Ayaani Diamonds, Melorra
- Wakefit, Wooden Street
- SUGAR, Mamaearth, Renee Cosmetics
- HealthKart, ClearDekho

Delhi -NCR

- Little Tags, The Souled Store, NEWME, Bewakoof, The Bear House
- CaratLane, House of Quadri, Limelight Diamonds
- The Sleep Company, The Decor Kart, P-TAL, Nestasia
- SoulTree, The Derma Co
- Lenskart, Mokobara, Heads Up For Tails

Pune

- FableStreet, The Bear House, Rare Rabbit, Libas, Bonkers Corner
- Firefly Diamonds, PALMONAS
- Pepperfry, SleepyCat
- Nykaa, Purplle
- Zouk, Mokobara

Mumbai

- Wrogn, The Pant Project, Urban Monkey, FabelStreet
- Limelight Diamonds, CaratLane Carat Crush, Firefly Diamonds
- Wakefit, Wooden Street, SleepyCat
- SoulTree, Renee Cosmetics
- Zouk, Lenskart

Kolkata

- The Souled Store, Kingdom of White, TechnoSport
- Jewelbox, Carat Crush
- Wooden Street, Nestasia
- Mamaearth, Nykaa
- Heads Up For Tails, Lenskart, ClearDekho

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- NEWME, Bewakoof, Kingdom of White, Snitch, Urban Monkey
- BlueStone, Avira Diamonds, Cosmos Diamonds, Melorra
- Wooden Street, The Sleep Company, Sleepyhead
- Purplle, Plum, SUGAR
- Zouk

Chennai

- Wrogn, Snitch, Bombay Shirt Company, Banana Club, Vismay
- Avira Diamonds, CaratLane
- Zishta, Wooden Street
- Plum, SUGAR
- boAt, Specsmaker

Hyderabad

- Broadway, Suta, Banana Club, Vismay, Rare Rabbit
- BlueStone, PALMONAS, House of Quadri, Cosmos Diamonds
- Wakefit, Zishta
- Nykaa, Mamaearth
- HealthKart, boAt, Culture Circle

Source: CBRE Research, Q3 2025

The Digital to Physical Journey: Charting Success Stories

India's D2C market is projected to exceed USD 300 billion by 2030 [1].

Success across D2C brands 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.

	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[1]	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	• Extensive eye screening initiatives • Created an environment of "shopping" for eye wear rather than an "eye test" • Eyewear positioned as a fashion accessory • Smart pricing, easy access	• Lifestyle-focused jewellery collections • Design-led offerings • Targeted marketing • Data-driven approach to expansion	• Content led platform to educate customers • Strategic marketing via influencers • Multi-brand beauty retailer • Different store formats to cater to specific customer segments	• Versatile home décor - use of real wood for most products • Reviving traditional practices and employing local artisans • Superior customer service and after sales 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.

Jewellery

Homeware and Furnishings

Health & Personal Care

Others

1. 122 D2C Brands That Are Disrupting India's Consumer Market, Inc42, March 2025; Media articles, 2025; CBRE Research, Q3 2025

04 Strategies For a Successful D2C Real Estate Play

Getting it Right!

For a D2C brand, a successful real estate strategy goes beyond simply opening a physical store. It is about seamlessly integrating a physical presence with the brand's digital-native identity and leveraging its unique strengths - data, direct customer relationships, and agility to create a memorable yet profitable omnichannel experience.

Getting the Thought Right: The Stages of D2C Growth

D2C brands typically begin with an ideation phase and test demand to achieve product-market fit through initial online sales. As they mature, brands enter scaling and expansion stages, emphasizing on customer retention, data-driven optimisation, multi-channel strategies, while aiming for profitability and sustainability. Understanding the requirements of each stage – and what all stages does a brand aspire to achieve is critical for success.

	Stage 1	Stage 2	Stage 3	Stage 4
Focus	Creation of a quality product, development of a seamless digital infrastructure		Expansionary phase—balancing growth with profitability, use of data analytics for optimisation	Market leader, focus on diversification & sustainability, omnichannel network
Brand	Creation of a brand identity through storytelling, packaging, etc.	Use of social media / influencers to establish connection with a niche audience	Focused growth and promotion of select / favoured products	Variation in product categories, loyalty programmes, customisation
Customer Base	Local customers concentrated in specific geographies and niche markets		Deeper market penetration, national / regional customer base	Widespread brand recognition and presence, global / national customer base
Distribution Network	High upfront costs, local supplier network	Collaboration with local manufacturers and suppliers, limited negotiation power	Expanding manufacturing & supplier network	Scaling up their manufacturing capabilities, larger control over pricing and product quality
Logistics	Reliance on online marketplaces	Online marketplaces, partnerships with third-party logistics (3PL) players and aggregators		Own marketplace, partnerships with 3PL players and aggregators, physical store

Source: CBRE Research, Q3 2025

Note: Most brands that are at stage 4 will have proven expertise across stages 1, 2 and 3

Getting the Business Model Right!

In order to choose the best business model, D2C brands evaluate their goals, target audience and available resources. The best D2C business model is unique to each brand, the best approach depends entirely on a brand's specific value proposition, existing revenue models, and operating capabilities.

	Pure-Play Digital	Marketplace-Centric	Omnichannel	Subscription-Based
Distribution Channels	Own digital channels, including brand website, mobile app, and social media pages	Distribution through large e-commerce marketplaces such as Amazon, Flipkart or Myntra	Both online and offline are connected for a seamless customer experience	Available on apps, delivers products to customers on a fixed schedule, frequently at a discounted price
Potential Benefits	• Low overhead costs • Direct access to customer data • High level of personalisation • Direct feedback loops	• Quick market entry • Access to a vast customer base • Reduced logistics burden • Lower initial investment	• Greater control over brand experience • Local / regional market penetration • Increased trust through offline presence	• High customer retention • Predictable revenue • Opportunity to gather continuous feedback and personalise offerings
Brands	The Minimal Closet, FelixToyz	WOW Skin Science, Minimalist	Nykaa, Lenskart, Mamaearth	Country Delight, Fable & Mane

Source: CBRE Research, Q3 2025

Getting the Physical Space Right!

Moving to physical retail gives digital-native brands a potential edge that goes beyond just having storefronts. It allows for the development of customised journeys that strengthen the brand-consumer relationship.

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[1] 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 touchpoints.

Developing an effective marketing plan

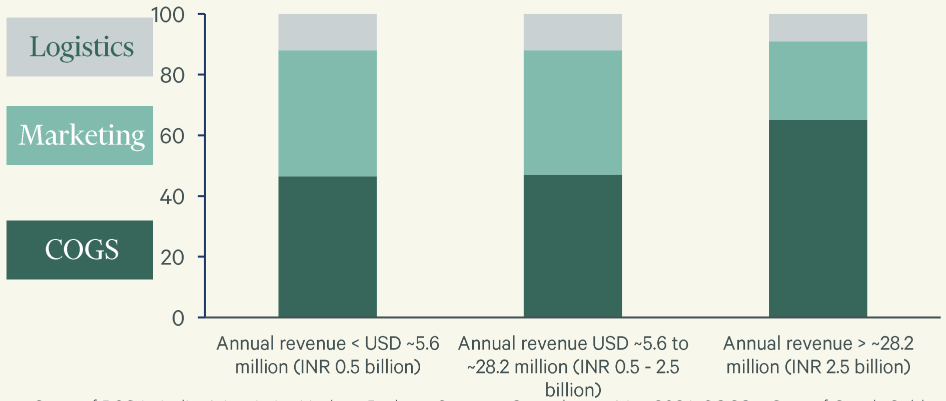
- Select the right retail format for low-risk entry based on brand maturity and budget.
- Collaborate with retailers, influencers and quick commerce platforms to access established networks.
- Conduct a comprehensive evaluation of the competitive landscape by examining the existing brick-and-mortar presence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

1. SKU: Stock Keeping Unit is a unique, scannable code that is assigned to a specific product

Getting the Supply Chain Network Right!

***Delivery is a critical opportunity for D2C brands** to enhance the user experience (UX) and drive customer loyalty, boosting the likelihood of physical store visits. While logistics remains a significant cost component (often varying by brand scale and category) and includes transportation, warehousing, and packaging, successful D2C brands typically leverage this area for differentiation. They achieve this by focusing on operational efficiencies, technological advancements, and specialised logistics partners. This targeted approach supports brands throughout their growth cycle, moving from early-stage acquisition focus to mature-stage goals of retention, scale, and margin improvement.*

Figure 4.1: Cost structure of D2C brands at different revenue stages



Source: State of D2C in India: A Logistics Update, Redseer Strategy Consultants, May 2024. COGS – Cost of Goods Sold
Note: The share of costs across various D2C operations is indicative.

Table 4.1: D2C focused logistics capabilities

Service	Offering	Advantages	Challenges	Key Players	Key Brands
Third-party logistics (3PL) providers	Integrated supply chain solutions, can combine multiple 3PLs to ensure wider coverage	Cost reduction, flexibility during peaks, and improved delivery reliability leading to higher customer retention and optimised last-mile solutions, allowing brands to focus on core business	Inconsistent service quality in rural areas, high logistics costs	Delhivery, Shiprocket, Xpreesbees, Shadowfax, Blue Dart, Ecom Express	Nykaa, Lenskart, Mamaearth, The Souled Store, FirstCry
Same-day / next-day / hyperlocal	Faster deliveries	Zonal / proximity based warehouses enable same-day / next-day delivery in metros while facilitating last-mile deliveries in diverse geographies	Limited reach in rural areas, high logistics costs, inventory and operational complexities, and weather disruptions	Zippee, JustDeliveries, Shiprocket, Prozo	Myntra MNow, Nykaa Now
Outsourcing customer-centric services	Seamless reverse logistics, customer support	Hassle-free returns, real-time tracking, add-ons such as customised packaging or installation (e.g. for home appliances)	Scaling complexities, high costs, rider shortages	Zendesk, Zohodesk, AAJ supply management	Nykaa, boAt

Source: CBRE Research, Q3 2025; State of D2C in India: A Logistics Update, Redseer Strategy Consultants, May 2024

Note: Logistics strategy is not unique to any single brand, as most rely on a combination of 3PL partners. These individual partnerships are dynamic, depending heavily on factors such as the brand category, desired service level (e.g., quick / next-day / same-day delivery), distribution network complexity, and target geographies.

Key Recommendations for Developers and Landlords

India's digital-first brands, spearheaded by a new generation of entrepreneurs, are redefining consumer engagement through innovation, convenience, and digital agility. Recognising the value of offline experiences, these brands view retail spaces as crucial enablers for their next phase of growth. For developers, integrating D2C brands into a curated tenant mix is no longer a luxury but a strategic necessity. These brands not only attract discerning shoppers and drive immersive brand experiences but also help differentiate a mall in a competitive market. However, identifying the right D2C partner requires a fresh approach that transcends traditional retail metrics.

Evaluate digital performance & brand strength

A brand's online success is a powerful indicator of its ability to drive foot traffic and build a loyal community in a physical store.

- Strong social media engagement and a large following that translates to in-store interest.
- Positive online reviews and a compelling brand story that signals quality and a strong reputation.
- Robust website traffic and high conversion data that indicate a customer base that is ready to engage with a physical store.

Prioritise brands with a proven omnichannel strategy

Choosing brands that have a clear plan for integrating their online and offline presence creates a seamless, modern shopping experience.

- Tech-enabled in-store experiences, such as augmented reality (AR) mirrors or digital product displays, to enhance customer journey.
- Seamless click and collect services that drive footfall and encourage customer exploration.
- Unified customer data that allows for personalised experiences and optimised retail strategy.

Strategise location and format within the mall

By strategically placing D2C brands, developers can create dynamic retail zones that attract a new generation of shoppers and increase dwell time.

- Temporary pop-up stores and kiosks that allow emerging brands to test the market and build buzz.
- Curated thematic zones that group complementary D2C brands to create a discovery destination.
- Prime placement of high-performing D2C brands within investment grade malls to turn them into anchor tenants for digital-native buyers or within underperforming malls to drive foot traffic.

Foster Collaborative Growth Opportunities

Partnering with D2C brands goes beyond a traditional landlord-tenant relationship; it's about creating a mutual ecosystem for growth and innovation.

- Collaborative co-branded marketing campaigns to cross-promote new store openings and special events.
- Unique in-store events that generate excitement and draw crowds to the mall.
- Share data insights to help both the mall and the brand optimise their strategies for a better return on investment.

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