OUTLOOK BUSINESS
March 2026
THINK BEYOND. STAY AHEAD.

New Way of Doing E-commerce in India: The Shiprocket Model

This Feature is curated by the Brand Team of Outlook Publishing India Pvt. Ltd.

Research Methodology

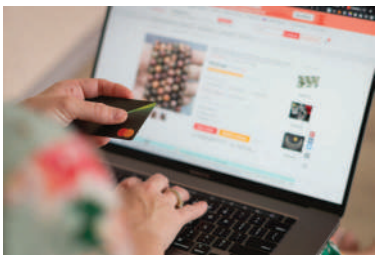
This independent research report draws on our firm's two decades of continuous sectoral coverage in Indian e-commerce and logistics infrastructure, synthesising data from audited financial filings, public market disclosures, and comprehensive industry benchmarking databases.

Primary source analysis encompassed consolidated financial statements, RHP/DRHP metrics, peer group operating ratios (revenue per shipment, take-rate evolution, asset turnover), and disclosed unit economics across core logistics and adjacent services. Secondary inputs included leading market intelligence reports on GMV penetration, courier network economics, COD/RTO incidence rates, and MSME digital commerce adoption patterns across Tier 2/3 markets.

Competitive positioning was assessed through cross-verified public metrics, platform GMV share, merchant retention proxies, contribution margin expansion, and capital efficiency ratios, benchmarked against listed incumbents and marketplace logistics offshoots. All data points underwent multi-source triangulation and sanity checks against macroeconomic retail trends to deliver a rigorous, unbiased fact-base on operating model durability, scale economics, and public market preparedness.

Table of contents

The Shiprocket Model: Commerce Infrastructure Beyond Logistics



Running an online business requires coordinating logistics networks, payment flows, fulfilment decisions, and post-order management. Merchants can either build these capabilities independently / use individual partners for each need, or route transactions through a platform that orchestrates them. Shiprocket has structured itself around the latter approach, positioning itself between merchants and the operational systems required for digital commerce. Rather than functioning as a point solution, it operates as an execution layer that coordinates workflows across channels.

The Two Models of Digital Commerce

Globally, digital commerce has evolved through two operating models. The first is the marketplace model, in which discovery, payments, logistics, and trust are centralised on a single platform. Amazon in the United States, Alibaba in China, and Flipkart in India represent this approach.

The second is independent commerce, where merchants sell through their own channels while relying on shared infrastructure providers for payments, logistics, and customer engagement. Platforms such as Shopify in the United States and commerce ecosystems like WeChat in China enabled this model.

Over time, both approaches began to coexist. Marketplaces solved discovery and trust at scale, while independent commerce gave merchants control over margins, branding, and customer relationships. Infrastructure providers emerged to support the execution as independent commerce expanded.

Shopify's evolution reflects this shift. The company began as a storefront software for small merchants but expanded into payments, shipping integrations, lending, and fulfilment. Today, most of Shopify's revenue comes from merchant services rather than storefront subscriptions.

This transition occurred alongside strong category growth. Shopify's estimated US GMV expanded from $5.4B to $238B between 2015 and 2025, while US ecommerce grew from $342B to $1.17T. India's e-commerce growth has followed a similar trajectory, though under more complex structural conditions. In India, e-commerce has grown from $38B to $70B between 2021 and 2025, with Shiprocket GMV expanding from $0.8B to $3.2B, and platform share increasing from 2.1% to 4.6%.

India's Fulfilment Challenge

Indian e-commerce developed in a low-trust environment shaped by Cash on Delivery, Return-to-Origin risk, and fragmented logistics coverage. For many MSMEs, the central challenge is not storefront creation but reliable fulfilment and predictable cash flow.

Shiprocket emerged to address this gap. Founded in 2012 as Kartrocket, the company pivoted by 2017 toward fulfilment orchestration after recognising that Indian merchants faced execution constraints rather than storefront constraints. In India's fragmented commerce environment, order fulfilment coordination became the entry point for independent commerce infrastructure.

Shiprocket's trajectory reflects a similar infrastructure-platform arc adapted to India's commerce environment.

This pivot from storefront software to execution infrastructure fundamentally redefined Shiprocket's role in the commerce ecosystem. To understand that role clearly, it's important to distinguish between aggregation and orchestration in logistics.

Aggregator vs Orchestrator: The Competitive Dynamics with Couriers

The market sometimes views Shiprocket's core segment as a "Logistics Aggregator." This misses out on a key distinction. An Aggregator is a passive layer. It simply lists options, e.g. Goibibo is an aggregator. It shows you flights from Air India and IndiGo. You pick one. Goibibo handles the booking, but if the flight is delayed, it can't do much about it. An Orchestrator is an active layer. It makes decisions and intervenes.

And that's what Shiprocket does.

Logistics is not a zero-sum game. Shiprocket and Couriers play different sports.

1. Asset-Heavy vs. Asset-Light

Courier (Like Blue Dart, Shadowfax, etc.): The business of Atoms. They own planes, trucks, and hubs. Their goal is Utilisation (filling the truck). They struggle with sales efficiency for small merchants (CAC is too high to acquire a seller who does five orders a day).

Shiprocket: The business of Bits. They own data, APIs, and the customer interface. Their goal is Orchestration. They aggregate the "Long Tail" that couriers cannot profitably serve directly.

2. The Aggregation of Chaos

Logistics networks are not built for fragmentation. A pickup from a random apartment in a Tier-3 city is expensive for a courier to manage individually.

Shiprocket acts as a "Pre-Sorting Mechanism."

· It aggregates 200,000+ active small sellers.

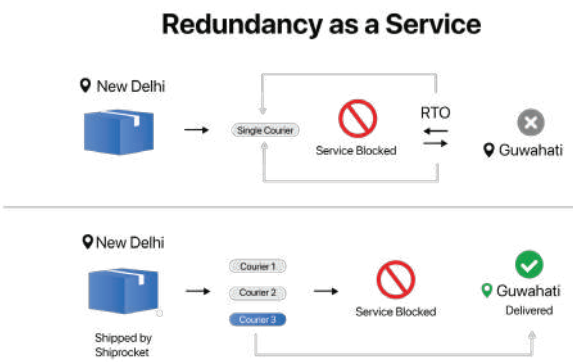
· It standardises the labels, the manifest, and the data.

· It hands over "Clean Volume" to the courier.

This puts Couriers and Shiprocket in a symbiotic relationship where couriers need Shiprocket to access the market profitably, and Shiprocket needs couriers for fulfilmet.

3. Redundancy as a Service

Merchants demand redundancy. A D2C brand cannot rely on a single courier.



While couriers own hubs, Shiprocket provides "Redundancy-as-an-Outcome." A courier is a single point of failure, whereas Shiprocket is a self-healing network of neutrals.

4. The "Wholesale" benefit

Because Shiprocket acts like the largest single customer for most couriers (shipping 180M+ annualised orders), it commands Wholesale Pricing Power. A small merchant going direct to a courier will get a "Retail Rate." Shiprocket passes on a portion of its bulk discount, making it more affordable for a small merchant to use Shiprocket than to go direct.

Particulars	Shiprocket	Traditional Courier
Merchant Lens :		
Multiple Courier Options	Yes	No
Plug and Play Software	Yes. Designed for SMB's of India	Focused on Enterprise clients. Difficult for SMB's to use
Multiple Offerings	Multiple add-on offerings like Checkout, Marketing, and Payments	Typically focused on logistics only
Data Driven Decision Making	Extensive dashboards, automated reconciliation, COD handling, and customised reports	Legacy systems with not much optionality
Business Model :		
Investments Requirements	Tech and Product	High Capex Requirements
Tech-Integrations Tech -Backend	Deep integrations with >250 partners. End-to-end ecosystem Fetch catalogues, thereby improving inventory and decision-making Optimisation across the nodes across the service providers (Radar)	Tech only focused on logistics and transport management systems Nodes optimisation on its own network
Merchant Concentration	Diversified Revenue	High marketplaces exposure

*Primary Research and UDRHP

Merchant Economics: Before vs. After Shiprocket

Metric	Direct Courier Model	Shiprocket Platform	Economic Impact
Shipping Cost	High (Retail Rate)	Low (Wholesale Rate)	**10–15%** Cost Savings
RTO Rate	~30% (Blind)	~20–22% (Data-Led)	**8–10%** Margin Recapture
Cash Cycle	10–15 Days	2 Days (Early COD)	**7× Faster** Capital Rotation
Dispute Recovery	<10% Win Rate	80% Win Rate	**Plugged** Leakage
Conversion	Standard	High (Pre-filled Data)	**15%** Revenue Uplift

*Basis primary research – Merchant survey

FY25 (Inr Mn)	Shiprocket	Delhivery	Shadowfax
Revenue	16,320	89,319	24,851.0
Gross Block (Tangibles)	563.6	26,029.0	1,839.2
Gross Asset Turnover	28.7	3.8	15.6
Permanent Employees	1,270.0	23,536.0	3,381
Revenue/ Permanent Employee	12.9	3.8	7.35

*Based on published numbers

The top three courier companies are now listed in India; another two are marketplace offshoots and externalised. In addition, India Post is undergoing a massive government thrust towards e-commerce digitisation. Interestingly, all the Meesho's nodes (and smaller couriers) are also separate logistics providers available as independent service providers.

A quick comparison with a couple of listed couriers on financial metrics can help understand the difference in the financial model of a courier vs Shiprocket:

Shiprocket has naturally evolved from a logistics interface into a coordination layer that manages execution across the merchant lifecycle. This role has expanded beyond shipping into a broader commerce infrastructure platform.

Outcome-as-a-Service: The Emergence of a Commerce Operating Layer

The evolution of a brand like Shiprocket reflects a broader shift in how commerce infrastructure is being built in India. What began as a logistics orchestration interface has gradually expanded into a coordination layer across the execution side of digital commerce.

For merchants, the platform is less about individual tools and more about operational outcomes. The value lies in improving order conversion, reducing fulfilment costs, accelerating cash cycles, and mitigating transactional risk across fragmented commerce channels. Over time, the platform's role has moved from connecting merchants to courier networks toward coordinating multiple execution systems through a unified workflow.

The Operating Stack

Today, this platform spans several interconnected layers of merchant execution.

- **Acquire** (Engage) focuses on marketing automation and retention infrastructure, including WhatsApp-based engagement tools that enable merchants to communicate directly with customers.
- **Convert** (Checkout) introduces identity-backed checkout systems designed to improve prepaid adoption and reduce failed deliveries.
- **Fulfil** (Core Shipping) remains the foundation of the platform, coordinating multi-carrier logistics across national and regional courier networks.

- **Store** (Warehousing) extends fulfilment capability through a distributed warehousing infrastructure that enables faster delivery across regions.
- **Finance** (Capital) builds on transaction data to enable revenue-linked financial services for merchants.

Viewed independently, each layer resembles a specialised service; together, they function as a coordinated execution stack. Shared transaction data, workflow integration, and lifecycle visibility allow these components to reinforce one another. This integration is visible in merchant adoption patterns. Today, 52%+ of Shiprocket's Power merchants (>100 monthly transactions) use 3 or more products, indicating that the platform is increasingly being used as a workflow system rather than a single-product utility.

Operational Integration and Workflow Dependency

As merchants scale, Shiprocket becomes embedded in day-to-day operational workflows. Order routing, payment reconciliation, logistics decisions, and customer-experience infrastructure begin to run through the same system. The resulting dependence is operational rather than contractual. Switching platforms would require rebuilding execution workflows rather than simply replacing a vendor.

This integration reduces the execution gap between small merchants and larger enterprises. Capabilities such as multi-carrier optimisation, early COD settlement, and fulfilment intelligence are now accessible to merchants shipping only a handful of orders per day.

Revenue Expansion Through Merchant Maturity

The economic implications follow naturally. Revenue expansion does not rely on a single product category. Instead, monetisation grows alongside merchant maturity, as additional execution layers become part of the workflow. This shift is reflected in the revenue composition, where Shiprocket's Emerging businesses (excluding Core Shipping, as mentioned in their DRHP) now contribute 25% of total revenue, demonstrating the platform's gradual expansion beyond logistics orchestration.

In this sense, Shiprocket increasingly functions as an operating layer for independent commerce in India. As merchants embed the platform into their workflows, monetisation expands beyond shipping into adjacent execution services across the commerce lifecycle.

The Core Economic Engine: The "Layer Cake"

Shiprocket's monetisation model reflects the platform's structure. Rather than operating as a single-product business, the company generates value across multiple layers of merchant activity. The "Layer Cake" framework helps explain how distribution, data, and services combine into a single economic system.

The Base Layer: Logistics Distribution

Shipping functions as both the customer-acquisition wedge and the operational backbone of the platform. Shiprocket purchases shipping capacity from courier networks at wholesale rates and resells it to merchants at a modest markup. For example, a shipment procured at roughly ₹40 may be priced to merchants at around ₹45. The economics of this layer are defined by scale rather than margin.

This distribution layer operates at high volume and relatively low margin, delivering approximately 12% EBITDA while covering operational costs and bringing merchants onto the platform. Its primary role is to establish workflow integration and transaction visibility.

The Service Layer: Software and Data Margin

These services include Early COD, RTO protection, checkout infrastructure, marketing tools, and merchant lending products. Unlike shipping distribution, these offerings rely on software, data intelligence, and and risk underwriting rather than physical capacity. As a result, they operate at significantly higher margins, with contribution margins for shipping-adjacent applications reaching 90%+.

Once merchants run their order workflows through the platform, these services become natural extensions of execution, and the economics shift from distribution margin to software and data margin.

Negative Data Acquisition Cost

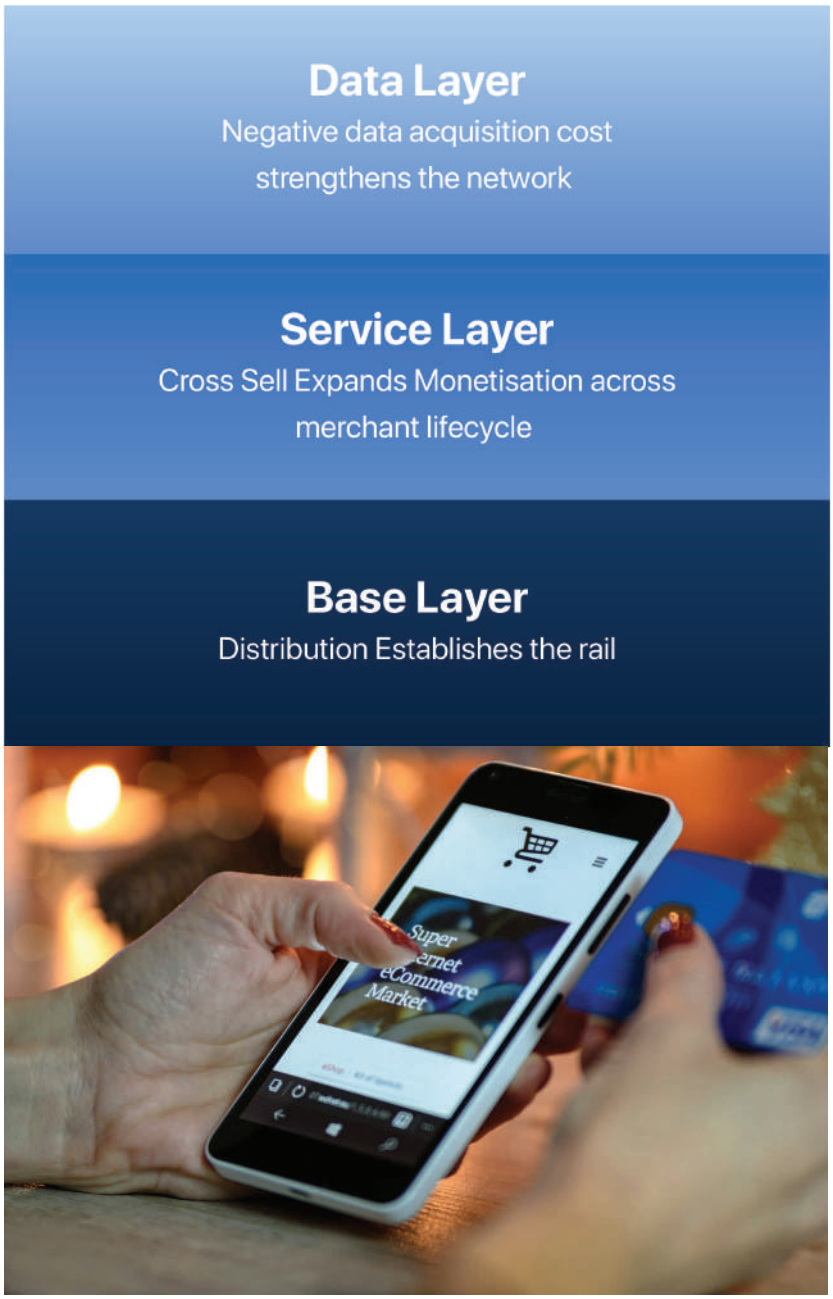
A critical enabler of this structure is what can be described as negative data acquisition cost.

Shiprocket provides core workflow utilities such as dashboards, order management systems, and channel integrations without subscription fees. This reduces friction for merchant adoption while ensuring that

transaction workflows run through the platform. As merchants integrate their operations, Shiprocket gains visibility into shipment outcomes, payment behaviour, returns, and customer activity without incremental acquisition cost.

This transaction-level intelligence becomes the foundation for higher-margin services that depend on predictive logistics, risk scoring, and merchant lifecycle insights.

In this way, the platform's economic model mirrors its operational structure. Distribution establishes the rail, data strengthens the network, and services expand monetisation across the merchant lifecycle.



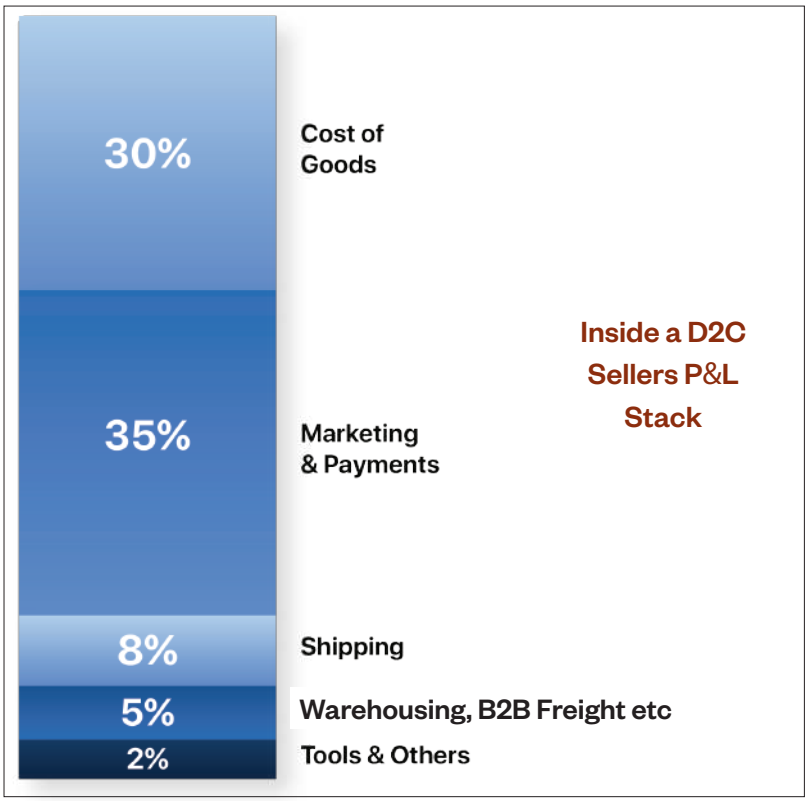
Financial Profile: Efficiency and ROCE

The financial profile that emerges from this model differs structurally from that of traditional logistics operators. Shiprocket's economics resemble those of an asset-light execution platform built on transaction flows.

Operating Leverage and Take-Rate Expansion

The company has been profitable at the core business level since FY22, supported by consumption-based pricing that aligns revenue with merchant shipment volumes.
This model ensures that growth in platform usage translates directly into revenue expansion.

Operating leverage improves as transaction volume increases. Fixed platform costs are spread across a growing shipment base, while contribution margins expand through cross-sell of value-added services. Over time, this allows Shiprocket to capture a larger share of merchant operating spend. This shift is visible in platform economics. Contribution margin as a percentage of Revenue from Operations has expanded from 13.77% in FY23 to 18.77% in FY25, reflecting the growing share of software, financial services, and data-driven products in the revenue mix.
This dynamic is also visible in take-rate expansion. Merchants typically begin by spending roughly 8% of GMV on shipping, but as they adopt operational tools, payments infrastructure, and marketing capabilities, the addressable wallet expands to 40%+ of GMV.
Shiprocket's take rate has increased from approximately 5.5% in 2023 to around 6.8% in FY26, with 31% of Power Merchants (>100 monthly transactions) using both core and emerging products.



Asset-Light Structure and Capital Efficiency

The platform remains structurally asset-light. Shiprocket does not own trucks or aircraft; instead, it relies on partner logistics networks and leased infrastructure. This results in stronger ROCE and asset turnover than traditional logistics companies operating capital-intensive networks. Working capital dynamics further reinforce platform integration. By enabling T+2 COD remittances to merchants while collecting funds later from courier partners, Shiprocket positions itself within the merchant cash-flow cycle. This clearing-house function strengthens retention while supporting monetisation.

Taken together, these characteristics create a financial model driven by operating leverage, merchant lifecycle expansion, and capital efficiency. The platform monetises execution outcomes rather than individual software inputs, creating resilience against price competition in logistics distribution.

These financial characteristics are closely tied to the structural problem Shiprocket addresses in Indian commerce: the cost of transactional trust.

Trust Infra: Solving For The Trust Deficit in Indian E-commerce

Nowhere is this trust deficit more visible than in India's continued dependence on Cash on Delivery. India built UPI, one of the most advanced real-time payment infrastructures in the world. Yet, in 2026, 60% to 70% of orders for a typical D2C brand or independent merchant are still COD. COD persists not as a payment preference but as a workaround for trust.

In low-trust retail environments, consumers are reluctant to part with liquidity before receiving the product. COD becomes a behavioural insurance mechanism rather than a payment choice.

This trust deficit is one of the most expensive structural inefficiencies in Indian commerce. Its economic impact is most visible in Return to Origin (RTO). Prepaid transactions typically have 5–8% RTO, while COD transactions can have 20–40% RTO, significantly increasing fulfilment costs.

Consider the unit economics of a "Failed Trust" event: A merchant ships a pair of shoes worth ₹1,000.

- Forward Shipping: ₹60
- Marketing (CAC): ₹300
- Packaging: ₹20

If delivery fails, reverse logistics incurs an additional ₹60 or more, while inventory remains blocked for 14–20 days, often with the added risk of damage or liquidation. These costs are eventually absorbed into product pricing, indirectly raising prices for consumers.

For years, merchants attempted to reduce COD usage through discounts or incentives for prepaid orders. Adoption remained limited because pricing incentives alone could not address trust concerns.

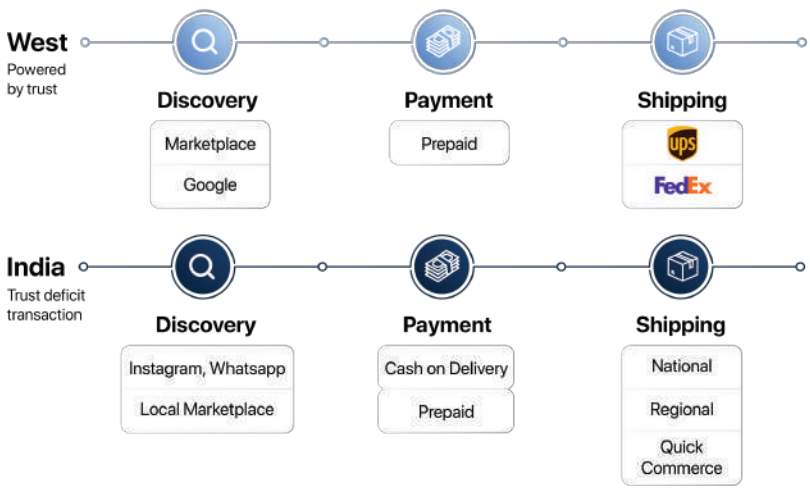
In practice, trust infrastructure begins to influence transaction behaviour when checkout decisions are informed by delivery and shopper intelligence. For example, after implementing Shiprocket's checkout and risk-scoring infrastructure, Blackberrys saw prepaid orders grow by 18% and conversion rates increase by 27%, improving both operational efficiency and online sales performance.

Trust in distributed commerce increasingly depends on data infrastructure. Because Shiprocket operates across 200,000+ merchants and processes 180M+ annualised shipments, it can observe behavioural patterns across transactions, addresses, and delivery outcomes. This network-level visibility enables risk assessment that individual merchants cannot build independently.

- If Rahul orders a watch from a new site, Shiprocket can whisper to the merchant: "Rahul is a 5-star shopper on our network. He accepts 95% of his COD orders. Ship this immediately."
- Conversely, if a user flags high-risk behaviours, Shiprocket can intervene at the checkout: "This user has a high RTO history. Disable COD for this transaction. Force prepaid or add a shipping fee."

Marketplaces historically built trust through ownership and standardisation of inventory and fulfilment. That model does not easily scale to India's 63 million MSMEs, many of which operate through distributed supply chains. They need to sell from their own shops, godowns, and homes.

An alternative approach is emerging, where trust is coordinated through data rather than centralised through inventory ownership. Merchant performance data, address intelligence, and delivery outcomes together form a distributed trust layer across independent commerce.



Two capabilities illustrate this shift.

1. The Merchant Trust Score

Merchant performance aggregation enables reliability scoring across fulfilment behaviour, dispute resolution, and refund timelines. This allows trust signals to exist outside marketplaces.

2. Shopper Intelligence

- Is this address deliverable?.
- Is this phone number legitimate?
- Does this user have a history of high RTOs?

Network-level shopper intelligence enables validation of addresses, phone numbers, and delivery history, helping merchants manage COD risk more effectively.

In this model, trust becomes part of the execution infrastructure of commerce rather than a feature of a single platform.

As distributed commerce expands across India, trust infrastructure becomes a prerequisite for participation rather than a competitive advantage. At the same time, the diversity of Indian merchants requires infrastructure that can adapt to different operating models and maturity levels.

The Merchant Archetypes: Monetising the Long-Tail Fragmentation

With over 165,231 active merchants, Shiprocket reflects the structural fragmentation of Indian commerce. We can categorise them into four distinct archetypes, each with different pain points:

1. Digital-Native Brands

- Who they are: Brands like Mamaearth, Boat, The Man Company, or younger upstarts. They are digital-natives. They have venture capital or strong family backing.
- Their Need: They need performance. They care about "Delivery Speed," "Brand Experience," and "Data Analytics." Shiprocket's role in this segment is orchestration intelligence, including carrier optimisation, RTO management, and workflow coordination across fulfilment and checkout systems.

2. Social and Micro-Entrepreneur sellers

- Who they are: Stay-at-home moms selling baked goods, college students flipping sneakers, or boutique designers selling via Instagram DMs and WhatsApp statuses.
- Their Need: They need simplicity. They don't have a website. They don't have a warehouse. Their "inventory" is in their bedroom. They are terrified of complexity.
- For this group, Shiprocket functions as an execution utility that reduces friction in order fulfilment and customer delivery.

3. Manufacturing MSMEs transitioning to direct commerce

- Who they are: The shirt maker in Tirupur or the shoe maker in Agra. Historically, they were B2B suppliers to big brands. Now, they see the margin opportunity in going B2C.
- Their Need: They need reach. They know how to make a product, but they have no idea how to ship a single packet to a customer in Mizoram. They are operationally heavy but digitally light.
- Shiprocket enables these merchants to translate bulk production capacity into unit-level fulfilment across the country.

4. Offline Retailers

- Who they are: The local mobile shop or saree showroom. They are witnessing a decline in footfall and are desperate to "go online" to survive.
- Their Need: They need survival. They are sceptical of technology because they have been burned by aggregators (marketplaces) that discounted their inventory.
- Shiprocket acts as their neutral ally, helping them deliver to their customers 5km away.

Serving these segments simultaneously requires infrastructure that can adapt to different levels of merchant sophistication. Larger brands may require API-level integrations and workflow automation, while smaller sellers rely on simplified mobile-first interfaces. The platform must function both as operational infrastructure for enterprise merchants and as a utility layer for first-time online sellers.

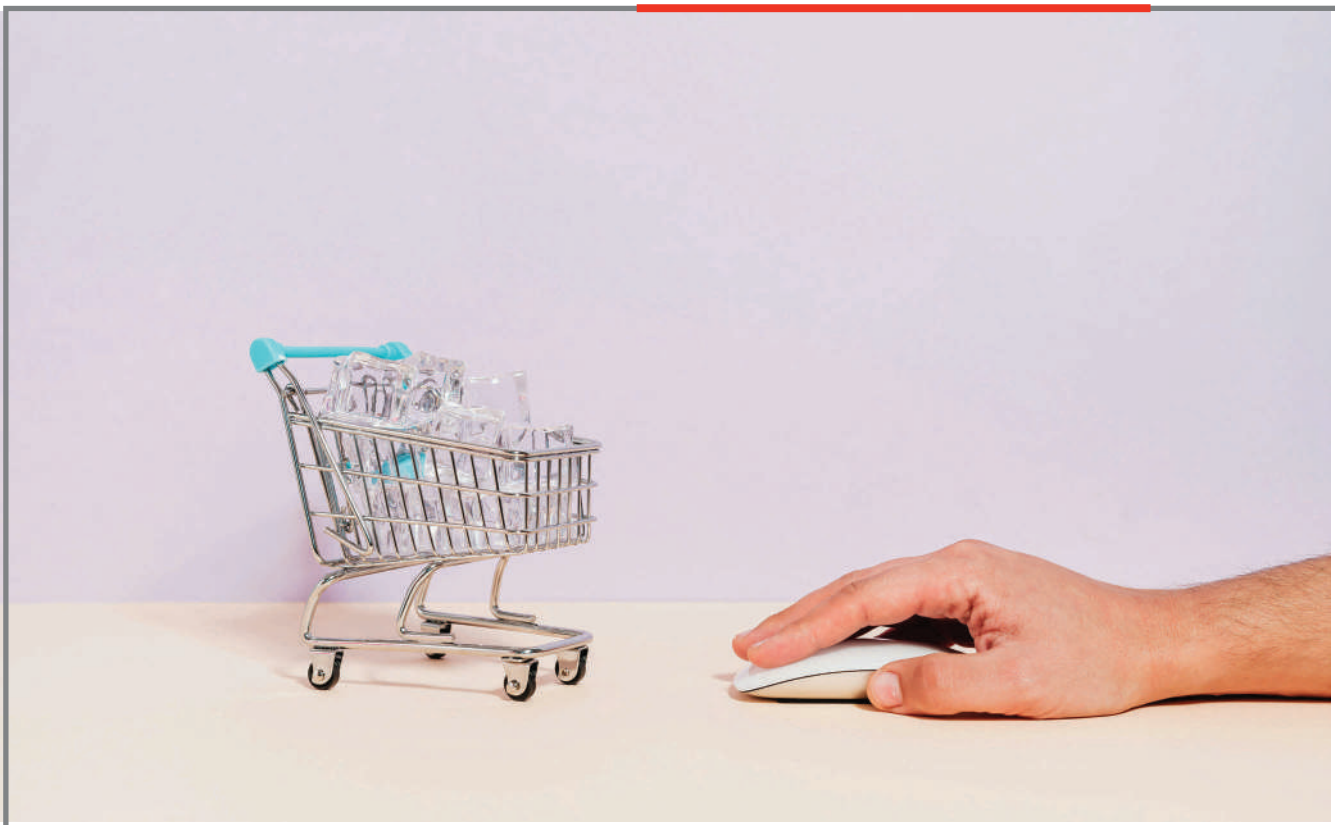
This diversity is visible on a platform scale. As of FY25, Shiprocket supports approximately:

- 165,231 active merchants
- 250+ ecosystem partners
- 164.35 million annual transactions

The platform is designed so that as merchants grow, their unit pricing across their offerings decreases, making them more competitive in the market. At the same time, merchant concentration remains low, with the largest customer accounting for roughly 3% of total revenue, strengthening negotiating leverage with logistics partners.

Shiprocket's open architecture also allows merchants to choose service providers across different parts of the transaction workflow. This flexibility reduces dependency on any single demand channel or logistics network. Together, these factors reduce incentives for merchants to leave the platform as they scale.

The diversity of merchant needs helps explain why no single marketplace or logistics model can effectively serve all segments of Indian commerce. Fragmentation at the merchant level requires a coordination infrastructure that can operate across multiple business models simultaneously.



The Meesho Question: Value vs Experience Economy

This becomes particularly clear when examining value-focused marketplaces like Meesho. A bear case could argue that a value marketplace like Meesho (and its logistics arm Valmo) will commoditise logistics. This analysis ignores Average Order Value (AOV) as a variable, thereby failing to account for an entirely different optimisation model.

The Divergence:

Meesho (The ₹300 Economy):

- Consumer: Buying unbranded commodities. Price is the only variable.
- Logistics (Valmo): Must cost ₹35/order. Surface transport. Low SLAs. No branded tracking.

Shiprocket (The ₹1,500 Economy):

- Consumer: Buying Brands (Boat, Snitch, Mamaearth). Trust and Experience are key.
- Logistics (Core): Costs ₹70-80/order. Air/Express transport. High SLAs. Branded experience.

If a ₹2,000 dress arrives in 7 days, torn and in a battered packet, the brand loses the customer. D2C is an Experience Economy, not just a cost economy.

Over time, these systems may become complementary. If value-focused logistics capacity becomes available outside marketplace ecosystems, it could function as a lower-cost carrier option within orchestration platforms for shipments where speed and experience are less critical. This implies Shiprocket may integrate that as a "Saver Mode" option for cheap shipments that require slower logistics and can afford to absorb some returns.

The coexistence of value and experience logistics reflects a larger structural reality in e-commerce: marketplaces and direct commerce are expanding in parallel, serving different merchant and consumer needs.

And, not Or: D2C along with the Marketplace model

The growth of independent commerce does not imply the decline of marketplaces. Instead, both models are expanding in parallel, serving different functions in the merchant lifecycle.

For most merchants, marketplaces remain the most efficient channel for discovery and scale.

Direct-to-consumer channels, by contrast, offer stronger margins, customer ownership, and brand control. As a result, successful merchants rarely choose between marketplaces and direct commerce. They operate across both.

Merchants are pragmatic. A healthy, scaling MSME will sell on Amazon (for discovery), Flipkart (for volume), Myntra (for fashion credibility), and its own website (for margins and brand building).

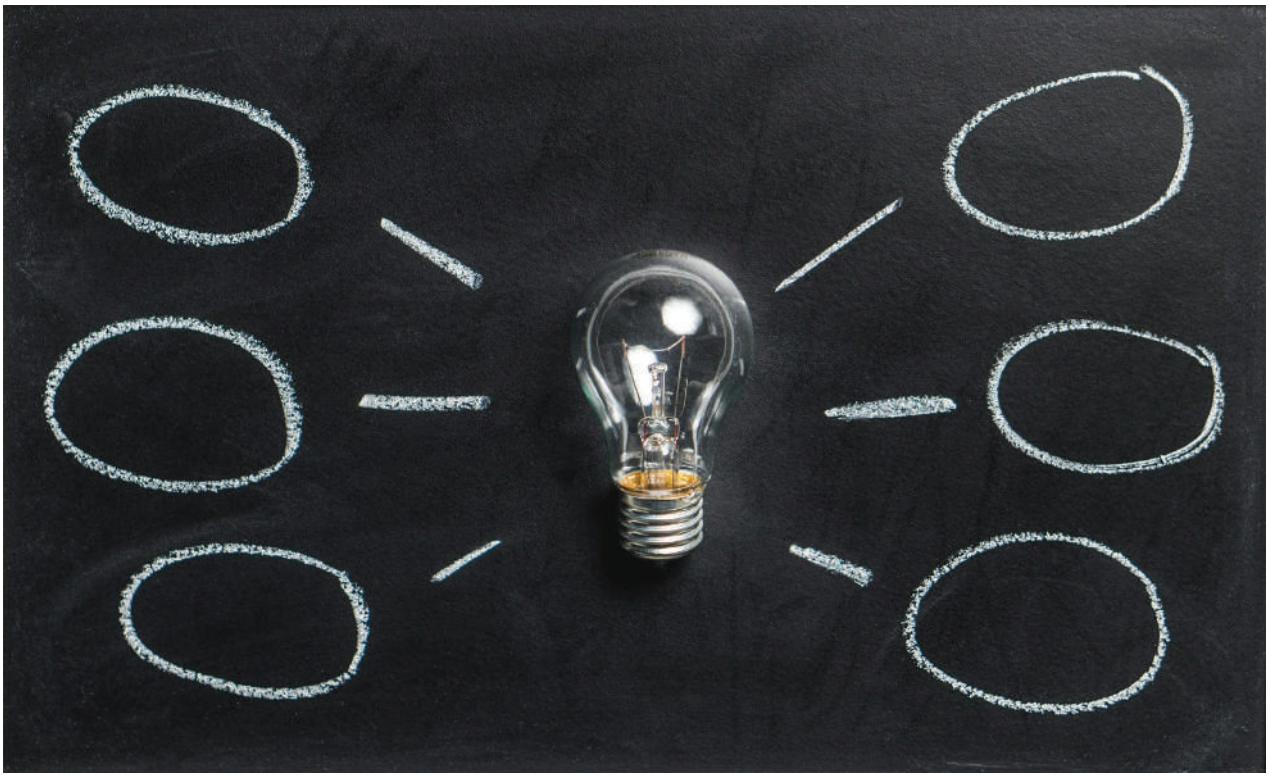
This multi-channel reality introduces operational complexity. Shiprocket's Infrastructure becomes essential in such an environment. Rather than competing with marketplaces, orchestration platforms like Shiprocket coordinate execution across them, allowing merchants to manage logistics, payments, and fulfilment through a unified workflow.

In a multi-channel commerce world, the entity that sits across transactions becomes the natural custodian of commerce data.

S.No	Particulars	Remarks
1	Indian E-commerce	**$70Bn,** dominated by marketplaces + Have stitched ecosystem and provides end-to-end services
2	Direct Commerce	**$14-15Bn** includes websites, social sellers and long tail marketplaces
3	What does a merchant lose when they sell on the Marketplace?	• No ownership of customer data • Little brand recall • High commissions • High CAC (Customer Acquisition cost) • Marketplaces' algorithms lead to poor product discovery • Risk of captive brands by marketplaces+ No control on customer experience
4	Is the experience the same for Merchants and their consumers when they sell on Marketplaces as when they sell directly?	No. Here are the challenges that Shiprocket tries to solve: • Broken Experience • Lack of an interconnected system • Operational Complexities • Additional time and capital required to manage multiple tools • Lack of consumer trust
5	Role of Shiprocket	• Unified Platform providing MP-like experience • It becomes the single neck to hold, for the merchant • Provides Deep integrations with >250 partners • Intuitive and simple interface made for SMB's of India • Provides data-driven insights

*Basis primary and secondary research

The Commerce Data Layer: Shopper and Transaction Intelligence



By operating across merchants, couriers, and transactions, Shiprocket has accumulated a large transaction intelligence layer within independent commerce. The platform now spans 140M+ shoppers, creating a proprietary shopper and transaction graph that improves execution across logistics, payments, and marketing workflows.

One application of this data is address intelligence. Indian addresses are often unstructured, and AI systems that convert them into geospatial coordinates help improve delivery accuracy and reduce address-related RTOs.

Another is voice-based workflow assistance, which allows merchants in smaller cities to manage logistics operations through regional-language commands, lowering barriers to technology adoption.

A more structural opportunity lies in advertising attribution. Digital ad platforms typically optimise for clicks or purchases but lack visibility into delivery outcomes. Because Shiprocket operates within fulfilment workflows, it can observe whether an order was successfully delivered or returned. Feeding these signals back into advertising systems through Conversion APIs improves campaign optimisation and attribution accuracy.

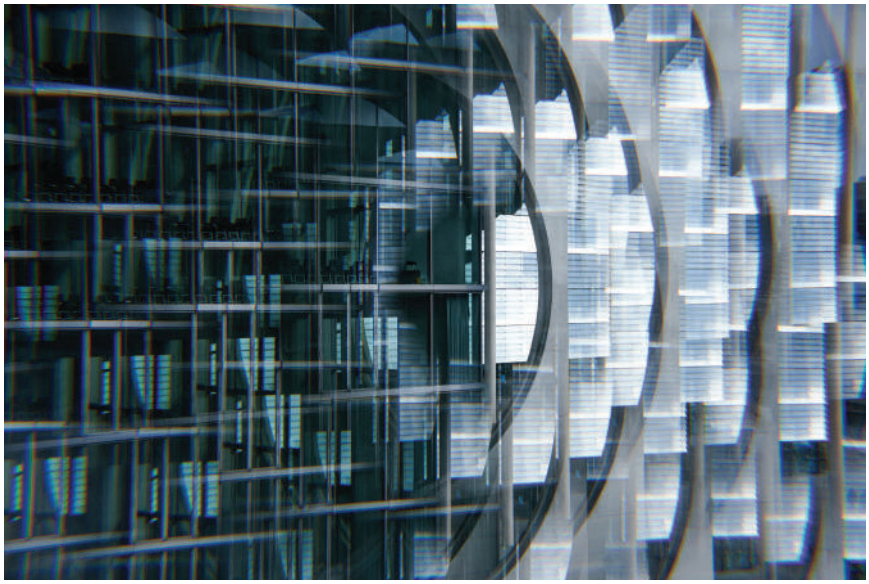
Products such as Shiprocket Audiences build on this capability by helping merchants target users with historically lower RTO behaviour.

As logistics, payments, marketing, and fulfilment workflows converge, transaction intelligence increasingly functions as shared infrastructure for commerce execution.

Deconstructing the Monolith

To understand where things are headed, it helps to step back and examine how e-commerce itself is evolving.
The first decade of Indian e-commerce was defined by centralisation: bringing standardised demand (urban, affluent) to standardised supply (branded electronics and fashion) through a standardised channel, the marketplace.

The next decade will be defined by decentralisation. It will be driven by the 60+ million MSMEs in India, who collectively contribute ~30% to GDP and employ over 110 million people, and by a consumer base that increasingly demands the trust of a marketplace combined with the intimacy of a local shop.
Despite fifteen years of expansion, Indian e-commerce penetration remains between 7% and 10% of total retail, compared to ~30% in China and ~20% in the United States. At the same time, India's internet user base has crossed 800 million, while the number of transacting ecommerce shoppers remains around ~250 million.
This gap reflects a structural reality: India is not a homogeneous retail market. It is a continent of heterogeneous bazaars. The next wave of e-commerce growth will come from India 2 and India 3 markets, where both supply and demand look fundamentally different from the urban marketplace-driven model.



Two structural limitations of the centralised marketplace model become visible here:

- Economics: A marketplace take rate of 25–30% (commissions, logistics, and ads combined) can destroy margins on low-AOV products, making the model unviable for many long-tail merchants.
- Discovery: Marketplace algorithms prioritise standardised, high-velocity SKUs, pushing long-tail merchants deep into search results and forcing them to spend heavily on advertising to remain visible.

This creates what can be described as the Retail Reality Gap: the next $100 billion in ecommerce value will not come from selling more premium electronics to urban consumers, but from digitising the fragmented long tail of Indian retail.

Three structural forces are converging to enable this shift:

1. Supply Pressure is increasing as MSMEs gain access to storefront tools such as Shopify and WooCommerce, discovery channels such as Instagram, and communication platforms such as WhatsApp. What historically remained missing was a reliable nationwide execution infrastructure.

2. Demand fragmentation is reshaping consumption patterns. The emerging "India 2" consumer is more localised and preference-driven, often favouring specialised merchants over centralised catalogues, particularly in categories where authenticity and curation matter.

3. Technology democratisation has unbundled the traditional marketplace stack into modular infrastructure layers across storefronts, marketing, payments, and logistics. Marketplaces built closed ecosystems that bundled these capabilities together, but distributed commerce requires coordination across independent systems.
In this environment, infrastructure that connects these layers becomes essential.
Quick commerce and ONDC reinforce this shift rather than disrupt it. Quick commerce introduces additional demand channels, while ONDC expands the open commerce ecosystem. Logistics orchestration remains necessary across both environments, including hyperlocal fulfilment and nationwide shipping.

Shiprocket operates within this execution layer, aggregating logistics networks, enabling fulfilment coordination, and supporting merchant workflows across channels.

If the first phase of Indian e-commerce was about aggregating consumers into marketplaces, the next phase is about enabling millions of merchants to operate independently on shared infrastructure. In that environment, logistics orchestration, transaction intelligence, checkout infrastructure, and fulfilment coordination become foundational rails for commerce.

The "Marketplace Model" centralised trust through ownership of inventory and supply chains. The emerging model distributes trust through data, execution reliability, and neutral infrastructure.

The future of Indian ecommerce may therefore be shaped less by a single dominant platform and more by a network of independent merchants operating on shared digital rails, where execution capability becomes a primary determinant of scale.

Merchant Acquisition Economics

Dimension	Shiprocket Approach
Acquisition Model	Digital-first, self-serve web & app journey
Top of Funnel	2.21M+ monthly unique visitors
Channel Mix	96.9% fully digital merchant acquisition
Organic Strength	45% signups driven organically
CAC Efficiency	Consistently declining CAC for the core business
Marketing Efficiency	<2% of core revenue spent on marketing
Scalability	Operating leverage improves with volume growth
Growth Flywhee	Merchant success → higher volumes → Shiprocket revenue growth
Future Expansion	Organic traffic, product-led growth, adjacencies, and strong retention

*Shiprocket UDRHP

Appendix

Shiprocket Numbers

(Amount in INR Mns)

S.No.	Metrics	FY23	FY24	FY25
	Core			
1	Revenue from Operations - Core Business	9,676	10,847	13,059
2	Contribution Margin - Core Business as a % of Revenue from Operations	16.0%	17.9%	21.1%
3	Adjusted EBITDA Margin - Core Business	0.1%	6.7%	12.0%
	Emerging			
1	Revenue from Operations - Emerging Business	1212	2313	3261
2	Contribution Margin - Emerging Business as a % of Revenue from Operations	-3.6%	1.5%	9.5%
3	Adjusted EBITDA Margin - Emerging Business	-172.6%	-86.5%	-46.0%
	Overall			
1	Revenue from Operations	10,888	13,160	16,320
2	Contribution Margin - As a % of Revenue from Operations	13.8%	15.0%	18.8%
3	Adjusted EBITDA Margin	-19.1%	-9.7%	0.4%

*Shiprocket UDRHP