



Confederation of Indian Industry

1 ONE MARKET, MANY TOUCHPOINTS.

THE RISE OF INDIA'S OMNICHANNEL RETAIL

September 2025



ONE MARKET,
MANY TOUCHPOINTS

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Director's Message



India stands at a transformative crossroads, exemplifying remarkable resilience and dynamism as it adeptly navigates the evolving post-pandemic landscape. The economy is poised to achieve a compound annual growth rate (CAGR) of 6.5% in the coming years, fueled by strong domestic consumption, policy-led incentives and robust investments in infrastructure. This momentum is mirrored in the real estate sector, which currently contributes 7% to GDP and stands as the nation's second-largest employer. The sector's footprint is set to expand further, reaching 15% of GDP by 2030, driven by sustainability initiatives, technological advancement and increased investment activity.

Within this dynamic backdrop, the Indian retail sector embodies the very essence of omnichannel evolution seamlessly integrating diverse touchpoints to meet changing consumer demands across urban and rural markets. In 2025, retail contributes over 10% to the national GDP and employs nearly 8% of the workforce, showcasing its critical socio-economic role. Having reached a market size of USD 1 trillion in 2024, the sector is forecasted to nearly double to USD 2 trillion by 2030. Despite the dominance of traditional brick-and-mortar stores, which represent approximately 80% of the current retail market, the future landscape is set to be defined by an accelerated shift towards organized retail formats. This shift is underpinned by rising disposable incomes, growing consumer preference for branded products and the expansion of modern retail infrastructure including malls, mixed-use developments and airport retail hubs. These developments collectively position the organized retail industry for significant growth.

At the heart of India's retail revolution is the strategic adoption of advanced technologies that are driving omnichannel success. The industry is rapidly integrating AI, automation and digital payment systems to enhance operational efficiencies and deliver enriched customer experiences. Cutting-edge innovations such as automated demand forecasting, voice and WhatsApp commerce and virtual try-ons within the fashion direct-to-consumer (D2C) segment are redefining how consumers engage with brands. Traditional retailers are evolving by incorporating mobile apps, inventory tools and AI-driven personalized interactions to create seamless, frictionless physical-digital ("phygital") journeys that captivate today's connected consumer.



Khurshed Gandhi

Managing Director -
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E-commerce remains a pivotal pillar of the omnichannel ecosystem, broadening market access beyond conventional storefronts and empowered by digital platforms that penetrate Tier 2 & 3 cities and rural areas. This channel enhances consumer convenience, competitive pricing and product variety across categories including groceries, electronics, fashion and personal care. Furthermore, it accelerates the adoption of technologies such as digital payments, AI-powered personalization and advanced logistics, transforming the retail experience into a faster, more efficient and highly personalized journey.

This report provides an in-depth exploration of India's omnichannel retail landscape, showcasing the powerful interplay of physical and digital channels that define the sector's growth trajectory. This analysis equips retail stakeholders with the insights necessary to thrive in a future where interconnected, technology-enabled experiences shape a sustainable and inclusive retail economy.



Foreword by the Chairman

In an era where consumer behaviour is rapidly evolving, omnichannel retail has emerged as a defining force in the Bharat growth story. The Report titled “One Market, Many Touchpoints: The Rise of India’s Omnichannel Retail” explores how new age digital first, omnichannel retail models are transforming customer experiences, redefining market strategies, and unlocking unprecedented economic potential across three key dimensions.

The report explores how omnichannel retail is a Strategic Pillar of modern retail and examines its evolving role from a sales channel to an ecosystem that influences consumer trust, brand value, and economic inclusion. The report delves into the Trends & Challenges in the Indian retail and e-commerce story, where rapid growth in e-commerce from USD 60 billion in 2024 to a projected USD 170 to 190 billion by 2030 is shaping consumer aspirations and experience. Finally, the report identifies Emerging Imperatives that demand immediate attention: building resilient infrastructure, scaling quick commerce which already fulfils two thirds of e-grocery orders, and empowering Tier 3 and Tier 4 markets where the demand for value fashion and general merchandise are surging.

It gives us immense pleasure to present this report at the 4th Edition of the CII Retail & Omnichannel Summit, themed “Retail’s \$3 Trillion Opportunity: Reimagining Growth for Bharat.” This initiative also introduces a dedicated Franchise Partnership Programme, designed to connect established brands with aspiring entrepreneurs and regional retailers.

As we stand at this inflection point, this document serves not just as a knowledge resource but as a call to action. Together, we must ensure that India’s retail transformation is future ready, inclusive, and transformative, unlocking growth for businesses while enriching the lives of consumers across Bharat.



Dr. Ravi Gandhi

Chairman, CII NR Committee on Retail &
FMCG and President & Chief of
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Reliance Retail & Reliance Jio Infocom Ltd.

EXECUTIVE SUMMARY

India's retail sector is rapidly transforming into an integrated omnichannel ecosystem where online and offline channels merge seamlessly. The market is projected to reach USD 2 trillion by 2033, growing at a CAGR of 9-10%. This growth is fueled by an expanding, digitally savvy middle class, rising penetration in Tier 2 and Tier 3 cities, and government initiatives like ONDC (Open Network for Digital Commerce) and Digital India promoting inclusivity and widespread digital payments adoption.

Key growth drivers include smartphone usage exceeding 75%, UPI dominating over 80% of digital payments, unified commerce platforms linking inventory and pricing, and innovations in last-mile logistics such as micro-fulfilment centers and same-day delivery services. Retail real estate is evolving with technology-enabled, flexible mixed-use spaces supporting experiential retail, micro-warehousing, and optimized supply chains.

Omnichannel strategies such as BOPIS, social commerce, live video shopping, and regionally localized technology foster strong customer engagement and loyalty, complemented by unified pricing and loyalty programs ensuring a seamless shopping experience across all touchpoints. While challenges around technology integration, inventory visibility, digital literacy beyond metros, and cost pressures persist, early adopters stand to gain significant market share and operational efficiencies.

Government support through digital literacy programs, payment regulations, consumer protections, and MSME assistance is a critical accelerant for this transition. Retailers, developers, investors, and tech providers who strategically invest in data integration, customer experience, and adaptable infrastructure are best poised for sustained, profitable growth.

For investors and real estate developers, significant opportunities exist in enabling infrastructure such as urban micro-fulfilment centers for rapid deliveries, scalable order-management systems, and advanced inventory-visibility platforms. Retailers, in turn, can strengthen competitiveness by reducing last-mile costs, modernizing legacy operations, building unified customer data platforms, complying with evolving regulations, and investing in skilled talent.

Collectively, these shifts are propelling India towards a customer-centric, technology-driven retail landscape where omnichannel commerce has become both a strategic necessity and a key driver of sustainable growth and profitability.

MARKET LANDSCAPE & KEY GROWTH DRIVERS

India's retail and e-commerce sector has entered a new era where the boundaries between offline and online channels are steadily dissolving. As the world's fourth-largest retail market, the sector contributes more than 10% to India's GDP and is projected to reach US\$ 2 trillion by 2030, growing at 9-10% annually.

Rising per capita incomes (USD 2,700 in 2024) and accelerating urbanization are driving retail expansion, underscoring a fundamental shift in consumer behaviour. Modern consumers increasingly expect an integrated shopping experience, whether browsing in physical stores, completing purchases online, or moving between the two channels without interruption. This seamless convergence is a defining feature of India's evolving retail landscape.

India's retail industry is moving decisively towards an omnichannel model where physical stores and digital platforms operate as a single, integrated ecosystem.

Omnichannel retail integrates all sales and marketing channels, both physical and digital to create a seamless unified and consistent shopping experience. It allows consumers to move fluidly between -



E-commerce websites & marketplaces



Mobile apps



Physical store



Social media platforms

Key Demand Drivers



The Rising Middle-Class

The Indian middle class has seen significant growth in the last 2 decades - from 14% of the population in 2004-05 to 31% in 2022 and is projected to reach 61% by 2047. This coupled with increasingly higher disposable incomes, has shifted consumption towards premium, branded and personalized products. This segment has become increasingly digitally native, using mobile apps, social media and digital wallets



Increased Consumption in Tier 2/3 and beyond

Higher disposable incomes and aspirational lifestyles in smaller cities are expanding the addressable market for organised and omnichannel retail. Active internet users in India reached 886 million in 2024, marking an 8% YoY growth. Comfort with online shopping is rising steadily, with nearly 20-25% of users already making digital purchases.



Digitally Empowered Consumers & changing consumer behaviour

With smartphone penetration exceeding 75% and low-cost data plans widely available, mobile devices have become the leading gateway for shopping, enabling effortless transition between digital and physical channels. Today's consumers prioritize convenience, speed, and personalized experiences. They seamlessly navigate between channels—researching online and purchasing in-store, or the opposite. Their expectations include a unified inventory view and hassle-free returns and refunds.



Unified Payments Infrastructure

UPI has democratized digital payments in India and now accounts for approx. 85% of all digital payments. This has enabled even small and rural retailers to participate in omnichannel commerce, expanding the reach of organized retail. UPI, digital wallets and Buy Now Pay Later (BNPL) solutions are driving Omnichannel Retail in India by providing seamless checkout across channels, be it offline, on a website or through a mobile app. This consistency reduces friction and improves conversion rates and average order value.



Government & Policy Support

100% FDI in single-brand retail, relaxed e-commerce guidelines for inventory-led models, and incentives for digital payments together create a highly conducive regulatory environment. These reforms encourage greater foreign participation, strengthen the digital retail ecosystem while also safeguarding consumer interest and interests of the local industry. Streamlined compliance processes are reducing barriers to entry, while policy support is accelerating innovation in logistics, supply chains, and payment infrastructure. Collectively, these measures are enabling both global and domestic players to scale operations and capture India's rapidly expanding consumer market.

The resultant impact of the above growth drivers has been:

01

Rapid organization of the retail sector

Rapid growth in organized retail – India's organized retail sector is projected to reach ₹20,08,590 crore (US\$ 230 billion) by 2030, driven by urbanization, rising incomes, and omnichannel adoption, making it a key driver of economic growth and investment opportunities.

02

India's Online Retail Market

is projected to grow from US\$75 billion in 2024 to US\$260 billion by 2030, increasing its share of total retail from 7% to 14%. This growth underscores the accelerating digital adoption and evolving consumer preferences across the country.

Retailers and investors who prioritise real-time data integration, local fulfilment capacity and differentiated in-store experiences will be best positioned to capture this growth and deliver sustainable profitability.

TECHNOLOGY & INFRASTRUCTURE- BACKBONE FOR OMNICHANNEL RETAIL IN INDIA

The industry has entered a phase where technology platforms and physical retail infrastructure are seamlessly working together to enable a true omnichannel commerce experience for the Indian consumer. Shoppers increasingly move between digital discovery and in-store purchase, demanding a connected environment where every step from browsing to payment to delivery feels effortless.

For developers and retailers, the foundation of this transformation is a technology-rich ecosystem built on unified commerce platforms, real-time inventory visibility, and advanced last-mile logistics.

Unified Commerce Platforms

Unified commerce platforms are now central to retail strategy. By integrating point-of-sale, e-commerce, and back-end inventory systems into a single digital framework, brands can manage pricing, promotions and customer interactions across all channels without friction.

Indian retailers are investing heavily in cloud-based ERP and AI-powered analytics to synchronise thousands of SKUs across store networks and online portals. This single-view approach prevents stock-outs, minimises markdowns and lets shoppers instantly check availability whether they are browsing on a smartphone or standing in a store aisle.

A unified commerce backbone integrates online and offline channels, enabling consistent pricing, promotions and customer data management.



Key Feature

Impact on Retail Real Estate

Mobile apps

Ensures seamless transactions across stores and e-commerce



Physical store

Optimises pricing and promotions across regions



Social media platforms

Reduces stock-outs and markdowns

Last-Mile Logistics

The last mile itself is a critical arena for innovation in India's dense urban landscape. Micro-fulfilment centres often tucked into malls or mixed-use complexes allow rapid dispatch of online orders and same-day delivery while reducing transportation costs and carbon emissions. Forward-looking developers now design dedicated loading bays, automated parcel lockers and even drone-ready rooftops to support faster, cleaner distribution. Strategic partnerships with logistics providers further enhance these capabilities and help retail destinations compete with pure-play e-commerce.

Efficient last-mile delivery determines customer satisfaction in urban India's dense markets.

01

Micro-Fulfilment Centres:

Compact, automated hubs embedded in malls or mixed-use spaces.

02

Dedicated Loading Bays & Automated Lockers

Simplify pickup and reduce congestion.

03

Drone-Ready Rooftops & EV Charging Stations:

Prepare properties for future logistics models.



Logistics Innovation

Developer Opportunity

Same-Day Delivery Networks

Design flexible dock zones and high-capacity service elevators



Hyperlocal Courier Tie-ups

Integrate click-and-collect counters in retail corridors

Consumer-Facing Technology

On the shopper-facing side, mobile apps, augmented and virtual reality, and AI-driven personalisation are redefining the in-store journey. Retailers deploy AR and VR for virtual try-ons, 3D store navigation, and interactive product demonstrations, while AI analyses individual browsing and purchase patterns to trigger tailored promotions as a customer enters a mall. Developers are equipping projects with 5G-ready infrastructure, edge computing and interactive digital signage to support these immersive experiences.

To convert footfall into loyalty, physical spaces must integrate digital engagement.

Omnichannel Supply Chain & Fulfilment Innovations

The omnichannel supply chain is evolving in parallel. Advanced warehouse management systems, automated picking technologies and predictive analytics keep goods moving smoothly from factory to shelf to doorstep. Hybrid distribution models where regional fulfilment hubs feed smaller, strategically located urban nodes balance scale with speed and are especially vital as e-commerce penetration accelerates across India's Tier 2 and Tier 3 cities.

A resilient, technology-driven supply chain links production to consumer seamlessly.

01

Hybrid Distribution Models

Regional hubs feeding urban micro-centres balance scale with speed.

02

Automated Picking & Robotics

Improve efficiency and reduce human error.

03

Predictive Analytics

Anticipate demand spikes for festival seasons or regional events.



Metro Cities

High-capacity micro-fulfilment, drone corridors



Tier 2/3 Cities

Regional warehousing, EV delivery fleets

Tier

Key Infrastructure Needs

The convergence of unified commerce platforms, real-time data intelligence and next-generation fulfilment networks is redefining the value proposition of Indian retail real estate. In this new landscape, physical environments are no longer static storefronts; they are dynamic, data-rich extensions of the digital marketplace, capable of delivering the speed, convenience and personalisation that today's consumers expect.



Mobile Apps & Geofencing: Deliver

location-based promotions when shoppers enter a mall.



AR/VR Experiences

Virtual try-ons and 3D store navigation increase dwell time.



AI Personalisation

Curates product suggestions and dynamic pricing based on browsing behaviour.



RETAIL REAL ESTATE TRANSFORMATION & BRICK-AND-CLICK STRATEGIES

Brick-and-Click Strategies

As digital and physical commerce converge, retailers are adopting integrated brick-and-click strategies to meet customers wherever they choose to shop. Central to this approach is the unification of online and offline inventory management. Rather than maintaining separate stock pools, leading retailers use real-time data and AI-driven forecasting to serve both e-commerce orders and in-store shoppers from a single inventory, reducing stock-outs and markdowns.

Omnichannel Tactics in Indian Retail

Strategies & Operational Approach



BOPIS/ Click & Collect

Urban retailers increasingly offer “Buy Online, Pick Up In-Store” services. Shoppers place orders via app or website and collect from a nearby outlet, reducing last-mile costs and enabling in-store upselling. The model blends digital convenience with the assurance of physical product inspection, ideal for metros where speed and convenience are priorities.



Live Video Shopping

Retailers host interactive livestream sessions for product demos and real-time Q&A, allowing viewers to purchase directly during the broadcast. This recreates an “in-store” experience online and works well for categories needing visual engagement such as apparel, electronics and home décor.



Social Commerce

Purchases are driven by influencers and peer networks on Instagram, YouTube and emerging regional platforms. User-generated content and live peer recommendations boost trust and impulse buying, especially in fashion and beauty categories.



Regional & Vernacular UX

E-commerce and brand apps now offer interfaces and customer support in multiple Indian languages (Hindi, Tamil, Bengali, Marathi, etc.). Localized content widens reach to Tier 2/3 cities and first-time internet users, driving adoption beyond English-speaking metros.



Unified Pricing, Promotions & Loyalty Programs

A seamless omnichannel experience relies on consistent pricing, promotions and unified loyalty programs that reward customer behaviour across channels. For example, one retail group’s single loyalty card enables personalized offers and discounts across its entire portfolio, boosting convenience, cross-usage and long-term customer engagement.

The buy-online-pick-up-in-store model, or BOPIS, is gaining traction in India’s metropolitan centres, where convenience and speed matter most. Shoppers place orders through a mobile app and collect them at a nearby outlet, cutting delivery costs and encouraging cross-sell opportunities. Leading retailers offering Click & Collect service illustrates how this model blends digital convenience with experience of an in-store visit.

Unified Pricing, Promotions & Loyalty

A seamless omnichannel experience also requires consistency in pricing and promotions. Unified loyalty programmes that capture and reward behaviour across channels help brands sustain long-term relationships with customers.

A seamless omnichannel experience requires:

01

One-price policy

across digital and physical channels.

02

Integrated promotions

triggered by customer behaviour (e.g., geo-targeted app offers).

03

Centralised loyalty programs

that track customer journeys across touchpoints.

The physical store remains central to creating digitally enhanced experiences that keep shoppers engaged. Interactive kiosks augmented and virtual reality fitting rooms, and contactless payment options transform a simple shopping trip into an event.

In this environment, success depends on both retailers and developers investing in adaptable spaces and unified technology stacks. Retailers need to deliver frictionless journeys across every channel—mobile, web and physical—while developers must provide the infrastructure and flexibility that enable such seamless experiences. Investors who focus on mixed-use projects and revitalised high streets are positioned to benefit from resilient footfalls and the long-term appreciation of truly omnichannel retail ecosystems.



HOW IS INDIAN REAL ESTATE RESPONDING TO TECHNOLOGY INTEGRATION WITH OMNICHANNEL RETAIL

For developers and investors, building the above-mentioned technology and infrastructure backbone is now a strategic imperative. Mixed-use developments that combine residential, office, and retail functions are uniquely positioned to host these tech-enabled ecosystems, ensuring consistent foot traffic.

Indian retail real estate is evolving into a multi-utility ecosystem, with developers, fulfilment centres, and logistics players leveraging technology to match the changing retail landscape. Leading practices include:



For developers, opportunity lies in creating flexible, future-ready spaces. Smart shelving, dark-store capacity, curb side pickup, and adaptable layouts support pop-ups and experiential events, while green design and ESG-compliant operations meet rising sustainability expectations. Integrating real-time footfall analytics and digital navigation further strengthens a property's appeal to leading retailers and discerning consumers

Flagship malls now blend entertainment, dining, co-working, and healthcare to create full-day destinations, illustrating how curated events and dining transform a mall visit into a social experience.

Mixed-use projects extend this energy by combining residential, office, and retail spaces for round-the-clock engagement. Stores have evolved from just sales points to immersive experience centers and micro-fulfillment hubs, featuring interactive layouts, demo zones, and same-day delivery or BOPIS, all supported by strong technology infrastructure.



Fulfilment centres and micro-fulfilment centres (MFCs) are rapidly growing, using automation, robotics, and AI for faster, more accurate last-mile delivery. They repurpose underused urban spaces into compact, tech-enabled dark stores and micro-hubs to optimize delivery routes and reduce costs, supporting quick commerce and e-commerce growth.



Logistics companies are adopting digital tools for real-time tracking, route optimization, contactless payments, and warehouse automation like Automated Storage Retrieval System (ASRS) and autonomous guided vehicles to meet high-speed delivery demands while improving operational efficiency and accuracy

The rising demand for faster deliveries and omni-enabled retail drives integration of supply chain and real estate with technologies such as AI, IoT, and blockchain to enhance inventory visibility, transparency, and customer satisfaction. This signals strong investor confidence, as the sector adapts to hybrid online-offline retail models and evolving consumer preferences, particularly in India's major urban centres.

Indian real estate, fulfilment, and logistics sectors are embracing technology-driven innovations and adaptive real estate models to support the rapid digitization and omnichannel growth of retail, enhancing speed, convenience, and customer engagement.

GOVERNMENT AND REGULATORY SUPPORT

Government efforts accelerate the adoption and growth of omnichannel retail in India by fostering digital inclusion, reducing structural barriers, providing safer payment systems, and enhancing competitiveness across the retail ecosystem. The Indian government and various state governments play a pivotal role in supporting omnichannel retail through multiple initiatives, structured policy support and consultative decision making:



Digital Infrastructure and Literacy

Backed by the government's Digital India initiative, the rise of digital literacy and nationwide connectivity is laying a strong foundation for omnichannel retail. A robust digital infrastructure now seamlessly integrates online and offline commerce, providing consumers with a unified shopping experience while enabling retailers to operate more efficiently across all touchpoints.



Regulatory Framework for Digital Payments

In India's omnichannel retail sector, the Reserve Bank of India (RBI) guidelines ensure secure and seamless digital payments across online and offline channels. Retailers must comply with the Payment and Settlement Systems Act, 2007, covering UPI, wallets, and card transactions. The regulations create a safe, compliant and efficient payment ecosystem for omnichannel retail.



Open Network for Digital Commerce (ONDC)

ONDC is creating an open, inclusive platform for digital commerce by removing the constraints of closed ecosystems and reducing dependence on monopolistic players. As a government-backed, non-profit Section-8 company incubated at the Quality Council of India, it operates with a startup mindset and is built on open-source principles to ensure a level playing field for buyers, sellers, and service providers.

For MSMEs, this is transformative enabling seamless participation across online and offline networks. With 1.5-2.5 million MSMEs already online and e-commerce growth projected at 45%, ONDC is accelerating India's shift toward an integrated omnichannel retail ecosystem that is more accessible, competitive, and future-ready.

CASE STUDIES





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Aditya Birla Fashion and Retail Ltd. (ABFRL)

In an increasingly competitive fashion retail market, ABFRL sought to enhance customer experience and engagement by integrating digital and physical retail channels. The aim was to create a seamless, convenient, and personalized shopping journey across all touchpoints.

Omnichannel Initiatives



Video Shopping

Introduced live video sessions connecting customers with store associates, enabling real-time product demonstrations, styling guidance, and personalized recommendations.



Buy-Online-Ship-from-Store (BOSS)

Enabled customers to purchase online and receive products directly from the nearest store, reducing delivery times, optimizing inventory utilization, and enhancing fulfillment efficiency.

Results and Impact:

01

Improved customer engagement and satisfaction through interactive and convenient digital experiences.

02

Reduced delivery lead times and enhanced inventory management by leveraging store-level stock.

03

Strengthened the integration between online and offline channels, providing consistent and unified brand experience.



Key Takeaway

ABFRL's omnichannel strategy highlights the critical role of digital-physical integration in modern retail. By leveraging technology to enhance customer interaction and operational efficiency, ABFRL has successfully created a scalable model that improves both service quality and customer loyalty.

Shoppers Stop

Shoppers Stop, a leading Indian department store chain, aimed to enhance its omnichannel presence by integrating digital tools with its physical retail operations. The goal was to create a seamless, personalized shopping experience across online and offline channels.

Omnichannel Initiatives

**E-Commerce Growth:**

Increased investments in online platforms have steadily grown digital sales, demonstrating the effectiveness of integrated omnichannel strategies.

**Data-Driven Personalization:**

Leveraging data analytics and digitization, Shoppers Stop provides tailored recommendations and experiences to customers, even within physical stores.

**AI-Enabled Shopping**

Plans are underway to strengthen omnichannel capabilities further through AI-driven personalization and technology-enabled in-store experiences, enhancing customer engagement and loyalty.

Results and Impact:

01

Improved customer satisfaction through personalized interactions across channels.

02

Enhanced sales and engagement by bridging online and offline experiences.

03

Established a foundation for scalable, technology-driven omnichannel retail.

**Key Takeaway**

Shoppers Stop demonstrates the power of combining data analytics, digitization, and AI to deliver a unified, personalized shopping journey. Its approach highlights how omnichannel integration can drive both customer loyalty and business growth in the evolving retail landscape.



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KEY BENEFITS & CHALLENGES

Omnichannel retail blends expansive reach with data-driven insights and streamlined operations. This combination empowers Indian retailers to accelerate their growth. At the same time, it enables them to provide the convenience and personalized experiences that today's consumers demand.

Some benefits of omnichannel retail are



Enhanced Customer Engagement

Omnichannel retail enables retailers to engage customers across multiple touchpoints—online, in-store, and mobile—creating a seamless and consistent brand experience. With 71% of consumers expecting tailored interactions, this approach fosters stronger customer loyalty and encourages repeat engagement.



Increased Sales and Revenue

Retailers that deliver seamless, omnichannel interactions—leveraging insights such as 65% of customers responding to targeted promotions—can enhance the overall shopping experience while optimizing promotional spend. By engaging customers across multiple channels, retailers drive higher purchase frequency, increased average order values, and improved margins, ultimately boosting overall sales and revenue.



Improved Inventory and Fulfilment Efficiency

Omnichannel retail integrates online and offline inventory, enabling capabilities such as ship-from-store, click-and-collect, and same-day or next-day delivery. This real-time inventory visibility helps reduce stockouts, minimize excess inventory, and lower markdowns, while optimizing warehouse and store space. Additionally, it allows retailers to respond quickly to demand fluctuations, streamline supply chains, and improve overall operational efficiency, enhancing both customer satisfaction and profitability.

**Better Market Penetration**

In 2024, more than 270 million Indians shopped online, making India the world's second-largest e-retail market after surpassing the US in online shoppers. Omnichannel approaches enable retailers to reach beyond metropolitan areas into Tier-2 and Tier-3 cities, leveraging a mix of e-commerce, physical stores, and localized fulfilment networks to broaden market reach and drive growth in emerging regions.

**Actionable Customer Insights**

A solid, unified data foundation is essential for transforming the customer experience in omnichannel retail. By integrating data from inventory, staffing, sales, marketing, and product development, retailers gain a comprehensive view of customer behavior and preferences. This enables them to anticipate needs, deliver seamless and memorable shopping experiences across online and offline channels, and foster loyalty. For consumer goods companies, unified data supports efficient supply chain management, reduces operational downtime, identifies emerging product trends, and aligns production with demand. Overall, it enhances decision-making, optimizes resource allocation, increases revenue, and ensures a consistent, high-quality omnichannel experience for customers.

**Operational Resilience**

Omnichannel retail enhances operational resilience by distributing revenue streams across multiple channels, safeguarding businesses against disruptions, seasonal fluctuations, and evolving consumer behaviour. By seamlessly integrating online, in-store, and mobile platforms, retailers can maintain continuity, respond swiftly to market shifts, and ensure stable performance, even under challenging conditions. This multi-channel approach not only protects revenue but also strengthens long-term competitiveness and customer trust.

**Optimized Marketing ROI**

Omnichannel analytics enable brands to track customer interactions across online, in-store, and mobile channels, providing a holistic view of campaign performance. By identifying high-impact touchpoints, refining messaging, and allocating resources strategically, retailers can maximize marketing effectiveness and achieve higher returns. This data-driven approach also helps reduce wasted spend, improve customer targeting, and drive measurable growth in engagement, conversions, and revenue.

Challenges & Barriers

The following are the primary challenges confronting omnichannel retail



Technology & Systems Integration

Many retailers continue to operate on disconnected systems where inventory, CRM, POS, and e-commerce platforms function in silos. It can be difficult/costly to unify them.



Inventory Visibility & Fulfilment Complexity

Real time visibility of inventory across warehouses and stores is often low.



Channel Conflict & Pricing Issues

Different margins, customer expectations across channels; balancing pricing consistency is hard. Potential conflict between retail partners, distributors, own online platforms.



Low digital literacy

A major challenge in omnichannel retail is low digital literacy, particularly in semi-urban and rural markets, which limits seamless engagement and compels retailers to invest in consumer education, multilingual support, and simplified digital tools.



Cost pressures & Profitability

Investments in technology, logistics, staff training, etc., heavy fixed and variable costs, pressure from discounted formats.



People, Process & Culture

Staff skill gaps, process misalignment (store team vs online team), resistance to change. Functional silos hamper smooth execution.




Customer expectations, data privacy & trust

A key challenge for retailers lies in maintaining consumer trust across returns, payment security, and data privacy. Even a single failure in any channel can significantly harm brand perception. Additionally, rising consumer expectations for speed, convenience, and accuracy put continuous pressure on operations and technology infrastructure.



Logistics in Tier 2/3

Delivering efficiently to smaller towns can be tricky



Retailers that invest in real-time inventory management, unified data platforms, and localized micro-fulfilment networks can turn omnichannel challenges into strategic advantages. Such investments enable faster order fulfilment, enhanced inventory visibility, and a seamless shopping experience across online and offline channels. By leveraging data-driven insights, retailers can anticipate customer needs, optimize operations, and respond swiftly to market changes—positioning themselves for sustained growth, increased customer loyalty, and long-term competitive leadership in India's evolving retail landscape.

CONCLUSION



Omnichannel retail is no longer optional, it is the defining factor for success in India's rapidly evolving market. Digitally native consumers, particularly Gen Z and millennials, expect seamless, digital-first experiences powered by immersive technologies such as AR and virtual try-ons. At the same time, older generations demand personalized service and the trust of physical stores. Retailers who fail to integrate these expectations risk losing relevance and market share.

The backbone of success is technology and data. Unified customer data platforms, real-time inventory visibility, advanced order management, and experiential physical stores that double as micro-fulfillment hubs are no longer differentiators they are essentials. This integration allows retailers to deliver hyper-personalized experiences, drive operational efficiency, and strengthen brand loyalty.

Looking forward, omnichannel retail is set to reshape India's consumer landscape. It will drive revenue growth, deepen engagement, and create resilient, scalable business models. For investors, this represents a prime opportunity: backing retailers that are omnichannel-ready positions them to capture both current demand and future growth in a market poised for modernization.

The path is not without its challenges like inventory complexity, cost pressures, technology gaps and organizational hurdles —but the rewards for those who execute effectively are immense. Retailers that embrace a cohesive, data-driven, and consumer-centric omnichannel strategy will dominate, setting new benchmarks for the industry and fueling India's economic and retail transformation.

Collaboration and innovation will be critical enablers in this journey, with service providers such as real estate developers, payment aggregators and logistics partners playing a central role. Retailers that strategically design stores as experiential hubs and micro-fulfillment centres can optimize space utilization while supporting seamless online-offline integration. Partnerships with developers and logistics providers allow for prime location selection, faster deliveries and efficient inventory management. As India's retail ecosystem evolves, investors and developers who back omnichannel-ready retail spaces will capture both consumer demand and long-term growth, positioning real estate as a key driver of the country's modern retail transformation.

RECOMMENDATIONS FOR STAKEHOLDERS

For Retailers / Brands



Pilot, Learn, Scale

Start small (geographies, product categories) to test omnichannel tactics; scale the ones that work.



Build a roadmap

assess current capabilities, identify gaps in technology, operations, talent.



Invest in systems

that can scale unified Order Management System (OMS), inventory management.



Design channel agnostic customer policies:

returns, loyalty, pricing.



Offline retail

Even in a digital age, physical stores bring trust, touch & feel, impulse purchases. Use them as fulfilment & Experience centres where feasible.



Focus on building teams

that cater to customer data and analytics. Use insights to tailor outreach, assortment, in store experience.



Customer-Centric Policies & Seamless Returns

One set of policies across channels for payments, returns, exchanges. Make the return process easy. Allow cross channel returns.



Organizational Change & Culture

Break silos between departments (online/offline), invest in training staff. Ensure store teams understand omnichannel goals and define clear SOPs.

For Government / Regulators



Encourage infrastructure

development (roads, warehouses) to reduce logistics costs.



Policies

around data privacy & online consumer protection to build trust.



Support for MSMEs

to adopt technologies via subsidies / grants / training.





Confederation of Indian Industry

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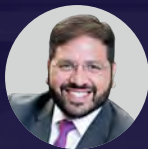
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Published by

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About Cushman & Wakefield

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2024, the firm reported revenue of \$9.4 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that

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About The Confederation of Indian Industry (CII)

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering Industry, Government and civil society through advisory and consultative processes.

CII is a non-government, not-for-profit, industry-led and industry-managed organisation, with around 9,700 members from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 365,000 enterprises from 318 national and regional sectoral industry bodies.

For more 130 years, CII has been engaged in shaping India's development journey and works proactively on transforming Indian Industry's engagement in national development. CII charts change by working closely with the Government on policy issues, interfacing with thought leaders, and enhancing efficiency, competitiveness, and business opportunities for industry through a range of specialised services and strategic global linkages. It also provides a platform for consensus-building and networking on key issues.

Through its dedicated Centres of Excellence and Industry competitiveness initiatives, promotion of innovation and technology adoption, and partnerships for sustainability, CII plays a transformative part in shaping the future of the nation. Extending its agenda beyond business, CII assists industry to identify and execute corporate citizenship programmes across diverse domains, including affirmative action, livelihoods, diversity management, skill development, empowerment of women, and sustainable development, to name a few.

For 2025-26, CII has identified "Accelerating Competitiveness: Globalisation, Inclusivity, Sustainability, Trust" as its theme, prioritising five key pillars. During the year, CII will align its initiatives to drive strategic action aimed at enhancing India's competitiveness by promoting global engagement, inclusive growth, sustainable practices, and a foundation of trust.

With 70 offices, including 12 Centres of Excellence, in India, and 9 overseas offices in Australia, Egypt, Germany, Indonesia, Singapore, UAE, UK, and USA, as well as institutional partnerships with about 250 counterpart organisations in almost 100 countries, CII serves as a reference point for Indian industry and the international business community.