

## LS Digital's Latest Report Shows How Ecommerce in India Is Entering Its Next Growth Phase in 2026

~ *Insights from 1.5 million orders reveal how consumer behaviour efficiency and fulfilment will shape ecommerce growth in 2026* ~

India, 28<sup>th</sup> January 2026 - LS Digital, India's leading Integrated Independent Digital Business Transformation (DBT) company, has released its comprehensive ecommerce report, *The Great Indian Commerce Shift*, analysing over **1.5 million orders across 30+ enterprise brands** during the festive season from **July to December 2025**. The finding point to a structural shift in how consumers discover, decide, and purchase online, offering a data-backed view of how behaviour, media efficiency and fulfilment models are shaping ecommerce growth in 2026.

The study confirms a structural collapse of the traditional linear sales funnel, replaced by what the report terms "**Bipolar Buying**", Consumers are now splitting behaviour between the '**Need-It-Now**' Quick Commerce economy and the '**Planned Premium**' Marketplace economy. Purchase journeys are no longer predictable, with intent increasingly shaped by urgency, context, and speed rather than scale-drive exposure.

Festive 2025 also marked a decisive "efficiency flip." Marketplace conversion rates improved **from 4.4% to 6.1%**. At the same time, D2C brands reduced ad spends by nearly 120 - 180 BPS and still delivered a 55% improvement in ROAS. The data signals a clear shift away from volume-led growth towards contribution-led performance, driven by sharper targeting and higher-intent demand.

Quick Commerce emerged as a dominant force for low-ticket and impulse purchases, extending well beyond groceries. The report finds that **Quick Commerce delivered 3–5x higher conversion rates** than traditional marketplaces for items priced under ₹500, effectively collapsing the consideration window and converting intent directly into purchase. Marketplaces, meanwhile, continued to play a critical role for premium, high-consideration categories where trust and reliability remain key.

The report further highlights that ad inflation in 2025 was category-specific, not systemic. While Personal Care and Home & Décor saw CPC inflation of **77% and 71%** respectively, categories such as Innerwear and Household Supplies recorded CPC deflation of **33% and 46%**, creating efficiency arbitrage opportunities for brands willing to rebalance media investments. Tier 2 and Tier 3 markets drove **65%** of festive orders, reinforcing Bharat as the primary engine of ecommerce growth.

Operationally, speed emerged as a decisive trust lever. For the first time, **51%** of festive orders were fulfilled via stores, overtaking centralized warehouses. The report also reveals that delivery timelines exceeding three days resulted lead to a **140%** spike in return-to-origin rates, particularly for cash-on-delivery orders in non-metro markets, making ship-from-store models critical for profitable scale.

Commenting on the findings, **Rupak Ved, Group CBO and CEO - Media, LS Digital, said**, "*The 2025 festive season made one thing clear: growth is no longer a function of scale alone. The linear funnel is dead, and Shoppers have split into two distinct economies. In 2026, efficiency will not come from bidding smarter **but** will come from allocating budgets correctly across the funnel and building intent*

*before the conversion window open. Brands that align with 'Platform Personality will see exponential efficiency gains, while those chasing volume will struggle against the inflation wall.'*

The findings underline that in 2026, competitive advantage will be shaped by how effectively brands convert real-time intent into frictionless commerce, optimise blended customer acquisition costs (CAC), and build speed across media and fulfilment.

**About LS Digital:**

LS Digital is a leading independent Digital Business Transformation (DBT) company, integrating the expertise of specialist, innovative entities: LS Digital, Langoor, f1studioz, DataQuark and Social Panga. Our comprehensive suite of services encompasses business consulting, activation, and transformation through a robust DBT solution framework; Media, Creative & Communication, Data & Insights, Technology & Innovation, UI/UX and CX/EX. Leveraging digital as a catalyst, they enable brands to holistically develop businesses across various platforms, ensuring exceptional brand experiences in a digital-first world.

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