



EXPRESS LOGISTICS IN MOTION

Market Update & Outlook

Chapter 1. Overview of India's Logistics Landscape

1.1 India's Logistics Performance

India's logistics sector plays a pivotal role in the country's economic growth, enabling the seamless movement of goods across a vast and diverse geography. Estimated at ₹20-21K Bn (\$245-255 Bn) in FY 2024, the logistics market has expanded at a CAGR of 2.5 - 3.5% since FY 2020. Despite global disruptions, the sector remains resilient, driven by infrastructure development, regulatory reforms, and increasing digitization.

Figure 1: Indian logistics overview

In ₹ billion (US\$ billion), FY 2020, FY 2024



Note(s): 1. Logistics includes the transportation and handling of goods between points of production and consumption, storage, value addition, and allied services.

Source(s): ACER, Chamber of Commerce – India, Report on Logistics, India Economics Survey 2017-18, 2019-20, Redseer research and analysis

The Indian government has undertaken multiple initiatives to enhance logistics efficiency, reduce costs, and promote multimodal connectivity. Some key policies include:

- Infrastructure development:** Initiatives like Bharatmala, Gati Shakti, and Dedicated Freight Corridors are creating an extensive and efficient transportation network. The Bharatmala program, launched in CY 2017, focuses on developing 34,800 km of National Highway corridors, linking over 580 districts. Gati Shakti aims to develop corridor-based infrastructure to facilitate faster and more efficient transportation.
- Digitization and technology deployment:** Innovations such as FASTags, digital fuel cards, and e-way bills, along with regulatory mandates, have optimized logistics workflows, enhancing efficiency. Companies optimizing demand and supply through digital infrastructure are witnessing increasing adoption due to the enhanced services offered.

National Logistics Policy: The National Logistics Policy targets a reduction in logistics costs by 2030 through technology adoption, infrastructure development, and regulatory simplification. It includes initiatives like the Unified Logistics Interface Platform (ULIP) for data exchange, standardization of warehousing practices, and development of multimodal logistics parks, all of which are expected to drive trade, reduce costs, and promote economic growth. India's Logistics Performance Index¹ (LPI) improved to 3.4 in CY 2023, closing the gap with

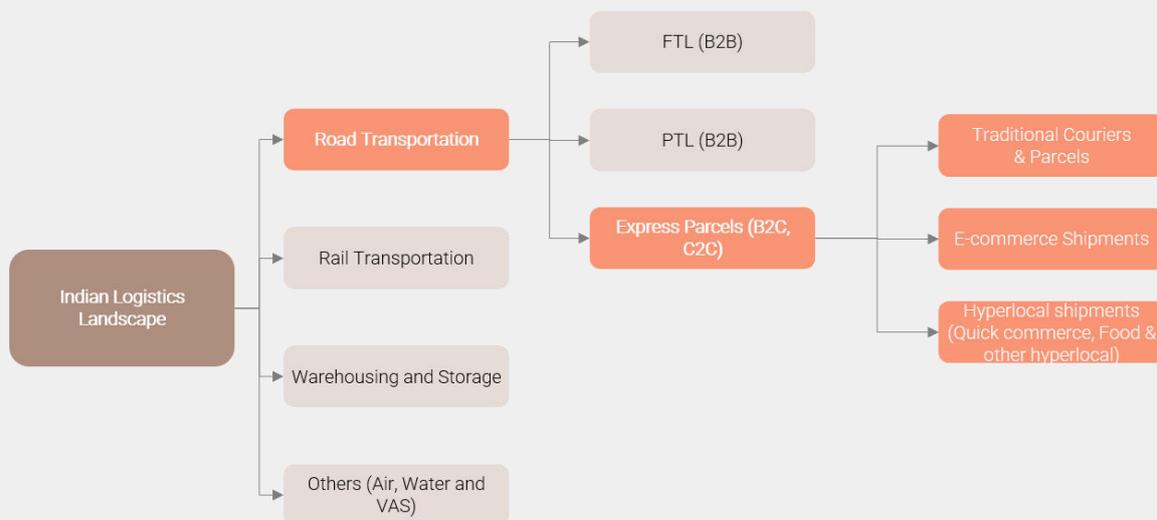
¹ World Bank calculates the LPI using normalized scores for six key indicators including customs efficiency, infrastructure quality, shipment ease, logistics service quality, tracking ability, and timeliness, each weighted according to its significance. Logistics quality and competence carry the highest weight, while international shipments have the lowest.

leading economies like China (~3.7) and the USA (~3.8). With continued policy support, investment in logistics parks, and increasing digital adoption, the sector is set to improve efficiency and competitiveness.

1.2 Structure of India's Logistics Market

India's logistics sector encompasses a vast and complex network that facilitates the movement of goods across the country. This sector is characterized by its diverse modes of transportation, including road, rail, air, and waterways, storage and other services, each contributing to the overall logistics framework.

Figure 2: Indian Logistics Overview
Descriptive



Note on key definitions: 1. VAS refers to Value Added Services 2. Traditional courier and parcel services include the shipment of documents (legal papers, business contracts, banking documents, personal paperwork etc), as well as non-document shipments arising from C2C and B2C transactions, including deliveries by government entities, SME merchants, and brands for offline orders 3. E-commerce shipments include the total volume of shipments executed across eCommerce, Brand.com (new age and/or traditional brands selling directly to consumers digitally), Formalized social commerce, and reverse shipments. 4. Hyperlocal shipments involve delivering goods within a small geographical area which includes quick commerce and slotted delivery 5. Quick commerce refers to Hyperlocal B2C e-commerce which involves delivery of retail (groceries (fresh foods like fruits & vegetables, meat, dairy etc., staples and packaged foods), fashion, electronics, beauty and personal care, and general merchandise, home/ kitchen goods and pharmaceutical products) to consumers within 30 minutes 6. Food shipments refer to food deliveries for online orders 6. Others include slotted grocery, pharma, meat, online C2C transactions etc.

Additional Note(s): 1. The definition of the Express market in this report differs from that in the "Logistics Market in India" report published in FY 2022. In this report, the Express market includes Food and other segments within hyperlocal shipments, whereas the previous report limited this category to hyperlocal grocery shipments (Quick Commerce). This inclusion is due the significant expansion of this segment under B2C and C2C since 2022. Also, players handling e-commerce shipments have also forayed into the delivery of food apart from just quick commerce.

2. The definition of Express market in this report doesn't include the eB2B market, it is instead classified under PTL and FTL segments in this report as express market only includes B2C and C2C segments

Source(s): Redseer Research and Analysis

Road and rail transportation provide cost-effective and flexible shipping solutions, supported by an extensive network. Warehousing services involve storage, handling, and management of goods, facilitating efficient movement of products throughout the supply chain. Air transportation enables faster movement of goods, especially over longer distances for high-value and time-sensitive orders and shipping facilitates cost-effective transport of large volumes of diverse cargo types. Value-added services like packaging and labelling, order management system, channel integration, returns predictor, etc. support streamlining operations and improving customer satisfaction.

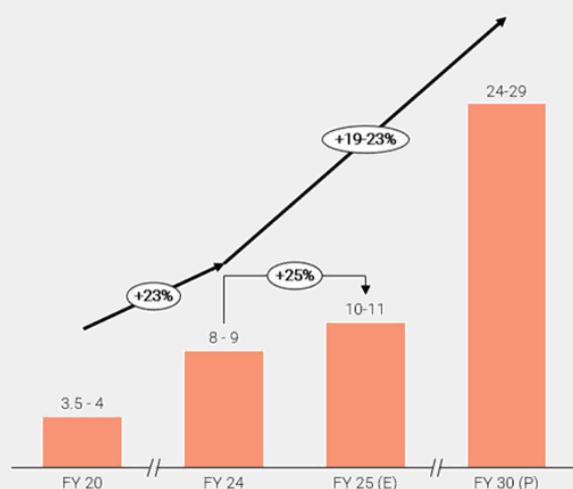
Road transportation is the backbone of India's logistics sector, contributing to more than 50% of the overall logistics market, making it the largest mode of freight movement. Within road logistics, the Express Parcel market has emerged as a high-growth segment, catering to B2C and C2C shipments through fast, time-sensitive deliveries. This segment includes e-commerce shipments, quick commerce deliveries, food and hyperlocal shipments, as well as traditional parcel and speed post services. As digital adoption rises and consumer expectations for faster last-mile delivery increase, Express Parcels are becoming a key driver of logistics growth.

Chapter 2: The Growing Express Parcel Market

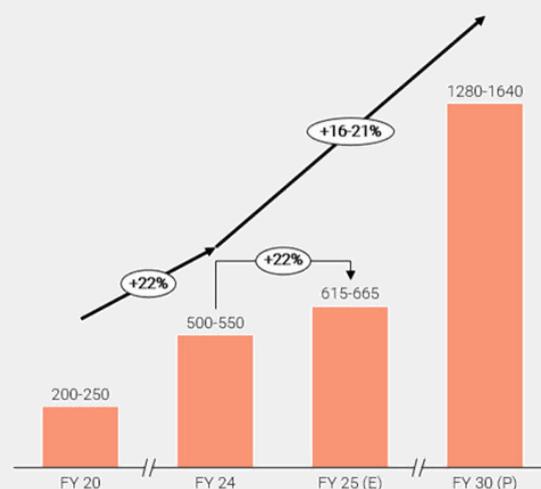
2.1 Express Parcel Market Size and Growth Drivers

The express parcel market in India has witnessed rapid expansion, driven by rising e-commerce adoption and changing consumer expectations for faster deliveries. In FY 2024, the total express parcel market stood at 8-9 billion shipments, contributing to a ₹500-550 billion logistics market. Growing at an estimated 25% CAGR in FY 2025, this market is projected to reach 10-11 billion shipments, contributing to ₹615 – 665 billion. This market is set to scale further, with projections indicating a 16-21% CAGR to reach a ₹1,280-1,640 billion logistics market with 24-29 billion shipment volumes by FY 2030.

Figure 3: Express Parcel Market – by Volume
In billion, FY 2020-30(P)



Express Parcel Market – by Value
In ₹ billion, FY 2020-30(P)



Note(s): 1. The market size is built by taking a standard yield in each segmentation to calculate the overall express market size. 2. For constituents of the Express Parcel Market, please refer to the Notes under Figure 2
Source(s): Redseer Research and Analysis

The rapid growth of India's express parcel market is fueled by strong macroeconomic tailwinds and evolving consumer behaviors that emphasize convenience, digital accessibility, and speed.

One of the primary drivers is expanding digital adoption, which has significantly accelerated online retail penetration. ~58% of India's population has access to internet and ~17% shopping online. This has largely been supported by affordable smartphone prices—averaging \$222 in India, significantly lower than \$440 in developed markets—and ultra-low mobile data costs of \$0.16 per GB, compared to \$6 in the USA and \$0.36 in China. Additionally, government-led digital initiatives such as Digital India and India Stack have enhanced infrastructure and consumer trust in online transactions. The number of online shoppers in India is expected to grow at a 7-9% CAGR, reaching 345-419 million by CY 2030, which will further propel the express parcel market in India.

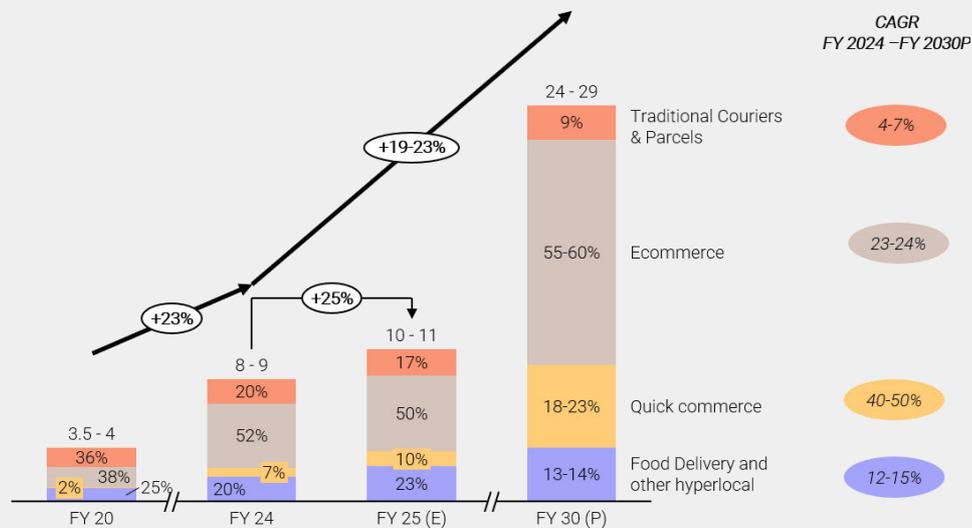
Another crucial driver is India's shifting demographic landscape and evolving consumption patterns are significantly driving the growth of express parcels, particularly through hyperlocal and quick commerce services. The COVID-19 pandemic accelerated contactless ordering, making digital consumption a norm for everyday essentials. Urbanization has further fueled this trend, with India's top 50 cities—home to ~36% of the population—becoming key markets for high-frequency online purchases. Additionally, the rise of nuclear households, increase in female workforce participation have driven demand for convenience-led shopping. With Gen Z

and millennials comprising ~53% of the population, consumer preferences are shifting toward on-demand, fast, and reliable deliveries, ensuring the long-term structural growth of express logistics in India's expanding digital economy.

2.2 Trends in Express Parcel Market

The express parcel market in India is undergoing a structural transformation, shifting from traditional courier services to e-commerce-driven and hyperlocal shipments. With rising digital penetration, demographic changes, and growing urbanization, express logistics will continue its high-growth trajectory, playing a crucial role in India's evolving consumption ecosystem.

Figure 4: Express Parcel Market Segmentation– by Volume
In billion, FY 2020-30(P)



Note(s): 1. For constituents of the Express Parcel Market, please refer to the Notes under Figure 2. 2. Percentages may not add up to 100% due to rounding.

Source(s): Redseer Research and Analysis

Traditional Couriers

Traditional courier services historically handled a significant volume of document shipments, including legal papers, business contracts, banking documents, and personal paperwork. The composition of this segment is switching towards non-document including e-commerce parcels as slow growth in document shipments have been observed due to e-governance policies, and electronic documentation. At the same time, e-commerce express players are also diversifying into documents express and the lines between the documents and e-commerce players is getting blurred.

E-commerce Shipments

At the forefront of this transformation is e-commerce-led shipments, which now constitute the largest share of the express market. In FY 2024, e-commerce shipments accounted for ~4.4 billion shipments and are projected to grow at a strong 23-24% CAGR to reach 15-16 billion shipments by FY 2030. E-commerce shipment is estimated to reach 4.8-5.5 Bn by FY 2025. This growth is being driven by the expansion of online retail across product categories, deeper penetration into tier-2 and tier-3 cities, and improved supply chain infrastructure that enables faster order fulfilment.

Quick Commerce

Quick commerce shipments have emerged as the fastest-growing segment, fuelled by the increasing consumer preference for instant delivery models and hyperlocal shopping experiences. Already accounting for 7-10% of total express shipments in FY 2024 and FY 2025, quick commerce is expected to grow at a rapid 33-50% CAGR, comprising ~19% of total shipments by FY 2030. The expansion of dark stores, micro-fulfilment centres, and AI-driven demand forecasting has enabled platforms to achieve ultra-fast delivery speeds, further driving adoption. As convenience becomes a key differentiator in the digital economy, quick commerce is set to play a critical role in shaping the future of express logistics.

Food delivery and other hyperlocal shipments

Food and other hyperlocal shipments are expanding their footprint, projected to capture 13% of total shipment volume by FY 2030. The normalization of online food ordering, pharmacy deliveries, and hyperlocal C2C shipments has created a sustained demand for rapid and reliable delivery services. This segment has been further strengthened by the proliferation of cloud kitchens, online grocery platforms, and last-mile delivery innovations, making hyperlocal logistics an integral part of urban consumption.

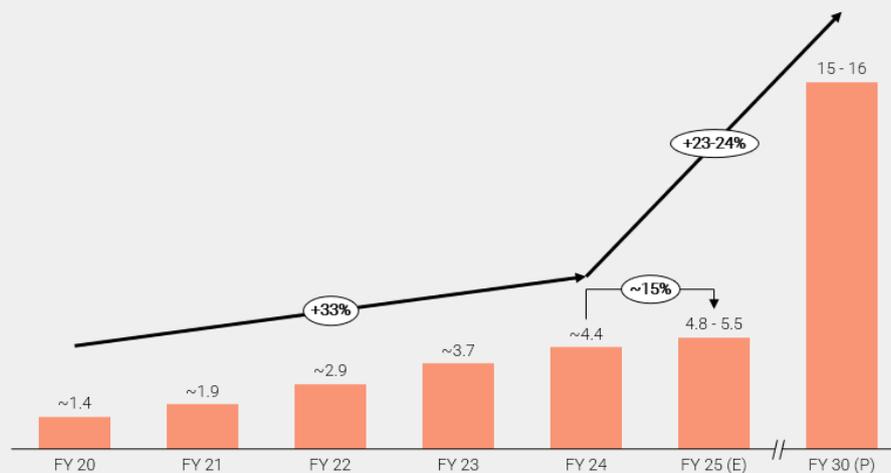
Chapter 3: E-commerce Logistics Double Click

3.1 E-commerce Market

E-commerce segment contributes >50% share in express parcel market, making it the largest segment within Express Parcel. The e-commerce logistics ecosystem in India has seen a growth of ~33% in the previous four financial years to reach ~4.4 billion shipments completed in FY 2024. In FY 2025, the market is estimated to grow at ~15% CAGR to reach 4.8-5.5 billion shipments. Further, this market is expected to reach 15-16 billion shipments in FY 2030, growing at 23-24% CAGR

Figure 5: E-commerce Market– by Volume

In billion, FY 2020-30(P)



Source(s): Redseer Research and Analysis

Horizontal platforms (which cater to a wide range of sectors / SKUs) contributed to approximately 80% of the shipments in FY 2024. With the emergence of newer e-commerce models such as vertical platforms (focused on a particular category), Brand.com (new age and/or traditional brands selling directly to consumers digitally), non-horizontal channels delivered a strong growth rate of 45% from FY 2020 to FY 2024 compared to horizontals. Among non-horizontal models, while vertical platforms account for the largest share in FY 24 (~76% of total non-horizontal e-commerce shipments), Brand.com grew the fastest implying continued resilience and importance of the brand.com model as a key touchpoint to connect with customers directly.

3.2 Structure of E-commerce Logistics and in-house vs 3PLs

E-commerce logistics is a complex, multi-layered process that ensures seamless delivery from sellers to end consumers. It is divided into three stages:

- First-mile: Picking up shipments from warehouses or sellers and transporting them to source mother hubs or sortation centres.
- Mid-mile: Moving shipments from source hubs to destination hubs.
- Last-mile: Delivering parcels from destination hubs to customers

Beyond these core functions, e-commerce logistics faces additional complexities, such as returns management, cash-on-delivery (COD) transactions, and real-time payment reconciliation, which require specialized handling.

Recognizing this opportunity, new-age logistics players emerged, leveraging technology-driven solutions to optimize operations. This shift led to the rise of two prevalent models in e-commerce logistics: in-house logistics capabilities developed by major horizontal players and Third-Party Logistics (3PL) providers.

Major horizontal players developed in-house logistics capabilities to support order fulfilment at scale, ensuring faster deliveries and greater control over operations and customer experience. While these services were initially built to cater exclusively to their parent companies' deliveries, the rapid expansion of the logistics sector and the rise of non-horizontal e-commerce models have led these platforms to externalize their services to a broader set of customers.

As shipments of non-horizontal e-commerce models grow faster than overall horizontal channels, these in-house logistics providers have started externalizing their services to these non-horizontal businesses.

While in-house logistics networks play a crucial role, horizontal players still rely on 3PL providers to manage a portion of their logistics needs, particularly for wider geographic reach, cost optimization, and specialized logistics functions.

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