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# Entering India's Ecommerce Market: Four Paths for Foreign Sellers

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India is now the world's most populous country, and its consumer base is one of the most closely watched growth stories in global retail. Yet despite that scale, online retail sales of physical goods in India remain a fraction of what's seen in markets like the United States or China. For foreign sellers, that gap represents both an opportunity and a warning: India's ecommerce market is large, but it is not simple to enter.

Unlike many Western markets, India regulates foreign participation in retail and ecommerce fairly tightly. The rules exist largely to protect the country's vast network of small shopkeepers and domestic retailers from being squeezed out by foreign capital. For a foreign brand, that means the question isn't just "should we sell in India?" but "which structure lets us sell in India legally and sustainably?"

Broadly, foreign sellers have four routes into the Indian market.

## 1. Operating a Marketplace

Foreign companies can own marketplace platforms that connect third-party buyers and sellers — think of the model used by major players like Amazon India and Flipkart. The catch is that these platforms generally cannot hold their own inventory or sell directly to consumers, and there are limits on how much business any single seller can do through the platform. This structure is designed to keep the marketplace operator neutral, functioning more like infrastructure than a retailer.

For most foreign brands, this isn't a path to selling their own products — it's a path to building or investing in the platforms that other sellers use.

## 2. Partnering With Local Distributors

A more common route for brands that actually want to sell products is teaming up with India-based distributors, franchise operators, or retail partners. These local partners typically manage marketplace listings, logistics, and placement in physical stores on the brand's behalf.

This model trades some control for speed. A foreign brand doesn't need to build local infrastructure from scratch, and an experienced distributor already understands India's marketplace ecosystem, fulfillment networks, and consumer behavior. The tradeoff is that distributors take a cut and brands have less direct control over pricing, presentation, and customer experience.

### **3. Selling Direct-to-Consumer**

Foreign brands that manufacture in India or operate their own branded retail stores there can sell directly to consumers online, through their own websites or owned storefronts. This gives a brand full control over how it's presented, priced, and experienced — but it comes at a cost.

Setting up a direct-to-consumer operation in India means navigating corporate registration, tax compliance, banking relationships, and payment infrastructure — all under regulatory frameworks that differ meaningfully from those in the U.S., Europe, or elsewhere. It's a longer runway, both in time and capital, which is why relatively few foreign brands pursue this path compared to the alternatives.

### **4. Selling Cross-Border**

Finally, nothing prevents a foreign seller from shipping directly to Indian consumers from outside the country. This is often the lowest-friction way to test demand, particularly in categories like apparel, electronics, and beauty — where many Indian shoppers already have a track record of buying from international sellers.

The downside is real, though: cross-border orders typically face slower delivery times, import duties, and customs procedures, which can erode margins and dampen the customer experience compared to locally fulfilled orders.

### **Choosing the Right Path**

There's no universal "best" entry strategy — the right model depends on a brand's product category, growth timeline, risk tolerance, and how much control it wants over the customer relationship. Many companies start with marketplace selling or cross-border shipments to gauge demand, then shift toward distributor partnerships or a direct presence once they've validated the market.

What's consistent across all four paths is that India's regulatory environment requires careful navigation — foreign ownership limits, tax registration, and compliance requirements all shape which structures are even available to a given business.

## Thinking about bringing your brand into the Indian ecommerce market?

Get in touch with Abki Solutions — we'd be glad to talk through your options.

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