Delhivery: Fulfilling E-commerce Delivery

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Abstract

Delhivery started in 2011 and was a key player in the Indian e-commerce logistics industry. It was ranked number one in terms of the number of shipments handled. The brainchild of Sahil Barua and Suraj Saharan, Delhivery began as a last-mile delivery partner of restaurants in Gurugram and, over the years, grew along with the e-commerce boom in India. The case provides a detailed note of Delhivery's evolution from 2011 to 2019, especially focusing on the multifaceted development of Delhivery not limited to e-commerce delivery but also its initiative in building an ecosystem for e-commerce firms to operate in India. The competition was intensifying in the e-commerce logistics industry, and Delhivery was contemplating how it should sustain its competitive advantage, contain its losses and break-even at the earliest.

Keywords

Delhivery, competitive advantage, competition, e-commerce logistics industry, e-commerce

Delhivery: Fulfilling E-commerce Delivery

After a long midday workflow meeting in April 2019, Suraj Saharan, co-founder of Delhivery, gazed through the glass walls of his firm's headquarters at Gurugram, Haryana, India. He was reflecting on the evolution of Delhivery from being the last-mile delivery partner of restaurants to being a linchpin to e-commerce firms operating in India. He was also pondering over the numerous threats and opportunities that Delhivery faced since its inception in 2011 and the way forward for the firm in the next five years as the competition was intensifying in the industry. The most important consideration for Suraj was to contain the loss that had been increasing every year. The competition was intensifying in the e-commerce logistics industry, which included independent courier agencies and captive logistics arms.

Further, India Post, a government-owned courier agency with the largest network coverage, contemplated entering the industry. This posed a serious challenge to e-commerce logistics firms. Delhivery had to devise mechanisms to manage and tackle these challenges.

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Indian E-commerce Industry

The Indian e-commerce industry had come a long way since 2002 when only the Indian Railways provided online ticket booking services. Encouraged by the acceptance of online ticketing services offered by the Indian Railways, a few airlines also started online ticketing services in 2003. Apart from ticketing, prior to 2002, e-tailing was facilitated by only rediff.com and indiatimes.com when they provided online shopping services. Business-to-customer (B2C) e-commerce marketplace and inventory-led companies, known as e-tailers, formed a significant part of the e-commerce industry in terms of industry valuation and number of users. The real charm of e-commerce in India was exhibited when Flipkart started selling books online in 2007. Till 2018, the e-commerce industry was categorized into a B2C e-commerce marketplace, B2C inventory-led e-commerce, B2C e-commerce aggregator, C2C e-commerce, B2B e-commerce and omnichannel retailers (CII, 2016) (refer Exhibit 1). In 2015, the Indian e-commerce industry was pegged at $16 billion and was estimated to grow at 34% CAGR (see Exhibit 2). Moreover, there were 39 million online shoppers in 2015, which was expected to grow at 41% CAGR. This was expected to double by 2021 that was a positive sign for the e-commerce logistics industry.

Evolution of the Indian E-commerce Industry

The advent of Flipkart in 2007 as an online book retailer was considered the originator of the Indian e-commerce industry. Two Indian Institute of Technology (IIT) Delhi alumni started Flipkart to change how Indians purchased books. Myntra, another online e-commerce firm for customized products, attempted to replicate Flipkart's success. Myntra also diversified into fashion and lifestyle products. In 2010, the Indian e-commerce industry was disrupted by Flipkart when they introduced the cash on delivery (CoD) facility. This facility allowed customers to pay at the time of delivery of their order. Prior to the introduction of CoD, customers had to pay online and take the risk of non-delivery of the order. The introduction of CoD fuelled rapid growth in e-commerce activity in India and posed a huge threat to brick and mortar retailers. In 2010, Snapdeal, an online platform providing details about offers and deals, diversified as an all product e-commerce firm and acted as a platform for several product categories beyond books and fashion. Jabong, another fashion and lifestyle e-commerce firm, started in 2012. By 2012, India posed as a huge marketplace for numerous e-commerce firms catering to specific product categories, including electronics, lifestyle, fashion, health care and furniture.

The huge growth in the Indian e-commerce industry attracted large investments for Indian e-commerce firms from major venture capital funds as well as leading global e-commerce firms such as Alibaba and Amazon.com. The ever-increasing mobile and internet penetration in the country aided the growth of the Indian e-commerce industry. E-commerce soon gained popularity in tier II/III cities and towns as e-commerce allowed people in these locations to access products that were usually out of reach for them (Press Trust of India, 2013). In 2013, Amazon began its operations in India. This further strengthened the image of India as the big e-commerce destination. Amazon initially offered electronic products. However, it gradually expanded into different product categories and offered products in more than fifteen categories, including used and refurbished products.

In 2014, the Indian e-commerce industry saw an initial wave of consolidation when Flipkart acquired Myntra. A few small e-commerce firms closed down owing to competitive pressures in the hyper-competitive industry. In 2018, Flipkart was acquired by Walmart for $16 billion and eventually placed Walmart to compete with Amazon in the Indian e-commerce industry (ET Bureau, 2018).

Logistics: The Backbone of the E-commerce Industry

Indian customers adopted e-commerce as a shopping channel for all product categories ranging from electronics, consumer durables, fashion, books, furniture and so on (refer Exhibit 2). Gradually, brick and mortar retailers also started building their online portals to catch up with the e-commerce wave. As per the report ‘Logistics can help e-commerce go the distance’ published by Nielsen Company in 2015, logistics service was an important value chain step to successfully complete an e-commerce transaction (Nielsen Company, 2015), as delivery of the product to customers was the responsibility of the online portal. Increasing e-commerce transactions led to the e-commerce logistics industry’s growth, and with the advent of CoD and product return facilities, its importance further increased. The logistics service providers represented the e-commerce firms in front of the customers. The delivery boy from the logistic service provider, entrusted with the responsibility to deliver the consignment of e-commerce firms, was capable of influencing customer satisfaction. Logistics evolved from being a ‘vanilla’ service offered to big e-commerce firms to a process that delivered excellence. As per KPMG’s report, ‘Fulfilled – India’s e-commerce retail logistics growth story 2016’, the Indian e-commerce logistics industry was pegged at \$0.46 billion with a projected 48% compounded annual growth rate (KPMG, 2016). By 2018 and 2019, the Indian e-commerce logistics industry grew further with the growth in the e-commerce industry in the country. The e-commerce industry was poised to reach \$84 billion by 2021 (PTI, 2019).

Delhivery: The Revolutionary E-commerce Logistics Service Provider

Many start-ups bloomed in India as logistics service providers became an important part of the value chain of e-commerce firms during 2009–2012. There was a requirement for reliable and fast logistics service providers whose expertise in handling consignments could be leveraged by e-commerce firms. In India, the role of e-commerce was more profound in tier II and III towns, where retail outlets of established brands were few, and the people relied on e-commerce firms to fulfil these needs (Press Trust of India, 2013).

In 2010, Sahil Barua and Suraj Saharan, two employees at Bain & Co., took a break from their service and explored different business opportunities in the e-commerce space. Sahil was born in Ahmedabad and had completed his bachelor’s degree in mechanical engineering from the National Institute of Technology Karnataka and Postgraduate degree in Management from Indian Institute of Management Bangalore. On the other hand, Suraj was born in a small town in Rajasthan, called Sri Ganganagar, and obtained his Bachelor’s degree from the IIT Bombay prior to joining Bain & Co.

2011: The Start

Uncertain profitability and ever-increasing competition in the e-commerce industry deterred Sahil and Suraj from starting an e-commerce portal. Further, they also realized that few established players in the e-commerce industry had garnered experience working in the Indian market over the years. Both Sahil and Suraj were instinctively more comfortable with businesses that were cash positive. People employed in different organizations at Gurugram faced difficulty getting food from specific restaurants in their vicinity, as not all restaurants around were adept in delivering fresh food. There was no service provider to support the restaurants to act as delivery partners. Sahil and Suraj sensed the opportunity for building a business by acting as the last-mile delivery provider for restaurants in Gurugram. Suraj and Sahil identified a business opportunity from their habit of having lunch in eateries near their office at Gurugram (a part of Delhi National Capital Region) with immense growth opportunity. Their venture was named 'Delhivery' to signify their main function—delivery—and the location of the venture—Delhi (National Capital Region). Soon, the budding entrepreneurs realized that the need for their service peaked during lunch and dinner time and lagged during the rest of the day. In order to optimally use their delivery staff's time, Delhivery started to act as a delivery partner for Gurugram-based e-commerce firms—Urbantouch and Healthkart.

2011–2012: The Expansion

The volume of consignments handled by Delhivery within Gurugram gradually grew to over 500 shipments a day by the end of 2011. In the middle of 2011, another Bain & Co. employee, Mohit Tandon, joined Delhivery. The founders' analytical and future-oriented thinking developed by working in a high stature consulting firm allowed them to channelize and direct Delhivery on to the right path. Delhivery's experience with Urbantouch and Healthkart and other clients that joined gradually allowed the founders to understand two important nuances attached to the logistics arm of e-commerce firms. First, e-commerce in India had to adopt a CoD payment facility successfully. The logistics partner of each e-commerce firm was entrusted with the responsibility to manage the CoD facility extended by the e-commerce firm. CoD had serious implications for the e-commerce firms' survival in India, and it put an important responsibility on the e-commerce logistics firms.

E-commerce firms' working capital requirement increased due to the time lag between sale and realization of revenue (in the form of CoD). This meant that their logistics partner was required to develop the capability to manage cash and conduct quick reconciliation and remittance of funds back to the e-commerce firm. The importance of logistics service providers increased multifold as its capabilities influenced the financial strength of the e-commerce firms. Second, the logistics service provider acted as a touch point for e-commerce customers. Any conduct by the logistics service provider was seen as part of the e-commerce firm. This further increased the reliance of the e-commerce firm on their logistics service provider for enhancing customer satisfaction. With a huge responsibility delegated to the logistics service provider, e-commerce firms required visibility over the activities of the logistics service provider. Visibility allowed e-commerce firms to track the real-time movement of shipments and thereby demand prompt remittances from the logistics service provider. Credibility and trust emerged as key in the dynamics between e-commerce firms and their logistics service provider. Delhivery also realized that big established logistics firms with a wide network in the Indian market neglected the unique needs of e-commerce firms as it perceived it as too small an industry to support with its services.

Delhivery, from its experience of being the logistics service provider for Urbantouch and Healthkart in Gurugram, adapted its activities to provide top quality services to e-commerce firms. Delhivery realized that it needed to quickly expand its network and provide its services to e-commerce firms and fulfil their unmet demands. As the focus shifted to e-commerce logistics, Delhivery stopped providing logistics services to restaurants. Delhivery expanded its network to cover the whole of Delhi National Capital Region (Delhi NCR), including Delhi, Noida, Gurgaon and Faridabad, an area spanning 59,000 sq km by the end of 2011. Two more founders, Bhavesh Manglani and Kapil Bharati, joined Delhivery in the last quarter of 2011. The five co-founders divided the Delhi NCR into five different strategic zones and worked on the ground with delivery boys to understand skill and infrastructure requirements to commence quality delivery service for e-commerce firms. The team of delivery boys grew from 150 to more than 1,000 from 2011 to 2012, and daily shipment volume increased to over 9,000 from around 500 shipments in 2011.

2012: Internal Capability Development

Delhivery received Series A funding of $1.5 million from Times Internet Limited in 2012. The founders soon realized the importance of empowering its clients and customers by creating a website that would provide end-to-end visibility and a consignment tracking facility. Between August 2011 and January 2012, Delhivery focused on creating the right processes and support systems that facilitated shipments' efficient and effective movement. Delhivery developed technological solutions and moved to tech-enabled systems beyond Microsoft Excel sheets. Delhivery undertook the development of software in-house as off-the-shelf logistics management software lacked the adaptability and versatility required by an e-commerce logistics service provider. Moreover, off-the-shelf software did not allow Delhivery to customize its services per the evolving needs of e-commerce firms.

Delhivery was committed to expand to tier 1 cities across India. Delhivery's mantra for growth and expansion was to stabilize at each stage before moving forward to the next stage. This allowed Delhivery to learn at each step of growth and maintain quality rather than expanding at a rapid pace at the cost of service precision. By the end of 2012, Delhivery was successfully operating as a logistics service provider in Delhi NCR, Chennai, Bangalore, Hyderabad, Mumbai, Ahmedabad, Nasik, Chandigarh, Surat, Vadodara, Pune and Jaipur.

2013: Enhancing Value Proposition

After successfully developing internal technological strength and increasing its coverage to major locations in India, Delhivery aimed to develop a holistic ecosystem for e-commerce firms. Delhivery increased its breadth of activities from just being a logistics service provider to becoming a fulfilment service provider[1] by 2013 and becoming a technology solutions provider also. Delhivery offered multiple commerce technologies to aid e-commerce firms in their operations. In this pursuit, Delhivery launched commerce technologies such as Vendor panel,[2] GODAM[3] and FALCON.[4] These technology solutions helped its clients build new channels for sales, management of sales orders, effective engagement of customers and data analytics that facilitated designing marketing campaigns and deciding product listing on various portals. Delhivery successfully completed its Series B funding of $6 million from Times Internet Limited and Nexus Venture Partners in September 2013.

2014: Establishment as Fulfilment Service Provider

The founders of Delhivery were continually revisiting their business model. Delhivery had turned into a 'Fulfilment Service Provider' and provided e-commerce firms with end-to-end solutions. Delhivery diversified backwards along the value chain and took responsibility for all activities ranging from packaging to warehousing that e-commerce firms undertook. The development of Delhivery from a logistics service provider to a fulfilment service provider was a landmark moment for the organization. By extending fulfilment service, Delhivery was able to support the sellers listed with e-commerce firms in minimizing their involvement in packaging and warehousing services which very few e-commerce logistics firms offered. By 2014, Delhivery owned six fulfilment centres across India, handling more than 150,000 shipments a day with employee strength of over 5,000. The growth and success of Delhivery attracted further investment from Nexus Venture Partners, Times Internet Limited and Multiples Alternate Asset Management in Series C funding of $35 million in 2014 (Paul, 2015).

2015–2017: Rapid Growth

After establishing its network across India, Delhivery expanded internationally and started a fulfilment centre in Dubai. Venture capitalists across the world saw the evolution of Delhivery from operating in India to going international with its service offerings. Tiger Global Management extended its funding of $85 million to Delhivery in Series D in 2015.

The founders realized the need to invest in different related businesses and reduced their dependence on being solely a logistics and fulfilment service provider for e-commerce firms (Pandita, 2015). Delhivery invested in four new start-ups that were involved in business closely associated with Delhivery's business. First, Delhivery invested in Parcelled founded in 2014 by former Flipkart employees and facilitated customers to pick up their consignments from designated pickup spots and quicker delivery at a lesser cost. Second, Delhivery invested in Opinio founded in 2015 by IIT Kanpur alumnus and specialized in B2B logistics service. Delhivery was interested in serving the B2B market segment by leveraging its existing resources. Third, Delhivery invested in Rocketbox, founded in 2015, and extended delivery vehicle booking services. Finally, Delhivery invested in Qikpod, founded in 2015 by serial entrepreneur Ravi Gururaj, and conceptualized delivery of consignments in a locker and minimized hassles of delivering consignments directly to customers at their home or office. Towards the end of 2016, Delhivery reached the milestone of delivering 100 million consignments and provided services to 2,500 odd clients with a 15,000 team size (see Exhibits 3 and 4). At the beginning of 2017, Delhivery had a network in 600+ cities and completed Series E funding from Carlyle, Tiger Global and Fosun of $100–130 million.

2018–2019: Moving to the Next Level

Post the rapid growth during 2015–2017, Delhivery was on the advent of moving to the next level from a start-up to an established organization. Delhivery started working on full-truckload freight services and cross border services for its clients in India. The fulfilment centres grew to thirty from twenty-four in 2017. Delhivery acquired the India operations of Aramex, a logistics organization based out of Dubai, United Arab Emirates (Pradhan, 2019). The network fast grew to 2,500+ cities in 2019 and challenged other incumbent players in the e-commerce logistics industry in terms of their network. In 2019, Delhivery received the coveted Startup of the Year 2019 award from ET Startup Awards 2019, which further validated its prowess (ET Online, 2019).

Delhivery's valuation breached the $1 billion valuation and formed part of India's Unicorn Club in 2019 (Dash, 2019). Delhivery was aiming to expand its network further and compete in terms of quality of service. Exhibit 3 provides a snapshot of Delhivery's evolution, and Exhibit 4 provides details of

Delhivery's financial performance over the years. Feedback on Delhivery's operations denoted the high quality of service provided by the organization (refer Exhibit 4).

Competitors

The e-commerce logistics industry consisted of independent courier agencies as well as the captive logistics arms of e-commerce firms. Independent courier agencies consisted of firms providing logistics service solely to e-commerce firms and included traditional courier agencies that provided e-commerce logistics services and courier services for the public.

Independent courier agencies

Blue Dart: Blue Dart, founded in 1991, was a subsidiary of DHL and operated as an independent courier agency and package distribution agency. Blue Dart was ranked second in terms of the number of consignments shipped after Delhivery. The e-commerce logistics service unit was considered the largest strategic business unit of Blue Dart in 2015. Blue Dart leveraged its extensive resource base established for courier and package shipment in undertaking delivery for e-commerce firms. It owned eighty-five warehouses across India and provided customized solutions to its clients. Blue Dart possessed technology that provided an end-to-end tracking facility to customers. Blue Dart stood out by its extensive air network in India, allowing it to minimize delays caused by space constraints in commercial carriers such as Indigo and Go Air used by e-commerce logistics firms for air transportation. Blue Dart was listed in the National Stock Exchange (NSE) and was accredited with the highest grade for financial credibility by ICRA Ltd., India's renowned credit rating agency. By 2019, Blue Dart possessed the infrastructure and resources to give stiff competition to Delhivery in the long run. Blue Dart was much stronger than Delhivery. However, it lacked the agility possessed by Delhivery.

Gojavas: Gojavas started in 2013 as an independent courier agency specializing in e-commerce logistics services. Gojavas was the first logistics company to support the 'Try and Buy' delivery concept that allowed customers to try out their product and buy only if they were satisfied. This service revolutionized e-commerce in India as customers preferred to try lifestyle products prior to purchasing them. Gojavas provided its services in more than 2,500 pin codes in 100 cities across India and depended prominently on Snapdeal for its business. Snapdeal gradually developed its own captive logistics service provider—Vulcan Express, and over time shifted from Gojavas. Gojavas performance had been negatively hit by a reduction in consignments from Snapdeal. Many acquisitions and merger offers were extended to Gojavas. Gojavas and Delhivery competed for being the logistics service provider for Snapdeal. The contest to get Snapdeal was interesting since Snapdeal was also one of the investors in Gojavas (Gooptu, 2016). For Delhivery, getting Snapdeal on board as its client would be sufficient to showcase its service quality and efficiency, whereas for Gojavas losing out on Snapdeal would have implications in its funding.

Ecom Express: Ecom Express started in 2012 and provided end-to-end logistics services to the e-commerce industry. Ecom Express serviced more than 800 cities with 20 pickup processing centres and 60 destination hubs in India and extended logistics service for Indian e-commerce firms to few other countries. Ecom Express was considered as a reliable logistics service provider to deliver shipments in India's north-eastern region, difficult terrain for logistics operations. They pioneered in providing specialized services for shipping valuable items such as jewellery and antiquities sold by e-commerce firms. Ecom Express was expected to achieve a turnover of ₹3,500 million during the financial year 2016–2017. They utilized cutting edge technology developed in-house and was developing technology to enhance the e-commerce industry's ecosystem.

Safexpress: Safexpress was founded in 1997 as a traditional courier agency that provided e-commerce logistics services through its group company; Safexpress B2C, which started in 2012 Safexpress B2C leveraged Safexpress' extensive surface and air infrastructure developed for handling courier and package distribution to provide multimodal cargo handling services to e-commerce firms. Safexpress B2C had an extensive network and catered to more than 22,000 pin codes through its forty-eight hubs spread across the country (Logistics India, 2019). Safexpress was considered a 'Knowledge and Market Leader' in the Indian logistics industry, and Safexpress B2C was a dedicated company established to provide unique requirements in e-commerce logistics.

GATI Ltd.: GATI Ltd. was founded in 1989 and started providing e-commerce logistics services through GATI e-connect vertical in 2014. In the financial year 2014–2015, GATI e-connect accounted for 10% of the overall turnover generated by GATI Ltd. GATI e-connect operated 4 fulfilment centres as well as 61 smaller warehouses across India and possessed the capacity to handle more than 40,000 shipments a day. GATI e-connect depended on GATI Ltd.'s extensive network to deliver shipments to more than 19,000 pin codes in India. GATI e-connect planned pickup and delivery based on continuous technological synchronization with e-commerce firms' systems. GATI e-connect offered small retailers an opportunity to leverage the benefits of e-commerce by extending the facility to list and sell their products on GATI's online shopping portal (GATI, 2019). GATI Ltd. was listed on the NSE as well as the Bombay Stock Exchange in India and had a stable financial health.

Captive logistics arm

Few e-commerce firms had invested in establishing logistics service providers that primarily catered to them. These service providers were captive to provide their services to the e-commerce firm investing in it and were referred to as captive logistics firms. E-commerce firms with a captive logistics arm employed independent courier agencies and further augmented their reach and speed.

Amazon Transportation Services Ltd.: Amazon started operations of its captive logistics arm, Amazon Transportation Services Ltd., in India in 2015. The aim to begin operations of the captive logistics arm was to reduce dependence on third-party logistics service providers in India. Amazon.in had established itself as the number one e-commerce firm in India within three years of functioning and was provided logistics service by Delhivery, GATI and Blue Dart. As competition intensified in the Indian e-commerce industry, quick delivery emerged as a key differentiator amongst the e-commerce firms. Amazon Transportation Service Ltd., a captive logistics arm, provided better control to Amazon.in and allowed quick delivery.

Moreover, Amazon Transportation Service Ltd. acted as a new business line since their services were also offered to other e-commerce firms. Amazon Transportation Service Ltd. operated nine fulfilment centres. Amazon Transportation Service Ltd. launched the 'EasyShip' platform that allowed sellers on Amazon.in to decide their logistics partner. This empowered sellers to plan for quicker delivery options. In 2016, Amazon Transportation Service Ltd. handled more than 50% of the total shipments of Amazon.in and enabled complete integration with Amazon.in systems. Delhivery was a logistics partner to

Amazon's e-commerce services in India. Post inception of Amazon Transportation Services Ltd. in India, Delhivery, GATI and Blue Dart lost almost 30% of consignment from Amazon. Amazon Transportation Services Ltd. challenged these e-commerce logistics firms by serving other e-commerce firms too (Mukherjee, 2017).

Ekart Logistics: Ekart Logistics began its operations as the captive logistics arm of Flipkart in 2009 and was spun off in 2015 as a separate entity. Ekart handled more than 85% of shipments for Flipkart in 2015 and also provided logistics services to other e-commerce firms. Together, Ekart handled more than 10 million consignments every month during the financial year 2015–2016. Ekart was considered the largest logistics and supply chain management firm in India that catered to over 3,800 locations spread across tier I, II and III cities within India, whereas Delhivery served 2,300 locations. Ekart diversified into providing courier services through its eFlash vertical in 2016 and extended logistics support for offline sellers. Amazon Transportation Services Ltd., along with Ekart Logistics, accounted for a 65% market share in the Indian e-commerce logistics industry.

Vulcan Express: Vulcan Express started in 2014 and was the captive logistics arm of Snapdeal, an Indian e-commerce firm. Vulcan owned eight fulfilment centres and fifteen hubs in India to facilitate delivery services for Snapdeal. Vulcan Express was accredited as the logistics firm with the lowest logistics costs in India. In 2017, Vulcan Express started offering logistics services to other e-commerce firms. Vulcan Express was Snapdeal's first attempt to create an integrated logistics service provider.

Way Forward for Delhivery

Suraj Saharan reflected on the way forward for Delhivery as competition in the e-commerce logistics service industry was intensifying. Independent courier agencies leveraged their extensive resource base created for the traditional courier industry and challenged Delhivery in terms of network reach and cost. On the other hand, the large e-commerce firms had established their own captive logistics arm for delivering their shipments. Also, India Post, a government-owned courier agency with the largest network coverage, was contemplating providing e-commerce logistics services. Further, consolidation in e-commerce was expected to have some impact on the e-commerce logistics industry. There was no question about the growth of the online channel as a percentage of the total retail market in India, but logistics companies were expected to play a huge role in how quickly this happened. Developing systems, processes and capabilities to build sustainable service level precision along with a significant cost advantage in e-commerce logistics was going to be critical to the success of Delhivery. Delhivery had to act swiftly in order to create and sustain its position as a prominent e-commerce logistics player. Delhivery also had to contain its losses and break-even at the earliest as it had been long containing losses and attain competitive advantage (refer Exhibit 5).

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Exhibit 1. E-commerce Industry Categorization.

Categories	Brief Description	Major Players in India in 2019
B2C e-commerce marketplace	E-commerce portals that provided a platform where buyers can discover sellers and vice versa. These firms work on a zero-inventory model.	Amazon.in, Flipkart.com and Snapdeal.com
B2C e-commerce inventory led	E-commerce portals that sold products held in its inventory.	Bigbasket.com, Firstcry.com and Grofers.com
B2C e-commerce aggregator	E-commerce portals that collected individual service providers under a brand.	olacabs.com and Uber.com
C2C e-commerce	E-commerce portals that provided a platform facilitating a person-to-person sale of goods and services. These firms act as online classifieds.	quickr.com and olx.com
B2B e-commerce	E-commerce portals that connected businesses for the purchase and sale of goods and services.	amazonbusiness.com and cloudbuy.com
Omnichannel retailers	E-commerce portals of traditional brick and mortar retailers.	Shoppers Stop Ltd., Raymond Ltd. and BigBazaar.com

Source: Compiled by the authors from the following sources:
- CII. (2016). *E-commerce in India a game changer for the economy*. http://italiaindia.com/images/uploads/pdf/april-2016-e-commerce-in-india.pdf
- PWC. (2019). *Propelling India towards global leadership in e-commerce*. https://www.pwc.in/research-insights/2018/propelling-india-towards-global-leadership-in-e-commerce.html

Exhibit 2. Product Category-wise Online Shoppers in India as in 2015 along with Forecast for 2020.

Product Category	Percentage in 2015	Proposed Percentage in 2020
Electronics	36	30
Fashion	25	29
Consumer durables	14	17
Home furnishing and furniture	10	12
Sports and fitness	7	5
Books	5	2
Food and grocery	1	3
Others	2	2

Source: Compiled by the authors from the following sources:
- CII. (2016). *E-commerce in India a game changer for the economy*. http://italiaindia.com/images/uploads/pdf/april-2016-e-commerce-in-india.pdf
- IBEF. (2018). *Ecommerce industry report January 2018*.

Exhibit 3. Evolution of Delhivery from 2011 to 2017.

					Funding	
Year	Number of Locations	Number of Clients	Number of Shipments (per Day)	Team Size	Amount ($ Million)	Investors
2011	2	6	500	150+	1.5	Times Internet Limited
2012	31	75	9,000	1,000+		
2013	130	600	40,000	2,500+	6	Times Internet Limited and Nexus Venture partner
2014	175	800	90,000	5,000+	35	Nexus Venture Partners, Times Internet Limited and Multiples Alternate Asset Management
2015	350	2,000	200,000	15,000+	85	Tiger Global Management
2016	500	3,000	320,000	15,000+		
2017	800	3,000	320,000	15,000+	100–130	The Carlyle Group, Tiger Global Management and Fosun International
2018	1,700	3,500	400,000	25,000+		
2019	2,500	10,000	1,000,000	40,000+	413	Softbank Vision Fund, Carlyle Group and Fosun International

Source: Compiled by the authors based on primary data collected through interview with the founders of Delhivery.

Exhibit 4. Feedback on Delhivery's Operations.

Client 1: 'Delhivery's network along with the availability of fulfilment centres is a great boon for e-commerce industry players who are interested in transferring the responsibility of logistics to a third-party organization.'

Client 2: 'Delhivery is delivering what they promise without any doubt.'

Client 3: 'Being the touchpoint for the customer, Delhivery ensures to keep up with the expectation of the e-commerce player and play a pivotal role in positive feedback from the customers trusting our e-commerce portal.'

Client 4: 'We engage with multiple logistics service providers for our requirement. Delhivery's performance is top-notch and flawless. They play an integral role in the success of our organization to cater to the population of a country with vast geographic spread.'

Client 5: 'The rapid growth of Delhivery over these years depicts their commitment to clients.'
Source: Compiled by the authors.

Exhibit 5. Financial Results of Delhivery from 2014 to 2017 (in Million USD).

Financial Year	Revenue	Profit/Loss
2018–2019	282.33	295.33 (loss)
2017–2018	178.33	114.00 (loss)
2016–2017	125.17	41.50 (loss)
2015–2016	87.17	52.83 (loss)
2014–2015	33.68	10.03 (loss)

Source: Compiled by the authors from the following sources:
- The Hindu. (2017). Logistics firm Delhivery's losses increase four-fold. https://www.thehindubusinessline.com/companies/logistics-firm-delhiverys-losses-increase-fourfold/article9455476.ece
- ET Bureau. (2018). Delhivery sees strong growth in revenue in FY18. *The Economic Times*. https://economictimes.indiatimes.com/smallbiz/startups/newsbuzz/delhivery-sees-strong-growth-in-revenue-in fy18/articleshow/67255955.cms
- Ranjan, S. (2019). Logistics startup Delhivery posts wider losses in FY19. *Yourstory*. https://yourstory.com/2019/11/fy19-logistics-startup-delhivery-records-loss

Conversion rate; US$1 = ₹60.

Notes

1. Fulfilment service provider takes the responsibility of packaging, warehousing and other activities required to be taken up on receiving an order in the e-commerce portal. Generally, packaging warehousing and allied activities are undertaken by the e-commerce firm, and logistics provider is responsible to ship and deliver the order.
2. Vendor panel supports sellers for managing their orders. It includes support for vendor choice based on products, pin code and other different criteria as well as courier management and sale analytics.
3. GODAM software helps in order routing to the fulfilment centre and manage product pickup, quality inspection and packing the order.
4. FALCON is a transportation management system that enables to schedule pickup for a consignment and plans the route and mode of shipping the consignment.

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