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Flipkart Group-owned Myntra revises commission structure to drive low-ticket sales

Myntra has rolled out a revised seller fee structure charging commissions as low as 0-1% for products priced under ₹500 in select categories. (Bloomberg)

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Apparel marketplace Myntra has rolled out a revised seller fee structure, charging commissions as low as 0-1% for products priced under ₹500 in select categories like western wear, sports apparel, and intimate garments, marking a significant departure from its earlier flat 15-16% commission, according to two sellers with direct knowledge of the development.

The new structure appears aimed at boosting order volumes and sales frequency—especially in lower-price segments—and positions the Walmart-backed online retailer to better compete with online rivals like Meesho and Amazon, which dominate in value-driven categories. The revised rates went into effect last week. “The new structure will encourage sellers to reduce the selling price of their products on the platform, thereby driving up sales.

Ultimately, Myntra wants to be known for its various price points, especially for apparel," said one of the sellers quoted above. Moreover, it will drive new sellers to the platform, helping widen product offerings to customers. To be sure, this isn’t a one-size-fits-all approach. The revised rates are seller- and category-specific, meaning that commission rates can vary based on seller tenure, performance, and the product category. For example, long-standing sellers might operate under different slabs compared to newly onboarded merchants. This development comes just months after Myntra reported profitability in FY24, making a sharp turnaround from a ₹782 crore loss in the previous year.

The move suggests a broader attempt to scale marketplace revenues by tapping into price-sensitive, high- volume consumer segments, particularly in Tier 2 and Tier 3 markets. Myntra's month-long 'End of Reason Sale', which ended 12 June, saw 60% of all orders come from Tier 2 towns like Jalandhar, Guwahati, Bhubaneshwar and Mysuru. Myntra did not immediately respond to emailed queries by Mint. Consumers cut purchases The fashion and apparel industry has been witnessing a slowdown over the past few quarters, with consumers making fewer discretionary purchases due to slower income growth. According to the Retailers Association of India, the Indian retail sector saw nominal sales growth of 5% in December 2024—an important festival month—compared to the year-ago period. ”It could definitely be a clear move to compete with players like Meesho and a bunch of new-age quick fashion commerce players. It’s a different category altogether—low-cost fashion typically targets Gen Z, who are the spenders of tomorrow," said Madhav Kasturia, founder and chief executive of Zippee, a quick-commerce logistics platform. Kasturia said that seller acquisition isn’t the issue here—it’s about tapping early customers and building future loyalty.

“This play could strengthen Myntra’s presence in Tier 2/3 markets, where emerging consumer bases are becoming increasingly important," Kasturia added. Analysts say that Myntra will still go after premium and mass-premium users. This doesn’t necessarily mean a shift in positioning. There’s still enough market share out there—no real pressure yet to rethink fixed fees, even with quick and social commerce scaling up, Kasturia added. Price play “At face value, the move resembles a direct response to Meesho, whose growth has been underpinned by a zero-commission, low-AOV (Average Order Value) model targeting Tier 2/3 regions. But instead of directly matching Meesho’s model, Myntra is providing an alternative—it filters the approach through the lens of category specificity, price segmentation, and marketplace control. It’s about occupying the same price territory without sacrificing platform architecture or consumer trust," said

Nilaya Varma, co-founder at Primus Partners India. Varma added that introducing price play where it matters while retaining strength in discovery, brand loyalty, and post-sale service seems to be a parallel smart move. “There must be, undeniably, a potential 'tension' between Myntra's traditional brand positioning—urban, aspirational, style-focused—and this aggressive push into low-ticket commerce.

But rather than a departure, this could be seen as a deliberate strategy to layer the platform. Think of it as a pyramid: high-frequency, low-margin products draw mass traffic at the base, while curated labels, premium brands, and 'higher categories' anchor the top," Varma said. Analysts say this kind of tiered strategy isn't new. Amazon and Flipkart have long balanced volume and value, offering affordable entry points while simultaneously cultivating premium verticals like Amazon Luxe and Flipkart's private labels. Myntra appears to be adopting a similar approach: drawing in price-sensitive shoppers and high-volume sellers at the base, then using data-driven insights and personalized recommendations to elevate them toward higher-end offerings.

This model safeguards the premium segment rather than diluting it through thoughtful segmentation, not exclusion. Expanding into lower-ticket categories is a natural evolution, especially in a post-pandemic landscape where cost-conscious consumption has grown even among upwardly mobile consumers. New mantra "E-commerce works best when small profits are made on a large number of transactions. With this move, Myntra is clearly betting that lowering commission rates will attract many more sellers, increase the number of products listed, and drive up order volumes. The idea is that even if the profit per item is low, the total gains will grow because of the higher activity on the platform. Myntra's recent return to profitability in FY24— ₹30.9 crore after a steep loss of ₹782 crore the year before—already shows that this kind of scale-driven strategy may be starting to pay off," said Varma. However, analysts believe that the 0-1% commission rate is unlikely to be a long-term universal model. Instead, it functions as a market-stimulation lever—intended to bring in price-competitive sellers who might otherwise flock to Meesho or Shopee-like platforms.

"It's a move to balance the supply equation, especially in high-friction categories like accessories, fast fashion, or basic apparel—where commissions eat into seller margin and discourage onboarding," added Varma. Moreover, there is growing pressure on platforms like Myntra from the rapid rise of quick- commerce and social-commerce models, which have redefined consumer expectations around speed, price, and accessibility. "However, Myntra's response has been measured and strategic, not reactionary," said Varma, adding that, unlike grocery or impulse categories, fashion requires a blend of speed and brand experience.

Myntra has already begun piloting express delivery services like "MNow" with 30-minute or 4-hour timelines in select cities. To optimize fulfilments, Myntra is leveraging its network of brand partners and dark stores. To optimize fulfilment, Myntra is leveraging its network of brand partners and dark stores