PREFACE

Retail is India’s one of the largest sectors of economy, accounting for ten percent of gross domestic product and eight percent of total employment. Traditionally, retail businesses in India are run by mom and pop stores having a shop on the front side of the house. It is also found in the form of independent shopkeepers typically running a business in small area of less than five hundred square feet. Unorganized retail sector, which still dominates the Indian retail horizon, enjoys benefits such as locational convenience, low cost of operations, lower real estate and labor cost, absence of taxes or little taxes to pay, consumer familiarity due to close proximity as the business runs from generation to generation and many more.

The scenario, though still dominant in many parts of the country, is albeit changing slowly but steadily. Retailing is going through a transition phase in India. The global retail industry is a very dominant sector of world economy today where top 200 retailers in the world, account for 30 percent of the worldwide demand. Though India has been slow in joining this global retail revolution, she is surely picking up pace. In the past decade, the Indian marketplace has transformed drastically. Liberalization, Privatization and Globalization (LPG) process has converted Indian economy from a protective
one towards a market driven economy. India has entered the twenty first century at a time where the world has literally shrunk into a “Global village.” Government role has changed from being a controller towards being a facilitator. The changing profile of demographic environment has contributed to this change in a big way. India has seen an unforeseen pace of transformation in the retail sector in the last few years. Multidimensional factors, such as rising purchasing power of buyers, availability of a wide variety of products, increasing economies of scale, application of modern supply and distribution management solutions, have played a great role in this transformation. Host of other factors including growing number of nuclear families in urban segments, double income households, greater work stress and increase in commuting time which puts urban customer under constant work pressure, too have acted as key drivers in the emergence and growth of organized retailing in India.

Indian organized retail industry is referred to as “Sunrise sector” of economy. Malls and hypermarkets have positioned themselves as “Shoppertainment”- an ideal place for shopping, fun and entertainment, all under one roof today. In the last few years, Mumbai too has witnessed huge rise in malls and hypermarkets. Kishore Biyani’s Pantaloons, Big Bazaar, Tata’s Westside, Trent, Crossroads, Nirmal Lifestyles, Heiko, Shoppers’ Stop and many more have mushroomed in the city rapidly in the last five years.
Geographically, Eastern suburbs of Mumbai on Central Railway extend from Ghatkopar to Mulund. It has a population of more than 15 lakh. This area was dominated by industries earlier. But due to various reasons, factories have shifted out of Mumbai, thus leaving large acres of land for construction of buildings and malls of big sizes. It is one of the important reasons for the growth of bigger malls in this region, especially in Bhandup and Mulund suburbs. Despite not being so affluent region, the malls have succeeded in attracting a sizable chunk of local population in the Eastern suburbs of Mumbai.

This phenomenon has given rise to a number of questions over a period of time, such as --Is the mall culture going to sustain or is it just a bubble? What do customers feel about this whole phenomenon? Which types of products and shopkeepers are affected more? To what extent the mall culture has impacted customer’s lifestyle, buying habits and behavior? Why do people visit malls, and many more. In view of these investigative questions, an attempt has been made in this research work, to study the growth pattern of India’s organized retail industry, changing face of Indian consumer and the impact of organized retail sector on consumers as well as local retailers in select product categories in Eastern suburbs of Mumbai, and the counterstrategies initiated by local retailers to offset the same.