Executive Summary

Retail Industry of India contributes to 12 percent of GDP of India. According to the report of IBEF 2010, India’s retail market, valued at US$ 353 billion in the year 2010, is projected to grow at a rate of 12 per cent per annum and is projected to reach at US $ 543 billion by year 2014. As per A.T Kearney in its 9th annual Global Retail Development Index (GRDI) 2010, India has been ranked as the third most attractive nation for retail investment among 30 emerging markets of world.

The Indian Retail Industry is divided into organized and unorganized retail. The Indian retail sector is highly fragmented with 95 percentage of its business being dominated by unorganized retailers like traditional family run stores. The unorganized retail sector has continued to grow at about 10 percent per annum with sales rising from $ 309 billion in the year 2006-07 to $ 496 billion in the year 2011-12. The unorganized retail sector employs about 33 million people in India.

The penetration of organized retail is only 5 percent. But according to McKensey & Company Report titled “The Great Indian Bazaar: Organized Retail Comes of Age in India”, organized retail in India is expected to increase from 5 percent of total market in the year 2008 to 14 to 15 percent and reach US $ 450 billion by the year 2015. The major contributors to move from traditional outlet to organized retail were higher disposable income, increasing number of malls, change in consumption pattern, and increase in usage of credit card. The major formats available in Indian retail industry are hypermarket, supermarket, malls, discount stores and e-retailing. The major players in
Indian organized retail industry are future group, K.Raheja group, Tata, Bharti group and so on. High attrition rate, retail theft, poor supply chain networks are some of the challenges faced by Indian retail industry.

The rapid growth of the internet and e-commerce provide new opportunities for India’s retailers, and a new battle for India’s retail industry has begun. According to the Internet Usage Statistics of India – A 2010 report, there are 88 million active internet users in India and India has 10.52 million broadband users till October 2010, constituting 6 percent of population. Also 85 percent of internet users are from age group of 18 to 24 years. Though the penetration of internet is less compared to other countries but will increase surely and represent huge potential to e-commerce. Along with that the disposable income of Indian consumer is also increasing.

The categories of e-commerce are B2B, B2C, C2C and so on. B2B e-commerce is a transaction between two business online, while B2C includes retail transactions of products or services from businesses to individual customers, and is also call ‘e-tailing’ (Turban et al. 2006.). As per report of online commerce March 2011, IAMAI, the market size of e-commerce is INR 19,688 crores, out of which online traveling contributes 76 percent while financial services and e-retailing contributes 8 percent each, digital download contributes 2 percent while other online services contributes 6 percent.

Increase in number of internet users, increasing disposable income, increasing fuel price, the uniqueness of Indian consumer present huge opportunity to retailers to penetrate with e-retail format. Few of the retailers have identified the potential and had come up with their portal. This recently emerged format has shown indication of early success but still a systematic study should be done to understand this format to avail maximum opportunity. This study tries to systematically analyze Consumer awareness and Potential of E-retailing in South Gujarat Region.
The Thesis contains 7 chapters starting from Industry Profile to Recommendation.

In Chapter 1 definition of retailing, its evolution, types of retailing, role of retailer in distribution channel has been covered. The overview of global retail industry along with global players of retail industry has been covered. The contribution of unorganized and organized retail sector along with their components and contribution of rural retailing is described in brief. Chapter also covers major Indian players in retail industry and impact of global meltdown on retail industry. Also growth drives for Indian retail industry, challenges faced by retail industry has been covered in brief.

Chapter 2 covers the definition of e-commerce, history of e-commerce, categories of e-commerce and components of e-commerce in brief. The development of internet along with growth of e-commerce has been covered in brief. The chapter also covers barriers of e-commerce and with the help of literature review, various barriers for the development of e-commerce has been covered. Along with that the concept of e-retail, global overview, types of e-retail, its growth has been covered in brief. Chapter also covers procedure to purchase from e-retailing website and various payment methods adopted to purchase online. Along with that various e-retails have been covered in brief.

Chapter 3 covers literature review related to retailing, opportunities and challenges faced by Indian retail industry, concept of e-retailing, FDI in retailing in India. Literatures related to various countries were reviewed to study consumer trust and factors affecting success of e-retailing in respective countries.

In Chapter 4 Research Methodology is explained. The chapter states objectives of the study, hypothesis of the study, scope of study, research design, limitation of the study and future scope of study.
Chapter 5 of the thesis contains data analysis and interpretation. The analysis and interpretation is done with the help of percent, various graph like pie chart and bar chart is used for better representation of the data. Various statistical techniques such as z-proportional test as well as the Chi-square test of independence of attributes, Z-test for proportion, The Man-Whitney test, The Wilcoxon Signed Ranks test and Kruskal test have been used to test hypothesis.

Chapter 6 lists summary of findings.

Chapter 7 is devoted to Conclusions and Recommendations. Following are some of the major conclusions:

1) The awareness about e-retailing is high in South Gujarat region from consumer perspective but the retailers perceive that the knowledge related to e-retailing is less among these consumer.

2) The IT infrastructure is good in South Gujarat region from consumer perspective and they are satisfied with coverage, quality of service and stability of internet signal in their region. but from retailer’s perspective IT infrastructure facility is average to execute e-retailing in South Gujarat region

3) It can be concluded that respondents prefer to purchase those items from internet in which less physical orientation is required.

4) Respondent prefer to purchase with the payment option as cash on delivery which is less risky mode of payment compare to debit card and internet banking in which the threat of hacking or misusing of information is high

5) Respondents hesitate to purchase online because of the lack of trust on service provider followed by concerned about product quality.

6) The growth of internet and change in lifestyle is presenting a lot of potential to the e-retailing in South Gujarat. Though majority of respondents are using internet but those who purchase online is less which indicate that there is huge untapped market available for e-retailers. The potential of E-Retailing in South Gujarat Region is high.

Appropriate recommendations were made