INTRODUCTION
1.1 INTRODUCTORY NOTE ON THE RESEARCH PERSPECTIVE

It would be rationale to introduce the theme of the present research work with the exploration of recent retail market scenario; and with the conceptualization of journey from the fragmented traditional retail outlets to modern, organized, convenient and enjoyable retail destination. With the emergence of Liberalization, Privatization and Globalization (LPG) in India, a numerous reputed retail entrants are inspired to consider the country as an attractive and promising retail destination. This has promoted the growth of retailing. The concept of retailing came into existence long time ago but focus on this sector was insignificant. Today people are well educated, aware of external affairs, well informed and highly concerned with variety of brand availability which induces encouragement to the business people.

In ancient times, there was no gorgeous, decorative format of retail shop; small outlets were scattered over the market that was lacking in vigour and vitality that of the present era. Those shops were located at the specific location of the market which is consisting of strip type, discrete shops of different kinds such as cloths, grocery, food, vegetables, medicines and daily necessities. During this phase, variety of product assortment was limited and the concept of shopping under one roof had not been realized. The pattern of consumption and demand was quite different earlier because of the availability of products and accessibility to the market was restricted within the small sphere, which had been successfully accepted by them. But with the passage of time, this scenario has been witnessing a sea
change in the socio cultural and educational dimension, customers' exposure to media, population level, competitive environment, marketers and consumer orientation.

To sustain the synchronization with such transformation, retailers are now operating their business more dynamically and strategically which entails an intense competition in the field of retailing. To maintain the dominant position in the market and gaining competitive edge over competitors, they are in the market with basketful of value added services to the customers which is the harbinger of the remarkable transformation of unorganized market into organized retail sector. This has promoted the introduction of a number of store types such as:

✦ Departmental store,
✦ Convenience store,
✦ Hyper market,
✦ Shopping mall,
✦ Speciality Stores
✦ Super market

These retail variants are aiming at customers' convenience, comfort and generation of satisfaction.
1.2 ECONOMIC AND EMPLOYMENT PERSPECTIVE OF RETAILING

In the present time, retail sector is a major contributor to the economic development and employment generation in India. It contributes 10 – 11% of the country’s GDP. The unorganized retail trade records 96% of the total retail sales. The economy is growing at the rate of 8-9 % per year. International companies have recognized India as a most attractive destination to enter into retail business. It is the fourth largest economy in terms of GDP and is the second largest sector after agriculture. According to FICCI (Federation of Indian Chambers of Commerce and Industry), the organized retail is expected to increase its share over 20% by 2010. The organized retail has occupied a space of 1 million sq. ft. in 2002, which has reached to 14 million sq. ft. by 2007. During 2008 the retail space is expected to be 16 million sq.ft.

India Retail Report, [2007] predicts that 2.2 million jobs will be created in this new retail sector by 2010 [Sabnam and Paul, 2008]. The unorganized and dispersed retail market started evolving in the early 90’s. The successful operations of Pantaloons, Raymond, Reliance, and Birla have showed the path of retailing. The introduction of various formats like departmental stores, shopping malls, hyper markets, supermarkets and multi branded outlets has created job opportunity in this country. It contributes 6-7% of Indian employment [Kalhan, 2007] in the dearth of the job as Indian people are interested in entrepreneurial ventures in the form of franchising and starting up their own outlets to earn their livelihood. The direct employment in this sector is 4 crores. Eight million
job opportunity has been created due to retail growth which has been identified by Pricewaterhousecooper. There is a huge demand for talented manpower in the position of district manager, store manager, assistant store manager, visual merchandiser, retail sales personnel, front line staff and people for security, maintenance of retail houses. In India retailers like Food World, RPG, Pantaloons, Titan, Bata, Cafe Coffee Day etc have already opened their retail chains in different cities. This has generated a large amount of requirements for trained professionals in the field of retailing.

1.3 A BRIEF NOTE ON THE RESEARCH WORK

India is witnessing a paradigm shift in consumer consumption and spending pattern to a great extent. It is assisted by number of issues like the economic reforms of the country, rising of income level, majority of young population, media exposure and a wide range of branded products which have been prevailing in the Indian market since last few years. Though Indian retail market is almost dominated by the traditional stand alone shops, yet a significant number of organized retail formats have been successfully operating in metros and other tier II cities of India. The modern retailers are intending to present differential services like availability of branded products under one roof, parking facility, proper display, convenient ambience and space, entertainment facility, decoration of the stores and most importantly customer service to draw their attention. West Bengal, an eastern state of India is no exception to this fact. The economy of West Bengal mostly depends on agriculture unlike industrial
cities Durgapur and Haldia. In recent years IT enabled services and other service sectors have started operating in the state which has unwrapped new jobs opportunity. Consequently, this has enhanced the purchasing power of the consumers.

This research work has been conducted in Kolkata, Durgapur and Burdwan retail markets. The selection of three places is on the basis of its importance in the state and its unique features. Kolkata, a metro city of West Bengal is an embodiment of cultural mix, a centre of all commercial and industrial activities and socio-economical developments.

Durgapur is an industrial city and recently renowned as educational hub. The city caters to a huge population for employment and education from different parts of the states and other states which have improved its economic potentials.

This study has also considered Burdwan retail market as a special case because it is distinctly characterized in regards to agricultural based economy, rural customers, and their standard of living and consumption pattern.

This study aims to identify whether organized retail sector is developing in Kolkata, Durgapur and Burdwan retail markets. The study is conducted to find out the determinant items which are contributing to the growth of organized retailing and also to know the impact of value added services on customer satisfaction. The promotional aspect of retailing has been taken in to account to estimate its role in motivating the customers in visiting the retail outlets. It intends to examine whether the demographic profile of customer is at all an important driver of retail development.
The qualitative approach has been adopted to identify different important parameters to formulate the research framework and various quantitative techniques have been employed for the conclusive purpose of the research work. The primary as well as secondary sources have been used to collect data for the present study.

1.4 THE CONCEPTUAL FRAMEWORK OF RETAILING

A theoretical discussion has been given below to conceptualize the fundamental as well as varied dimensions of retailing as a whole.

1.4.1 RETAIL MARKETING:

The word retailing has been derived from the French word *retailier* which means to cut pieces off. The core concept of this word is based on the concept of breaking the bulk function. The dictionary definition of a retailer is a dealer or trader who sells goods in small quantity. In present day's business operation, marketing plays a key role in successful existence of the organization. Managing business activities is not restricted to the production of quality product and making profit, a special focus on marketing field becomes part and parcel to succeed. Previous concept of commercial activity aimed at making profit has been changed with the passage of time. An intense competition in the market place compels trader to think in a unique, efficient and different way. It has been realized that customers are the determinant factor for the survival of any kind of business organization. In this context, thrust on marketing operation has been prioritised.
“Marketing is social processes by which individuals and groups obtain want the need and want through creating, offering, and freely exchanging products and services of value with others”. (Marketing Management: Philip Kotler, 2000) The core concept of marketing starts with the need identification of customers, providing goods and services and at the end generation of satisfaction which ensures profit in the long run.

The four major element of marketing mix includes product, price, promotion and physical distribution. The concept of physical distribution is responsible for making the product available to the customers. “Marketing channels are sets of independent organizations involved in the process of making a product or service available for use and consumption” (Marketing Management : Philip Kotler, 2000). As the marketers are concentrating more and more on customers, product availability and location of purchase of products and services, rendering value added services which are in other way becoming a significant part of marketing. In this back drop, the concept of retailing is gaining importance with a view to serve the customer in a desired manner because in a distribution channel retailers communicate directly with customers. The function of retailing encompasses a wide range of activity. It is not all about to provide assortment to the target market but also performing value added services to improve relationship with the prospect.

The main purpose of retail marketing is to meet the needs, wants and desires of a specific group of customers. This is achieved through a combination of goods (in small quantity) and services (giving the
appropriate level of support) which meets the particular wants and desire" [Retail Marketing: Sullivan and Adcock, 2002]. Retail marketing concept contains a holistic approach towards activities linked with research on retail market, analysis of retail environment, customer planning and formulation of policies for the whole retail industry.

The application of marketing concept in retail organization has been originated in USA. Marketing is the core area of any retail organization because the success and failure of any retailer depends mostly upon the degree how well it is serving the desire and expectation of customers. It is during the period of 1990's, retailing and marketing concepts have been started using interchangeably and complementary. As the concept of marketing deals with the market research, customer satisfaction, packaging, distribution promotion similarly the retailers play the same role to gain the customer loyalty.

1.4.2 UTILITY OF RETAILING

Now a day the retailing is being a household term and an integral part of our daily life. Marketing channels or intermediaries are dominated by the growing power over the retailers. In an extensive competition at the manufacturer's level, leading retailers are trying to gain advantage over producers because of its nature of function and as manufacturers are concerned to have prominent shelf space in the retail outlet. In a distribution channel they are playing a pivotal role to accumulate data about customers profile and assist producers to manufacture merchandise
according to the required quality and quantity. From economic point of view, they provide value added services and with the opinion of customers, retailers are engaged in providing the products and services with right quality, right quantity, at the right location and at right price in right time. Their role is to maintain a proper equilibrium in demand and supply and bridging the gap of information between manufacturer and end customers. The activity of retailers ensures wide product assortment, convenient location, low waiting time, assured and prompt delivery, avoiding out of stock situation. Manufacturers are the independent firms produce merchandise and retailers convert these product assortment into desired form, make customers aware and assist customers to select right items from various available alternatives. Retail firms deal with customer through proper store layout, ambience and some auxiliary Services.

- The first and foremost function of a retailer is to Offer a Wide Range of Merchandise to the customers which enables them to select from a wide variety of brands, size, colour, design, packaging, shape, price from a specific location. Manufacturers produce only specialized kind product line, it is the retailers who make the product available to the convenient location with a wide options of offering. The famous retailers like Wal Mart, Sears, Shoppers Stop, Pantaloons deliver the product of different brands ranging from garments, cosmetics to home decor and toys etc.

- Retailers belong to the last level of distribution channel which facilitates them to Keep Direct Interaction With the Potential Customers and receive valuable queries and response from them. This collected information pass
on to the manufacturer and becomes the fundamental basis for producing required quality and quantity of the product.

- Being a Last Link in the Distribution Process, retailers bridge the gap of communication between manufacturer and ultimate buyer. The key determinant factors, recognized by the retailers, are knowing and understanding purchaser’s liking, disliking, expectation, taste and preferences. These are being used as input in the production process. The growing importance and power of the retailers’ lies in how well they are anticipating, identifying customers’ demand and registering objections and complaints to serve them in an effective and efficient way.

- Retailers act as medium through which manufacturers can deliver their product in bulk and buyers purchase according to their requirements. They perform the balancing factor by purchasing variety of products from different producers in bulk and selling them to the ultimate customer in small and manageable quantity. This is considered as Breaking the Bulk Function.

- With a view to reduce the cost of transportation and entertaining individual buyer’s purchasing pattern, manufacturers are bound to be dependent on retailers and retail firms execute the function of Sorting Process.

- Retailers Maintain Inventory of the manufacturers’ product to avoid out of stock situation. They offer service of managing stock to the manufacturer and provide with instant product and service availability to the market. This function ensures to maintain price stability in the market and proper regulation of production function among manufacturers. Due to this function customers need not to purchase in
bulk and incur cost to maintain huge stock for their personal and household consumption.

♦ The primary activity of a retail business is not restricted within the concept of delivering goods and services, maintenance of stock rather they go beyond of this mechanical task. They are able to introduce Value to the Manufacturers' Existing Product Line by locating its store in the convenient and prominent location, comfortable store layout, and ambience adding value to this which promotes the image of the retailers and encourage buyer toward purchase.

♦ Some Auxiliary Services are rendered too, by the retailers, which enhance the reputation of the firm as well as manufacturers’ merchandise sold through the outlets. These services aimed at gaining customers attention and raising satisfaction. The auxiliary services revolves around prompt delivery, credit & hire purchase facilities, warranty, after sales service, employing qualified and skilled sales people, registering complaints. Moreover few selected retailers provide an attractive shopping atmosphere, decorative interiors, highly modernized payment system, security, safety, parking facilities, civic amenities, place for roaming around, recreation and entertainment which stimulate target market to visit and purchase repeatedly to establish their brand loyalty.
1.4.3 EVOLUTION OF RETAILING

The Concept of retail marketing emerged in the primitive period. Marketing activity started as an outcome of surplus production. Earlier marketing function was only to distribute products and was depended on the basics of trading. The historic and oldest pattern of business transaction had taken place in the form of barter system. In the medieval society, main trading and commercial activities were concentrated at a populous and socio economically developed area because most of the areas were not well connected. The concept of 'haat' had been introduced which was operated in a fixed day of a week in a particular location, but the location of 'haat' was well accessible only from all the surrounding areas because of lack of transportation facilities, which led to introduction of the concept of middlemen to reach various important destination. Afterwards, 'mela', mandis or haat were regarded as the popular format of business activities which were attributed as flexible and mobile in nature. These were consisted of goods like foods, vegetables, daily necessity items, handicrafts, cultural activities from different parts of the country. The rationing system came into existence during British period in Mumbai and it was the outcome of development of public distribution system for food grains.

After Independence khadi and village industry was established and there are around 750 KVIC stores throughout India. During 1950's- mid 80's it was observed as a slow growth of industrialization in India which was affected by lack of purchasing power and suitable government policy. In earlier days Indian retail sector was fragmented and unorganized which
was consisted of local shops, kirana stores, small grocery stores, some family owned stand alone shops catering to neighbourhood market area. In the early 90’s, government’s approach towards open economy and liberalization had transformed the scenario of Indian retail business and some restrictions were removed during 1990’s, which was the stepping stone for growing economy and retail market development.

The development started in India with the initiatives of Raymond and Reliance industries in the textile sector. Due to increase in purchasing power of consumers’, intensified competition, increase in merchandise variety, new inventions, available retail space, improved logistics, huge pool of population, the conglomeration of cultural diversity, the geographical dispersion, different habitant, multiple requirements and preferences give rise to different formats of retailing. Earlier there was no gorgeous, well decorated format of retail shop; small shops had been scattered over the market that was lacking in vigour and vitality that of the present era. This was the origin of Indian market and the opening up of the economy results in growth of retailing during 1980’s. The evolution in this sector has taken place with the support of supply chain management, entry of large number of competitors, change in demand and supply.

To emphasis on retailing was evolved in 1970’s and there is a cyclical movement of retail formats. As one format matures that invites another format and successful retailers tries to maintain synchronization with the diversity of customers in terms of their taste and preferences and experimenting to find out the winning format. As a result present market
is an accumulation of variety of formats. ‘Manusmriti’ and Kautilya’s ‘Arthasastra’ provided guide lines for dealing with customers, after sales service, quality and price guarantees (Managing Retailing: Sinha and Uniyal). Now retailers are focussing on these arenas and the concept of departmental store, convenience store, supermarket, hypermarket and recently developed malls have been materialized in the metros, cities and even small towns of India.

1.5 GLOBAL RETAIL SCENARIO

Retail is an emerging issue in the present milieu. It would be justifiable to have a glance on the world retail circumstances. Retail has played a major role world over in increasing productivity across a wide range of consumer goods and services. The impact can be best seen in countries like U.S.A., U.K., Mexico, Thailand and more recently in China. Economies of countries like Singapore, Malaysia, Hong Kong, Sri Lanka and Dubai are also heavily assisted by the retail sector.

Global retail sales were estimated to cross US$12 trillion in 2007. It is almost reflecting the growth in the world economy. Global retail sales grew strongly during five years (2001-06) at an average nominal growth of about 8 per cent per annum in dollar terms. This is in contrast to near stagnant global retail sales during the previous five years, 1996-01. Grocery dominates retail sales with a share of approximately 40 per cent which varies from about 30 per cent in developed country like Japan to an average of 60 per cent in developing Africa. Retail sales through modern formats
have been rising faster than total retail sales. The share of modern retail has risen from about 45 per cent in 1996 to over 52 per cent in 2006. Retail business grew between 25% - 30% percent in India and 13 percent in fast growing economies China and Russia in the last year.

A brief information about global retail business is offered that helps to understand the extent of retail business better. Retail business is simply the relationships of customer satisfaction, customer loyalty, and profitability. With an endless array of customer choices, fierce competitors, pervasive use of the internet, and a complex global economy, retailers need to focus on finding ways to sustain and grow their businesses. Traditional growth models that focused on rolling out more stores and adding more product lines, no longer enjoy the return on investment they once did. Despite the many challenges and pressures in today's tough retail environment, a handful of retailers are significantly outperforming the market. These retailers are succeeding because they are able to adapt environmental changes and develop new ways of serving customers respecting the dynamics of retail industry trends.

As far as the international expansion is concerned, West European and South African retail companies are the most outward looking. The West European firms, among the top 250 retailers, expanded into an average of 9.9% in 2005-06 and generated 28.1 per cent of their sales from foreign operations, largely in Central and Eastern Europe. The five South African retailers in the top 250 list conducted business in an average of 8.8% particularly in the African continent in 2005-06. The US retailers are
mostly home-market based operating just on an average of 3.7% outside US in 2005-06.

The US retailer Wal-Mart, the world's biggest retailer, is a notable exception operating in 14 countries in 2007. Wal-Mart dominates the world retail market, with revenues and profits 2.5 times those of its nearest rival. Presently it has a turnover of US$ 260 billion, almost one-third of India's GDP. However, like most American firms, it operates in fewer countries and is less international in its scope than its European counterparts. Metro has a presence in 16 countries. Other well-known global retailers are Tesco; Carrefour; Metro; Japan's Daiei, a drug and specialist store; Otto Versand, the German mail order giant; and Marks & Spencer, a private label retailer in the UK. North America, Western Europe, and the Asia-Pacific region form about 85 per cent of retail sales. Food retailers comprise about 40 per cent of retail sales. The fastest growing retailer types are health and beauty (30%); home furnishing and fixtures (19%); and mixed (19%). Latin America witnessed diminishing growth in retail sales in 2006. Eastern Europe and Australasia are the regions that have the fastest growing retail markets. Ten countries, mainly from Eastern Europe and Asia, grew at a rate faster than 40 per cent in 2004 over that of 2005 (Sinha & Uniyal; 2007).

Today retailing is the world’s largest private industry with total sales of US$ 6.6 trillion, ahead of finance and engineering. Some of the world’s largest companies are in this sector: over 50 Fortune, 500 companies and around 25 of the Asian Top 200 firms and retailers.

In the developed economies, organized retail is in the range of 75-80 per cent of total retail, whereas in developing economies, the unorganized sector dominates the retail business. The share of organized retail varies widely
from just one per cent in Pakistan and 4 per cent in India to 36 per cent in Brazil and 55 per cent in Malaysia. In the developed world modern retail formats, such as hypermarkets, superstores, supermarkets, discount and convenience stores are widely present, whereas such forms of retail outlets have only just begun to spread to developing countries in recent years. In developing countries, the retailing business still persists with family-run neighbourhood shops and open markets. In the following Table 1.1 share of organised retail in a few selected countries has been shown.

**Table 1.1: Share of Organized Retail in Selected Countries, 2006**

<table>
<thead>
<tr>
<th>Country</th>
<th>Total Retail Sales (US$ bn)</th>
<th>Share of Organized retail (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>2983</td>
<td>85</td>
</tr>
<tr>
<td>Japan</td>
<td>1182</td>
<td>66</td>
</tr>
<tr>
<td>China</td>
<td>785</td>
<td>20</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>475</td>
<td>80</td>
</tr>
<tr>
<td>France</td>
<td>436</td>
<td>80</td>
</tr>
<tr>
<td>Germany</td>
<td>421</td>
<td>80</td>
</tr>
<tr>
<td><strong>India</strong></td>
<td><strong>322</strong></td>
<td><strong>4</strong></td>
</tr>
<tr>
<td>Brazil</td>
<td>284</td>
<td>36</td>
</tr>
<tr>
<td>Russia</td>
<td>267</td>
<td>33</td>
</tr>
<tr>
<td>Korea, South</td>
<td>201</td>
<td>15</td>
</tr>
<tr>
<td>Indonesia</td>
<td>150</td>
<td>30</td>
</tr>
<tr>
<td>Poland</td>
<td>120</td>
<td>20</td>
</tr>
<tr>
<td>Thailand</td>
<td>68</td>
<td>40</td>
</tr>
<tr>
<td>Pakistan</td>
<td>67</td>
<td>1</td>
</tr>
<tr>
<td>Argentina</td>
<td>53</td>
<td>40</td>
</tr>
<tr>
<td>Philippines</td>
<td>51</td>
<td>35</td>
</tr>
<tr>
<td>Malaysia</td>
<td>34</td>
<td>55</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>34</td>
<td>30</td>
</tr>
<tr>
<td>Vietnam</td>
<td>26</td>
<td>22</td>
</tr>
<tr>
<td>Hungary</td>
<td>24</td>
<td>30</td>
</tr>
</tbody>
</table>

*Source: Planet Retail and Technopak Advisers Pvt. Ltd.*

[Cited at INDIAN COUNCIL FOR RESEARCH ON INTERNATIONAL ECONOMIC RELATIONS; 2008]
In developing countries policymakers, civil society, and the private sector have an interest in identifying policies and programmes that can both address the challenges to retailers and grasp the opportunities for suppliers emerging from the trends discussed policy and programme options primarily accumulated by the experiences of developing countries but also taking the experiences of developed countries into consideration.

1.5.1 AN OUTLINE OF RETAIL IN A FEW GLOBAL COUNTRIES.

(A) United States of America

The US has the largest retail market in the world. Its retail climate is fairly open, with large plots of land available for development in most areas and relatively lenient zoning laws. Retail sales in the US totaled $2622 billion in 2006. It is still growing very fast though there was a recession in the year 2007-08. But in 2009 the growth rate is very much stable. Non-grocery retailers contributed about 70 per cent of retail sales. About 2 million retail establishments in the country employ over 20 million people or 18 per cent of the country's work force. While Wal-mart and other mega-firms like The Kroger Co, The Home Depot, Inc, Albertson's, Inc, Sears, Roebuck, Co Kmart Corporation, Target Corporation, Safeway Inc, Costco Companies, Inc and IGA Inc are also talked about, the vast majority of firms (88%) have fewer than 20 workers, and more than 75 per cent of retail establishments are single outlet, independent stores.
(B) United Kingdom

The UK retail market is set to increase in size by 15% over the next five years, taking its value to just over £312bn (UK Retail Futures 2011: Sector Summary, Data monitor). The retail sector is facing challenges in the present time. Companies who cannot compete against shrinking margins will suffer. Customer confidence is a key issue: if people feel optimistic about their situation, they will spend more. If they are nervous about their own financial security, they will spend less.

Between January and February total sales volume increased by 2.1 per cent, the largest rise since May 2008 when it was 2.9 per cent. Predominantly food stores decreased by 1.2 per cent while predominantly non-food stores increased by 3.4 per cent. The largest rise was household goods stores at 11.2 per cent, driven by electrical stores. This was the largest increase for household goods stores since the series began in 1988. Within predominantly non-food stores, all sectors showed increases with non-specialised stores and other stores the highest, both at 9.7 per cent. Non-store retailing increased by 20.4 per cent, the largest rise since the series began in January 1988. Sales volume in the three months December to February decreased by 1.4 per cent when compared to the previous three months. Three-monthly growth decreased by 0.7 per cent for predominantly food stores while predominantly non-food stores increased by 0.5 per cent. Within predominantly non-food stores, household goods stores decreased by 3.7 per cent and non-specialised stores decreased by 0.4 per cent. There were increases for textile, clothing and footwear stores.
at 2.6 per cent and other stores at 2.1 per cent. Sales volume for predominantly food stores increased by 1.3 per cent. Predominantly non-food stores increased by 3.3 per cent. Within predominantly non-food stores, all sectors showed growth apart from household goods stores which decreased by 1.9 per cent. The largest increase was textile, clothing and footwear stores at 6.4 per cent. Non-store retailing increased by 14.8 per cent, the largest rise since September 2004 when it was 14.9 per cent. The major retail houses in UK are Tesco plc, J Sainsbury plc, Kingfisher plc, Marks & Spencer plc, Safeway plc, Somerfield plc, Great Universal Store, Dixons Group, The Boots Company plc and John Lewis Partnership.

(C) France

While 2008 was already a difficult year due to the credit crunch, the situation in retailing worsened in 2009 as the economic crisis took hold. The drop in GDP growth, the sudden rise in unemployment and a drastic fall in consumer confidence resulted in both perceived and real reduced purchasing power in 2009. Retailing sales in current value terms remained rather stable in 2009. Growth was also supported by sales of grocery retailers, which outperformed non-grocery retailing in 2009, and mainly internet retailing, which became increasingly popular. The retail sectors in France are Galeries Lafayette, La Samaritaine, Kingfisher IT Services, Printemps, Cora (hypermarket), Dia (supermarket chain), Champion (supermarket), Netto (Les Mousquetaires), Damart and Castorama etc.

(D) Mexico

Mexico is the world’s 11th largest country in terms of population. Almost
55% of Mexicans are 24 years old or younger, one of the highest percentages for an upper-middle income economy in the world. The proportion in the 20-44 age range, crucial for retail sales, is also high at 39.4% and is forecast to rise to 41.5% by 2010, according to the UN Population Division. In 2005, 63.6% of Mexicans were described by the UN as economically active, and this is forecast to reach 66.3% in 2010. The trend towards urbanization is predicted to continue, with the proportion of those living in towns and cities in 2005 estimated at 76% by the UN and forecast to reach 77.4% in 2010.

Retail sub-sectors forecast to show strong growth between 2009 and 2014 include food and drink, up by 71.0%, from US$56.01bn to US$95.78bn; over the counter (OTC) pharmaceuticals, up by 75.2%, from US$1.49bn to US$2.60bn; and consumer electronics, up by 50.8% between 2009 and 2014, from US$10.01bn to US$15.09bn. According to the BMI automotives data, vehicle sales are forecast to rise by 73.4% during the forecast period, from US$1.44bn to US$2.50bn.

Mexico and Brazil together accounted for an estimated 63.2% of regional retail sales in 2009. Their combined share is expected to rise to 64.8% by 2014. Mexico’s estimated 2009 market share of 30.5% is expected to rise marginally to 30.6% by 2014. The list of top retail companies in Mexico are Casa Ley, Chedraui, Coppel, Dorian’s, Elektra, El Puerto de Liverpool are Soriana etc that dominates the total retail market in the country as well as Latin America.
(E) Canada

Canadian retail sales rose in January, as consumers stocked up on home improvement supplies before a federal tax credit expired. Retail sales rose 0.7 percent to C$35.7 billion ($35.3 billion), Statistics Canada said in Ottawa. Total receipts were expected to grow 0.6 percent, according to the median estimate of 16 economists in a Bloomberg survey. The major retail companies in Canada are Loblaw Companies, Empire Company Limited, Hudson's Bay Company, Pornack, Concept Test INC, Classic Car Audio, The James Co, Family, The Wagner Family and Sigma System Corp.

1.5.2 RETAILING IN ASIA

India is the last large Asian economy to liberalize its retail sector. In Thailand, more than 40 per cent of all consumer goods are sold through supermarkets, convenience stores, and departmental stores. A similar phenomenon has swept through Malaysia, Taiwan, and Indonesia. Even in China, more than a tenth of all consumer goods are sold through modern retail formats – a proportion that is growing rapidly (Sinha & Uniyal; 2007).

In more recent times, Asia has been witnessing the entry of American and European multinational retailers into its emerging market. Global players like Carrefour, Royal Ahold, Tesco and Wal-Mart have entered into China, Japan, Thailand, Indonesia, South Korea, Taiwan, and Malaysia.

Retail sales are expected to grow in most countries in the Asia-Pacific
region. Indonesia takes the lead with an anticipated 16.9 per cent year-on-year growth for the first half of the year. Faster growth is also expected from China (12.75%) and Thailand (12.3%), followed by Malaysia (8.9%), Hong Kong (8.7%), and the Philippines (8.5%). Modern grocery trade continues to expand in most Asia countries. (Sinha & Uniyal; 2007).

Convenience stores have the greatest penetration and acceptance in Taiwan, Hong Kong, New Zealand, and Thailand, where at least 40 per cent of people use them regularly, on average at least 6 times in a month. In Taiwan, there the most frequented grocery stores, with the majority of shoppers using one at least every two to three days. In Vietnam the average shopper visits a wet market nearly every single day. Shoppers in Hong Kong and China make an average of 20 trips a month. (Sinha & Uniyal; 2007).

The arrival of modern retail in developing countries occurred in three successive waves (Reardon and Hopkins, 2006; Reardon and Berdegue, 2007). The first wave took place in the early to mid-1990s in South America (e.g., Argentina, Brazil, and Chile), East Asia outside China (South Korea, Malaysia, Philippines, Thailand, and Taiwan), North-Central Europe (e.g., Poland, Hungary, and Czech Republic) and South Africa. The second wave happened during the mid to late 1990s in Mexico, Central America (e.g., Ecuador, Colombia, and Guatemala), Southeast Asian countries (e.g., Indonesia), Southern-Central Europe (e.g., Bulgaria). The third wave has just begun in the late 1990s and early 2000s in parts of Africa (e.g., Kenya), some countries in Central and South America (e.g., Nicaragua, Peru, and Bolivia), Southeast Asia (e.g., Vietnam), China, India, and Russia.
Thus, the third wave countries which include China, India and Russia are late comers in the diffusion of modern retail. According to the Sinha & Uniyal, the main reason why they lagged behind was the severe restrictions on foreign direct investment (FDI) in retailing in these countries. The demand side features of these countries, such as income, size of the middle class, urbanization, and the share of women in workforce, etc., have been similar to countries in the second wave.

Department stores were the first form of modern retailing in Asia, and, despite all the competitive challenges of late, will remain an important part of the retail landscape. Among them are Robinson's in Singapore and Thailand, Shoemart in the Philippines, and Metrojaya in Malaysia. (Sinha & Uniyal; 2007). The Philippines' retail sector grows between 12-15 per cent annually—nearly four times the annual economic growth of the country. At present, up to 65 per cent of retail outlets in the Philippines are considered traditional outlets, compared with only 10 per cent in Singapore. (Sinha & Uniyal; 2007).

(A) Japan

Japan’s retail sales gained at the fastest pace in more than a decade in February as the economic recovery spread to households. Sales rose 4.2 percent from a year earlier, the Trade Ministry said the biggest monthly jump since 1997. The retail business is beginning to create jobs and support wages, improving prospects for companies including Dydo Drinco Inc. and Seven & I Holdings Co. Shares of retailers advanced after the report, and economists said the unexpected surge shows consumer outlays
aren't confined to goods supported by government measures. Ito-Yokado Co Ltd, The Daiei, Inc, Jusco Co Ltd, MYCAL Corporation, Saison Group, Takashimaya, Mitsukoshi Ltd, Daimaru, Inc and Matsuzakaya Co, Ltd etc are the pre dominant retail sector in Japan.

(B) Indonesia

After the first two years of the Asian crisis in 1997, the retail industry in Indonesia improved. Several reasons have been advanced for the country's improved economic health. Among them are the buying power that is there even with the price increases, stability of the rupiah in mid-1999 (which has since slipped following the political impasses), and the Indonesian wariness of banks that lost their credibility during the crisis. (Sinha & Uniyal; 2007). With the entry of foreign retailers like Tesco, Casino, and Giant into the Indonesian market, the local retailers were expected to lose market share if they did not upgrade their operations, and hence they continued in invest in IT solutions despite the depressed economic situation post 1997.

(C) Malaysia

Retail sales in Malaysia were likely to reach MYR 67.40 billion by 2008. specially, total retail sales are predicted to increase at a compound annual growth rate (CAGR) of between 6.5 per cent and 7.4 per cent. The government is boosting consumer confidence by implementing economic stimulus programmes and lifting an unofficial freeze on the number of annual sale events. (Sinha & Uniyal; 2007).

The retail sector is the fifth-largest employer in the country, employing about 8 per cent of the Malaysian workforce. There are currently around
150,000 retail outlets in the country, comprising department stores, supermarkets, hypermarkets, specially, speciality stores, convenience stores, pharmacies, provision shop, medicine halls, wet markets, and pavement shops. (Sinha & Uniyal; 2007).

(D) China

Despite the influx of global retailers, however, Chinese retailers remain dominant and are growing along with the growing Chinese economy. China now has the fourth largest economy in the world, and is closing in on Japan, which had the third largest economy in 2009. What follows is a list of the retail companies based in China that were included on the 2010 Global Powers of Retailing ranking list. The list of top china retail companies are Shanghai Bailian Group Co., Ltd, Dalian Dashang Group Co., Ltd, Shandong Sanlian Commercial Co., Ltd, Beijing Wangfujing Department Store (Group) Co., Ltd, Suning Appliance Chain Store Group Co., Ltd, Hualian Supermarket Co., Ltd, Eguo China Retail Group (ECRG), Trading Co Ltd., Rainbow gifts and Ascoso etc which are dominating the retail industry in China.

1.6 INDIAN RETAIL SCENARIO

India, an Asian country, is viewed as the most culturally varied, rich source of natural resources, talented human resource and second largest populated country after China. From retail marketing perspective, economic condition of a country is determinant factor to consider. Recent growth of GDP is between 7-8 % which has been influenced by the
changing attitude of customers towards expenditure and savings. The Indian retail market, which is the fifth largest retail destination globally, has been recognized as the most attractive emerging market for investment in the retail sector [AT Kearney's 8th annual Global Retail Development Index (GRDI), 2009]. A study conducted by the Indian Council for Research on International Economic Relations [ICRIER], the retail sector is expected to contribute to 22 per cent of India's GDP by 2010 [February 2010, www.ibef.org]

The progress had been started when liberalization policy was adopted in 1990. Consumer spending has gone up by 12% since 1990. The increase in income level, change in demographic profile, development of infrastructure, entry of various financing companies have smoothen the path for retail growth. Retail Sector in India is gaining prominence and it encourages the employment scope both in directly and indirectly. There is around 2 million employment opportunity already created by retail sector and 20 crore people depends on this field directly and indirectly.

Over last few years, different formats like super market, departmental stores, hyper markets, shopping mall started booming since early 90's. There is an increased demand among customers for high quality retail space in varied segments, which include food and apparel chains, consumer durables, shoes stores, jewellery shop etc. Since 1990 economic liberalization, foreign investment, competition have been providing support to a large extent and that has also led to a proliferation of brands and growth of franchising in Indian retail sector.
Table 1.2: Availability of brands (product category wise)

<table>
<thead>
<tr>
<th>Product Category</th>
<th>Availability of major Retail Brands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apparel segment</td>
<td>Raymond, Biba, Provogue, Lee, FabIndia, Allen Solly, Zodiac, United Color f Benetton, Wrangler, Arrow, Black Berry, Pepe jeans, Peter England, Ebony etc</td>
</tr>
<tr>
<td>Footwear Segment</td>
<td>Nike, Addidas, Reebok, Mochi, Bata, Sreeleather, Khadim, Liberty, Woodland, Fila etc</td>
</tr>
<tr>
<td>Home Furnishing</td>
<td>Bombay Dying, Durian, Gautier, Life Style, Nilkamal, Style Spa, Welspan etc</td>
</tr>
<tr>
<td>Beauty Care</td>
<td>Shahnaz Hossain, VLCC, Lakme, Body Care, Habib's, health and Glow, Biotiue, L'orreal, Revlon, Maybelline, Kaya Skin Clinic etc</td>
</tr>
<tr>
<td>Jewellery</td>
<td>Tanishq, Oyzterbay, Carbon, Orra, Asmi, Nakhshatra, P. C. Chandra, Sakshi etc</td>
</tr>
<tr>
<td>Fashionable items</td>
<td>GUCCI, Rado, Omega, Dior, Cartier, Hugo Boss, LeatherWorld,</td>
</tr>
<tr>
<td>Product Category</td>
<td>Availability of Major Brands</td>
</tr>
<tr>
<td>Electronics</td>
<td>LG, NOKIA, Samsung, Sony, Nikon, Cannon, Videocon, Whirlpool etc.</td>
</tr>
<tr>
<td>Entertainment</td>
<td>Music World, Planet M, CrossWord, Hall mark, INOX, Adlabs cinemas, M2K Cinemas, Cinemax, Imax. 89 Cinemas, Waves cinemas etc</td>
</tr>
<tr>
<td>Food and Beverages</td>
<td>Barista, Café Coffe Day, McDonals, Costa, Pizza Hat, KFC, Haldiram's, Bombay House etc</td>
</tr>
<tr>
<td>Grocery</td>
<td>Nilgiri's, Subhiksha, Spencer hyper, Food Bazaar, Big bazaar etc.</td>
</tr>
</tbody>
</table>
With rising consumer demand and greater disposable income, the US$ 400 billion Indian retail sector is showing an annual growth rate of 30 per cent. It is projected to grow to US$ 700 billion by 2010, according to a report by global consultancy Northbridge Capital. The organised business is expected to be 20 per cent of the total market by then. In 2008, the share of organised retail was 7.5 per cent or US$ 300 million of the total retail market. The sales of franchises has grown in India at a level of 14% per annum.

1.6.1 ROLE OF TECHNOLOGY IN INDIAN RETAILING

The technological upgradation has changed the face of retailing. This seems to be the one of the major driver of changes in retail services. The application of information technology is used to regulate stock, money transaction and human resource planning. Retail marketing information system encompasses space planning, store layout, sales promotion and projection of future manpower. The information is collected about customer life style, demographic pattern, their needs and responses to the products offered by the retailers. To consolidate the position in the market, retailers use modern technology and supply chain management system for better communication flow. Barcode is used for speedy billing and detail identification of product specification. This unfolds the information regarding brand name, size, colour, price of the product etc. Retailers use EAN 13 which includes 13 digit to represent details of transaction. Modern technology is generally used by the modern retailers in their well planned outlets with a view to provide improved services to the customers.
The advantages and benefits of use of technology are given below:

- It increases sales transaction speed
- Reduces the operational cost
- Helps in making faster and effective distribution channel
- Increases money transaction speed
- Minimises queuing time
- Reduces purchase lead time
- Generates customer loyalty through better service.

So, it can be proved that the adoption of technology has accelerated the growth of modern retailing.

1.6.2 THE INDIAN RETAIL MARKET

The Indian market is dominated by the traditional markets. The initiation of establishing organized retailing under one roof shopping centers like malls, hypermarkets specialty store etc. have been started few years back. The share of modern [5%] market is much more lower than the existing traditional markets [95%]. But it is growing at a rapid pace every year with help of some favourable factors lie in Indian market.

According to the 8th Annual Global Retail Development Index (GRDI) of AT Kearney, India retail industry is the most promising market for investment. In 2007, the retail trade in India had a share of 8-10% in the GDP (Gross Domestic Product) of the country. In 2009, it rose to 12%. It is also expected to reach 22% by 2010.
Table 1.3:

SHARE OF ORGANISED RETAIL TO TOTAL MARKET

<table>
<thead>
<tr>
<th>Retail Segments</th>
<th>% Organised</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2004</td>
</tr>
<tr>
<td>Clothing, Textiles &amp; Fashion Accessories</td>
<td>13.6%</td>
</tr>
<tr>
<td>Jewellery</td>
<td>2.0%</td>
</tr>
<tr>
<td>Watches</td>
<td>39.6%</td>
</tr>
<tr>
<td>Footwear</td>
<td>25.0%</td>
</tr>
<tr>
<td>Health &amp; Beauty Care Services</td>
<td>6.0%</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>1.8%</td>
</tr>
<tr>
<td>Consumer Durables, Home Appliances/equipments</td>
<td>7.8%</td>
</tr>
<tr>
<td>Mobile handsets. Accessories &amp; Services</td>
<td>6.5%</td>
</tr>
<tr>
<td>Furnishings, Utensils, Furniture-Home &amp; Office</td>
<td>6.7%</td>
</tr>
<tr>
<td>Food &amp; Grocery</td>
<td>0.5%</td>
</tr>
<tr>
<td>Out-of-Home Food (Catering) Services</td>
<td>5.7%</td>
</tr>
<tr>
<td>Books, Music &amp; Gifts</td>
<td>9.8%</td>
</tr>
<tr>
<td>Entertainment</td>
<td>2.6%</td>
</tr>
</tbody>
</table>

Detailed summary for Media, India Retail Report 2009, © IMAGES F&R Research
As a democratic country with high growth rates, consumer spending has risen sharply as the youth population (more than 33 percent of the country is below the age of 15) has seen a significant increase in its disposable income. Consumer spending rose an impressive 75 per cent in the past four years alone. The organized retail sector, which currently accounts for around 5 per cent of the Indian retail market, is all set to witness maximum number of large format malls and branded retail stores in South India, followed by North, West and the East in the next two years. Tier II cities like Noida, Amritsar, Kochi and Gurgaon etc. are emerging as the favoured destinations for the retail sector with their huge growth potential.

Further, this sector is expected to invest around US$ 503.2 million in retail technology service solutions in the current financial year. This could go further up to US$ 1.26 billion in the next four to five years, at a CAGR of 40 per cent.

Moreover, many new apparel brands such as Zara, the fashion label owned by Inditex SA of Spain, UK garment chain Top shop, the Marc Ecko clothing line promoted by the US entrepreneur of the same name and the Japanese casual wear brand Uniqlo are preparing to open outlets in India.
Table 1.4:
GROWTH RATE OF ORGANIZED RETAIL TO TOTAL INDIAN RETAIL MARKET

<table>
<thead>
<tr>
<th>Retail Segments</th>
<th>INDIAN RETAIL MARKET (Rs. Crore)</th>
<th>ORGANISED RETAIL (Rs. Crore)</th>
<th>Growth 2006-2007 (%)</th>
<th>Growth 2007-2006 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clothing, Textiles &amp; Fashion Accessories</td>
<td>113,500</td>
<td>131,300</td>
<td>15.7</td>
<td>21,400</td>
</tr>
<tr>
<td>Jewellery</td>
<td>60,200</td>
<td>69,400</td>
<td>15.3</td>
<td>1,680</td>
</tr>
<tr>
<td>Watches</td>
<td>3,950</td>
<td>4,400</td>
<td>11.4</td>
<td>1,800</td>
</tr>
<tr>
<td>Footwear</td>
<td>13,750</td>
<td>16,000</td>
<td>16.4</td>
<td>5,200</td>
</tr>
<tr>
<td>Health &amp; Beauty Care Services</td>
<td>3,800</td>
<td>4,600</td>
<td>21.1</td>
<td>400</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>42,200</td>
<td>48,800</td>
<td>15.6</td>
<td>1,100</td>
</tr>
<tr>
<td>Consumer Durables, Home Appliances / equipments</td>
<td>48,100</td>
<td>57,500</td>
<td>19.5</td>
<td>5,000</td>
</tr>
<tr>
<td>Mobile handsets, Accessories &amp; Services</td>
<td>21,650</td>
<td>27,200</td>
<td>25.6</td>
<td>1,740</td>
</tr>
<tr>
<td>Furnishings, Utensils, Furniture-Home &amp; Office</td>
<td>40,650</td>
<td>45,500</td>
<td>11.9</td>
<td>3,700</td>
</tr>
<tr>
<td>Food &amp; Grocery</td>
<td>743,900</td>
<td>792,000</td>
<td>6.5</td>
<td>5,800</td>
</tr>
<tr>
<td>Out-of-Home Food (Catering) Services</td>
<td>57,000</td>
<td>71,300</td>
<td>25.1</td>
<td>3,940</td>
</tr>
<tr>
<td>Books, Music &amp; Gifts</td>
<td>13,300</td>
<td>16,400</td>
<td>23.3</td>
<td>1,680</td>
</tr>
<tr>
<td>Entertainment</td>
<td>38,000</td>
<td>45,600</td>
<td>20.0</td>
<td>1,560</td>
</tr>
</tbody>
</table>

Excerpts from Detailed summary for Media, India Retail Report 2009, © IMAGES F&R Research
1.6.3 PROSPECTIVE FOOTPRINTS OF RETAIL FIRMS IN INDIA:

A few recent developments in retail industry influenced by national and transnational companies:

✦ Australia's Retail Food Group is planning to enter into the Indian market by 2010.

✦ British retail major Marks & Spencer (M&S) is looking at scaling up its India operations and plans to open at least 50 more outlets in the country over the next few years.

✦ Koutons Retail India plans to open 200 stores in the Financial Year 2010-11 in addition to its existing 1,400. Of the 200 stores, 100 would be family concept stores, which would include women and children's wear.

✦ Reliance Footprint, part of Reliance Retail, plans to spend US$ 86.62 million to add 100 outlets across the country in two years to sell branded footwear. It currently has 16 outlets.

✦ Retail chain Suvidhaa Infoserve plans to open 1,000-1,200 new outlets every month across the country and is eyeing a 100,000 strong network in the next two to three years. At present, the Mumbai-based firm has 18,000 convenient neighbourhood stores called 'Suvidhaa Point' across the country in over 20 states and over 400 cities.

✦ Lifestyle International, part of the Dubai-based US$ 1.5 billion Landmark Group, plans to have over 50 stores across India by 2012-13.

✦ Watch maker, Timex India, is looking at increasing its presence in the country by adding another 52 stores by March 2011 at an investment of US$ 1.3 million taking its total store count to 120.
Wills Lifestyle plans to expand its operations by opening 100 new stores in the next three years. It also plans to concentrate on online buyers.

Pantaloons Retail India (PRIL) is planning to invest US$ 77.88 million in this fiscal to add up to 2.4 million sq ft retail space at its existing operations. Pantaloons Retail is also looking to hive off its value retail chain, Big Bazaar, into a separate subsidiary, which may eventually go for an initial public offer (IPO). PRIL proposes to open 155 Big Bazaar stores by 2014.

According to industry experts, the next phase of growth is expected to come from rural markets. According to a new market research report by RNCOS titled, ‘Booming Retail Sector in India’, organized retail market in India is expected to reach US$ 50 billion by 2011. A few related facts are depicted as follows:

- Number of shopping malls is expected to increase at a CAGR of more than 18.9 per cent from 2007 to 2015.
- Rural market is projected to dominate the retail industry landscape in India by 2012 with total market share of above 50 per cent.
- Organised retailing of mobile handset and accessories is expected to reach close to US$ 990 million by 2010.
- Driven by the expanding retail market, the third party logistics market is forecasted to reach US$ 20 billion by 2011.

The Indian retail industry is the fifth largest in the world comprising of organized and unorganized sectors. Though initially, the retail industry
in India was mostly unorganized, however with the change of tastes and preferences of the consumers, the industry is more admired these days and getting organized as well. With growing market demand, the industry is expected to grow at a pace of 25-30% annually. The India retail industry is expected to grow from Rs. 35,000 crore in 2004-05 to Rs. 109,000 crore by the year 2010.

**Challenges facing Indian retail industry**

♦ The tax structure in India favours small retail business to survive in the competitive market.

♦ Lack of adequate infrastructure facilities hinders the fast growth of organized retail sector.

♦ High cost of real estate prevents many retailers to start up their new ventures.

♦ Dissimilarity in consumer groups as most of the people are habituated to purchase products from unorganized sectors.

♦ Shortage of trained manpower for retail management because there is inadequacy of professional training for retailing.

**1.6.4 THE PROSPECT OF RETAILING IN INDIA**

The retail industry in India is currently growing at a great pace and is expected to go up to US$ 833 billion by the year 2013. It is further expected to reach US$ 1.3 trillion by the year 2018 at a CAGR of 10%. As the
country has got a high growth rates, the consumer spending has also
gone up and is also expected to go up further in the future. In the last four
year, the consumer spending in India climbed up to 75%. As a result, the
India retail industry is expected to grow further in the future days. By the
year 2013, the organized sector is also expected to grow at a CAGR of 40%.
More than 90% of retailing in India fall into the unorganized sector, the
organized sector is largely concentrated in big cities. Organized retail in India
is expected to grow 25-30 per cent yearly and is expected to increase from
Rs.35, 000 crore in 2004-05 to Rs109, 000 crore ($24 billion) by 2010.

a) Few Facts on Indian Retail

✦ Indian Retail sector is the fifth largest global retail destination.

✦ India retail market is dominated by the unorganized sector.

✦ The top five companies in retail hold a combined market share of less than 2%.

✦ The Indian retail market has been ranked by AT Kearney’s eighth
annual Global Retail Development Index (GRDI), in 2009 as the most
attractive emerging market for investment in the retail sector.

✦ Currently the share of retail trade in India’s GDP is around 12 per
cent, and is estimated to reach 22 per cent by 2010.

✦ According to Government of India estimate, the retail sector is likely
to grow to a value of Rs. 2,00,000 crore (US$45 billion) and could yield 10
to 15 million retail jobs in the coming five years. Currently this industry
employs 8% of the working population.
India continues to be among the most attractive countries for global retailers. According to the Department of Industrial Policy and Promotion, approximately US$ 47.43 million was the amount of Foreign Direct Investment (FDI) inflow as on September 2009, in single-brand retail trading.

b) Retail and Recession

The global economic slump has had its impact on the India retail sector. One of the earliest players in the Indian retail scenario Subhiksha's operations came to a near standstill and required liquidity injection. Vishal Retail secured corporate debt restructuring (CDR) plan from its lenders while other players like the Reliance Retail run by Mukesh Ambani and Kishore Biyani led Pantaloon went slow on expansion plans and even scaled down operations. However, during the last quarter a bit of confidence was restored as the economy showed signs of growth.

c) Future Trends

♦ Lifestyle International, a division of Landmark Group, plans to have more than 50 stores across India by 2012–13.

♦ Shoppers Stop has plans to invest Rs250 crore to open 15 new supermarkets in the coming three years.

♦ Pantaloon Retail India (PRIL) plans to invest US$ 77.88 million this fiscal to add up to existing 2.4 million sq ft retail space. PRIL intends to set up 155 Big Bazaar stores by 2014, raising its total network to 275 stores.
Timex India will open another 52 stores by March 2011 at an investment of US$ 1.3 million taking its total store count to 120.

d) The Road Ahead

The rural markets will emerge in the next phase of growth in the retail sector as predicted by the industry experts. It is projected for rural retail market that it may have a total of more than 50 per cent market share by 2012. Shopping malls is expected to expand at a compound annual growth rate of over 18.9 per cent by 2015. According to market research report by RNCOS the Indian organized retail market is estimated to reach US$ 50 billion by 2011.

1.7 RETAIL SCENARIO OF WEST BENGAL

A shopping revolution is ushering in India as well as in West Bengal; where a large population in the 20-34 age groups in the urban regions is boosting retail demand. This has resulted in huge National and International retail investment. West Bengal currently is the most attractive destination for Indian as well as global retailers. This has happened due to favourable demographic and psychographic changes relating to state’s consumer class, international exposure, increasing availability of quality retail space, wider availability of products and brand communication.

a) Kolkata:

Kolkata was the former capital of India during British rule and has been described as a city of three hundred years of existence. The city is an
ideal example of the triumph of urban civilization. From a small riverside outpost of the East India Company, the city grew rapidly over the years to become the glorious capital of the Indian British Empire. As the former capital of India, Kolkata was the birthplace of modern Indian literary, artistic and scholastic thoughts. The people of Kolkata tends to have a special appreciation for art and literature. Its tradition is to welcome new talents which have made it a “city of furious creative energy”.

It is worthy to mention that Kolkata is very popularly known as the ‘social and cultural capital of India’. The city is famous for its rich and vibrant culture. Poetry, music, dance and theatre are finely tuned into the whole fabric of the culture of Kolkata. This city has been gaining importance since pre independence due to its geographical location as it is a connecting point with other countries like Bangledesh, Bhutan, China and Nepal. Since pre-independence it has been an attractive business center. Unorganized selling and buying activities gave rise to the development of traditional retail market consisting of single outlets in the ground floor of residential building and small roadside shops with limited assortment. Earlier the main market places were New market, BowBazzar, HatiBagan Market etc. which were composed of small shops of garments and sweets and other essential commodities.

Very often Kolkata is also referred as the “city of palaces” during the last century and the importance of it as a commercial centre attracted thousands of migrants from the surrounding states in search of better employment and livelihood. Kolkata has long been known for its literary, artistic and revolutionary heritage.
Gradually Kolkata has become a business centre for both merchandising and manufacturing. West Bengal is mostly dependent on agriculture and the livelihood is almost reliant on agri-business. This state is naturally gifted with resources for which business houses and entrepreneurs had established large scale and small manufacturing units due to cheap availability of raw materials, labors, coals and easy transportation. In the late 19th century and early part of 20th Industrial evolution started in Kolkata and mostly it took place on the banks of the Ganges.

As a result Kolkata progressively accepted the entry of Modern Retail formats which in due course of time generate huge scope of employment at different levels. Especially the changes in the consumers’ taste and preferences are bringing forth major prospects in the organized retail sector which is on the edge for an absolute phase of retail growth towards modern formats. There is a vast opportunity in Kolkata for the retailers as people of different classes visit the city on regular basis as a place of earning destination and another group regularly visit the metro city as a place of tourist, shopping and educational destination. Over the last few years, many international retailers with different formats have come into Kolkata as well as other district headquarters’ market on the strength of rising privileged circumstances. The levels of the young generation along with the awareness of global brands and international shopping experiences have developed the interest towards modern style and projection.

The South City Mall, Forum, City Centre, City Centre 2, Gariahat Mall, Fort Knox (Jewellery Mall), Hiland Park, Mani Square, Sogun (Wedding
Mall) etc. are the malls located in and around Kolkata. The different Hypermarkets, Departmental and Specialty stores, shopping complexes are operating successfully in this market namely Air Conditioned Market, Allen Solly, Anokhi, Addidas, Bata, Khadim’s, Haldiram’s, Malgudi Junction, Barista, APG Shopping, e-mart, medial mall, jewellery mall, Bandhani, Bazar Kolkata, Big Bazaar, Blackberry, Dakshinapan Shopping Complex, Grasim Showroom, Gatha, Giny and Jony etc. The different formats are also available under one roof in a mall which is the most upcoming shopping destination of the customers of Kolkata.

Besides Kolkata the other notable places in West Bengal some of the places have been described to understand the retail scenario of the state. These are Durgapur, Burdwan, Siliguri, Haldia, Maldah, Berhampur, Bankura, Purulia etc.

b) Durgapur :

Durgapur is an industrial city in the state of West Bengal, India which is located near about 160 km away from Kolkata. It was a dream child of the great visionary Dr. Bidhan Chandra Roy, the second chief minister of the state. It is a home to the largest industrial units in the state, Durgapur Steel Plant, one of the integrated steel plants of Steel Authority of India Limited. Besides Alloy Steels Plant, Durgapur Projects Ltd., Alstom Power Boilers, Hindustan Fertiliser Corporation, Philips Carbon Black Ltd., Sankey Wheels (a unit of GKW), Bharat Ophthalmic Glass Ltd, Durgapur Cement Ltd. (now Birla Cement), Graphite India Ltd., Durgapur Chemicals, Durgapur Thermal Power Station (Project of Damodar Valley Corporation)
and many others are situated here. CMERI, a CSIR laboratory, is also located here. It also has National Institute of Technology, Durgapur, one of the NITs of the country. Durgapur is situated on the bank of river Damodar, just before it enters the alluvial plains of Bengal. During the last five years, around eight Engineering and Technology, Management as well as professional colleges (under graduate & post graduate level) have been established. Housing co-operatives and flats, shopping malls, multiplex, science and Energy Park, Software Technology Park (STPI), Hotels and stadiums have also come up. In 2007, a shopping mall by ADDA (Asansol-Durgapur Development Authority), named Suhatta was opened by Chief Minister of West Bengal.

Development of industry and education in Durgapur for a last few decades shall further make the city as an attractive retail opportunity for retailers. It is a place of variety in terms of economic class, ethnicity, culture and educational background. The younger age group with fashionable outlook in this educational hub have risen considerably as customers. Durgapur is centrally located and is connected with five district towns like Bankura, Purulia, Bolpur, Asansol and Burdwan also. The taste of Durgapur people is quite different from other district towns as the average income level and educational standard is almost diverse from other parts of the state. Initially people were dependent relatively on unorganised markets but gradually they have preferred better ambience and consequently organised form of retail formats materialized.

Besides shopping malls, several modern markets including Hyper,
Departmental and Specialty stores have developed in due course of time. BigBazar and Spencer hyper, Raymonds, Senco Gold, City Plaza, Hoffman, Sony, Titan, Bata, Khadim’s etc. are a few addition to the long list of modern retail destination. RPG Group has opened the first hyper store of Spencer’s of 16,000sqft in West Bengal which has come up at Durgapur. Bengal Shrachi Housing Development Ltd is creating a 4,00,000 sqft area of retail space called Junction in Durgapur, located at City Centre, the commercial heart of Durgapur. Junction is spread over six floors and a basement, providing shopping and entertainment experience to the people of the industrial town.

C) BURDWAN

Burdwan is a historic city of West Bengal, situated on the NH2 connecting Delhi and Kolkata by road and an important railway junction of eastern railways. It is the headquarters of Burdwan District. The town has a multicultural heritage and is also growing rapidly with an increasing number of people opting for better residential spaces and higher living standards. The Govt. of West Bengal is trying to bring in many new projects to facilitate the growth of Burdwan Township. Two large developments on a Public Private Partnership are coming up on the NH 2 connecting Kolkata and Delhi, on which Burdwan town lies. The economy of Burdwan is mostly based on agriculture. The retail market of Burdwan is widely expanded. The town is connected with both Railways and bus tracks with the adjacent districts. The famous khosbagan of this town is already uttered as a health-hub. Burdwan B.C. Road market near historical Kurzon Gate, is very
much famous for mainly traditional market bur recently, in Bardhamaan Arcade Big Bazar came as a hyper market. The retail outlets of Sony, Raymonds, Khadim's, Senco Gold, P.C Chandra, World of Titan, factory outlet of Reebok, Peter England, Koutons, Cathleen, Sugar & Spice, INOX, Bata, Charle outley etc. and a shopping complex named City Tower have been developed in Burdwan.

d) HALDIA:

Haldia is one of the most efficiently managed and easily accessible industrial hub of West Bengal. The excellent location advantage of Haldia and comprehensive port facilities provided by the Haldia port paved the way for the establishment of various Public Sector companies. Haldia is a town with a population of around 4 Lac people and the population including the surrounding areas of Haldia is around 7 Lacs.

The City Centre project at Haldia has been allotted land space of 6 acres approximately. The township boasts of large shopping complexes where one will find a varied range of commodities. Durgachak is the old CBD of Haldia. A large number of stalls have been built in each of the shopping complexes and leased out. Big Bazar, the retail chain of the Pantaloons group has just made its entry into Haldia. The city also boast of a large number of shopping complexes selling a wide range of goods. Bengal Ambuja group is constructing a shopping mall with multiplex about 150000sq.ft. at City Centre, Debhog. A multi used commercial complex is consisting of one Hyper Market, Anchor, Shopping plaza, Fountain plaza,
Food court, Entertainment arena, 4 screens Cineplex, Office tower etc. These are prominently located at Durgachak, beside hotel golden retreat close to the junction of Haldia.

e) SILIGURI

Siliguri is a metropolitan city and gateway of Darjeeling district. Siliguri has seen waves of massive immigration over the years. People from Jharkhand and other parts of India are also coming in to the city in search of livelihood. Siliguri is experiencing a rapid expansion of its population. Basically it is the corridor of North-East states and also for the tourists visiting hill stations. It is almost a trading city and having a long heritage for different attractive foreign products in its several markets. The traditional markets like Seth-srilal Market, Gouri-shankar Market, Hawkers’ Korner etc. are famous for clothing. Other unstructured retail destinations are Regulatory Market, Naya Bazar, Purano Bazar, Subhashpalli Bazar, Collegepara Books Market, Bidhan Market etc. which are mostly famous for Vegetables, Medicine, Jewellery and other types of essential commodities.

Very recently the following modern retail formats like Pantaloons, Big-Bazar, Holmen, Titan Watch, Addidas, Livise, Reebok, Giny & Jony, Woodland etc belong in Cosmos Mall. The other formats are City Mart, City style, Bazar Kolkata, Prapti Mall, Sunflower Mall, Golden Plaza, Vishal Megamart, Orbit Mall etc.

Malda, Uttar-Dinajpur, Raiganj, Cooch-Behar districts are having homogeneous type of market structure. The consumption pattern and
buying behavior of customers are totally dependent on unstructured traditional retail outlets. Only a few branded single outlets are existing in these markets including Bata, Khadims', Peter England, Reebok Factory outlets etc.

f) BIRBHUM

Birbhum District is advantageously situated beside the rich industrial region of Durgapur and Asansol. Two bridges over Ajoy River, one at Bhedia and the other at Bhimgarh / Pandabeswar have provided alternatives corridor and shortened the distance between Burdwan and Birbhum. The district is well connected by roads. The Panagarh – Moregram Road of 150KM connecting two National High ways has proved a lifeline for the economy of this district. There is only one Central University of the state i.e. Visva-Bharati founded by Gurudev Rabindra Nath Tagore, is situated at Santiniketan and four other Technical Institutes are also there. This district has plenty of human resources. Adequate land is available for setting up industries & other projects. There are as many as cottage industries already developed in and around Bolpur. Millions of tourists and pilgrims visit Santiniketan, Tarapith, Bakreswar, Patharchapuri, Joydev-Kenduli, Massanjore round the year. The main modern retail formats exist mostly is Bolpur, Rampurhat and Suri. Raymonds, Monomohini, Reebok factory outlet, Sony, Khadims, Super Market etc. are a few examples. Bolpur and its adjacent areas are renowned for its handicraft products. Amar Kutir is another model of rural cottage industry. Eco-tourism is a concept that has exceptionally taken place at a very nearby
place of Shantiniketan. Banalakshmi, Babli, Taruchaya, Banashree etc. are the novel destination for the tourists and such places are ready to receive their customers with innovative creations and products of their own.

g) MURSHIDABAD

Murshidabad is a district having historical value in West Bengal. The city of Murshidabad is located on the southern bank of the Bhagirathi, a tributary of the Ganges River. The city today is a focal point for agriculture, handicrafts and sericulture. The famous Murshidabad Silk is produced here. Berhampur, the district headquarters of Murshidabad consists its retail market with the following types of formats like Monomohini (garments), B,C, Sen etc (Gold) along with a few branded specialty stores and the market is mostly dominated by unorganized retail outlet.

h) BANKURA

An overwhelming agro-economic base and low urbanization and industrialiasation characterize the district of Bankura. Cottage & Small Scale Industry provides maximum employment opportunity next to agriculture. The retail market scenario of the district is mainly dominated by traditional unorganized outlets but a few specialty and departmental stores have emerged in the areas of Bankura town, Bishnupur etc.

i) PURULIA

Purulia is richly supplied with a number of good educational institutions. The people of this district are primarily dependent on agriculture but this district is very much economically backward and major part of the district is under rural sector. The retail market is predominantly constructed
with unorganized formats and very recently slow pace of change in retail outlet have been noticed due to entry of a few specialty and departmental stores in Purulia town.

**j) HOWRAH & HOOGHLY**

**Howrah** is a district but prominent as a industrial city. Howrah is the headquarters of the district. The city is located on the west bank of the Hooghly River and it is West Bengal's second largest city in terms of both area and population. The two cities are connected by the Howrah Bridge (also known as *Rabindra Setu*) and the Vidyasagar Setu (also known as the *second Hooghly Bridge*).

The city is famous for light engineering industries which has brought rapid urbanization phase with people of different communities of from different parts of India. Hooghly is the adjanscent district of Howrah, Medinipur, Bankura and Burdwan. A major part of this district gets the privileges of Kolkata and suburban culture and cosmopolitan trend. This district is also enriched with many large and small scale industries in the bank of Ganges. Initially unstructured retail outlets dominated the market place of both the district but gradually recent trends in retail type is also noticed with the development of Big Bazar, More, Spencer and almost all forms of branded specialty stores at Howrah and Hooghly.