PREFACE

The economic reform from 1990 onwards has put India on the global map today and has fuelled high economic growth. This has resulted in expansion in manufacturing and service sectors thereby increasing opportunities for employment and created high disposable incomes. Higher disposable incomes mean higher consumption and thus greater opportunities for the retail industry to flourish. In spite of the economic slowdown, many big retailers are expanding in a big way. The young Indian consumer is willing to spend unlike his predecessors and this consumer spending is pushing the Indian economy into a new growth mode. Adding to this phenomenon is the average hike in salaries by about 15%, which will increase consumption further fuelling economic growth.

India is a consumption driven economy and does not depend on the export market to drive economic growth. Its estimated 600 million effective consumers in 2011 are enough to drive domestic demand and establish India as one of the largest consumer markets of the world. While countries like the USA feels the heat of recession and supply exceeds demand, India has high inflation and demand outstrips supply.

India is a country with 15 million retail outlets mostly ‘mom and pop’ stores and a rising number of modern retail formats. Indian retail is witnessing a transformation where retail is becoming more and more organised and newer and profitable retail models are being set up across categories. The Indian retail market is growing from strength to strength backed by a strong economy which has given more disposable incomes in the hands of the consumer who will keep demanding better products and services and a better shopping environment.