CHAPTER VI

EMERGING TRENDS, SUGGESTIONS & RECOMMENDATIONS

6.1 Impact of Organized Retail on Socio-Economic areas

Organized Retail Can...

1. Create linkages directly to Farmer and Food Processors, eliminating "middle-men" and reducing quantity / quality loss.
2. Provide consistent quality Food & Grocery products to the end consumer at more "consistent" prices.
3. Share “disintermediation” margins with both the consumer and the farmer so that everyone wins!
4. Generate significant potential to dispense with "Subsidies", and instead, the nation can use that money for creating safety net for the poor and the underprivileged!

Retail's Impact on Small & Medium Scale Sector:

1. Small & Medium Enterprises are backbone of entrepreneurial activity, innovation, job creation and overall economic growth
2. Most developed countries have a thriving SME sector, but due to linkages with large Enterprises as well as Retailers /Suppliers to Large Retailers
3. India itself has seen growth of the Indian garment exports sector due to large Buyers (Retailers / Importers supplying to Retailers) in the West
4. The Auto Component Industry in India has taken off due to presence of large "Front End" i.e. major Auto Companies

Retail's Impact on Handicrafts Sector:

1. Presence of State Emporia, Shopping Destinations such as the Dilli Haat and Surajkund Mela provides the Handicrafts sector an opportunity to directly reach the consumer without middlemen
2. Exports of Handicrafts are almost entirely driven by the opportunity to supply to major retail chains of the world Presence of strong, vibrant Organized retail sector is a must if we have to support our SME's as well as our Handicrafts sectors

Retail's Impact on Quality of Employment:

1. Over 35 Million directly engaged in "trade" of goods and services, yet a negligible proportion having any kind of career, job stability, quality of work, safety net or dignity
Every Rs 100 Crore turnover in organized retail creates over 900 direct and indirect jobs – most of which are of high quality, for men and women, and providing some kind of a career as well as safety net and dignity.

Jobs are creating wherever Retailing goes – slows migration of population

And Finally, The Consumer gets a better deal in terms of:

- Larger assortment
- Better Quality and Assurance of Quality
- Superior Service
- Shopping Convenience & Comfort
- Fair & Competitive Pricing!

**Retail’s Impact on Economic Areas**

1. **Productivity Gains / Inflation Containment.**
   Across diverse countries such as the USA, UK, Mexico, Thailand and (recently) China, organized Retail has led to significant productivity gains across a wide range of consumer products and have contributed to keeping inflation under check.

2. In India, as per KSA estimates, Food and Grocery prices to the Indian consumer can come down by as much as 10% within 3-5 years of emergence of a large organized Retail sector. Productivity Gain potential is also very high in many other consumer goods.

**Retail’s Impact on Tax & Revenue Collection**

1. Almost the entire fragmented retail network of 12 Million outlets contributes a negligible quantum to the national and state exchequers to due to evasion of Sales Tax as well as facilitation of evasion of excise from many unscrupulous manufactures.

2. An organized Retail sector is a must to complete the VAT chain across the nation, and thereby maximize the revenue generation effort for the State and Central Governments.

**Retail’s Impact on Tourism:**

1. Indian tourists spend as much as 4 times when they travel overseas compared to International tourists visiting India!

2. Economies of many of our neighboring countries heavily assisted by Shopping based tourist attractions e.g. Singapore, Malaysia, Hong Kong, Thailand, Sri Lanka and Dubai to give some examples.
3 Efficient and organized Retail network – as per global standards likely to give a fillip to the overall tourist attraction to India and generate more revenues for the country due to increased spending in India

Retail’s Impact on Exports (& FDI)
1 Over 55% of India’s exports are derived from “Consumer” product categories e.g. Textiles and Clothing, Handicrafts, Gems and Jewelry, & Agriculture based products
2 Encouraging large Global retailers to invest in India will result in their investing in development of “local” supply chain for competitive sourcing for their Indian operations. Over time, this supply chain shall also be used by these retailers for enhanced exports of many products to other markets. China, Malaysia, Philippines and Thailand are some examples in Asia.

Retail’s Impact on Entrepreneurs / Businesses:
1 Investments in Retail Sector can provide very attractive returns even as it helps in nation building
2 As the economy grows, the importance and size of the Retail sector shall grow and hence Retail businesses (if management well) shall grow too! However, choice of format, value proposition and investment level is crucial to success

Next Steps for the The Government:
1 The Governments Must...Acknowledge the crucial role of Retail Sector for the entire country – should jettison dogma and mis-directed “protectionism” of vested interests
2 Encourage the co-existence of small, medium and large Retailers : world over, they co-exist and there is no reason to worry as to why this will not be the case in India, too!
3 Allow & proactively solicit FDI in this sector: If a socialist China can come out with a Retail policy in 1991, and actively encourage FDI in select Regions / Cities, why not India?

Conclusion
To Conclude, India shall benefit from a thriving Organized retail sector, and most Indians shall be better off as well. Let Pragmatism prevail over Dogma, and may we see emergence of many new Nation builders in this sector in the years to come!
6.2 EMERGING TRENDS IN RETAILING

1 With the organized retail segment growing at the rate of 25-30 per cent per annum, revenues from the sector are expected to triple from the current Rs 35,000 crore to Rs 1,09,500 crore by 2010. In India, organized retailing comprises a mere 3% of the total retail sale. Therefore the potential for organized retail is huge. Irrespective of growth of the retail industry, the organized retailing will explode in future.

2 Growth of retailing in overseas market is much slower at around two to three percent per annum. Little doubt then that retailers abroad are hunting for alternate avenues. Big overseas retailers are enthusiastic about setting up shop in India. The investment in the sector by 2010 is estimated to be Rs 15,500 crore, which excludes land costs. Advantage in cross-border operations come from exploiting economies of scale and spreading costs, particularly the technological ones.

3 Organized retailing has just made start in India. Hence to increase growth, new technology must be adopted. Earlier, retailing was simple as retailers cut costs to get the right mix. Today growth is more likely to depend on the relationship a retailer enjoys with the customer.

4 There is a growth importance of information in retailing. Organized retailers uses information collected extensively to innovate and offer better services to their customer. According to Sam Walton, Founder of WALMART, USA retail major, "People think we got big by putting stores in small towns. We really got big by replacing inventory with information.

5 World wide advances in information technology (IT) systems such as data mining, multimedia kiosks and web-based commerce are helping businesses differentiate services and enabling them to develop stronger relationship with customer.

6 Already facing pressure on margins, retailers are trying to reduce operational costs, improve customer retention and fine tune prices and recovery. For this they are deploying IT systems ranging from demand forecasting and logistics software to self-scanners, electronic labeling systems and date warehouses.

7 Inventory carrying cost for a year is equivalent to at least a quarter of what retailers pay for a product. A reduction of a fortnight represents a
cost saving of nearly one percent of their sales and is a significant boost to profits.

8 The concept, called Data-mining, has been followed by MNC retailers. The result is an enormous database of purchasing information that enables the retailer to place the right item in the right place at the right price. The retailers use these databases to understand what customers want and to find ways to help them get it into their carts/baskets with as much convenience and at as low a cost as possible.

9 Well researched product placement simplifies the shopping trip, with baby aisles that include infant clothes and children's machine, alongside diapers, baby food and formula, and places higher margin products among the staples.

10 The organized retailers' information systems extend far beyond the walls of any one store. With basic information compiled at the shelves and check-out stand the retailer manages its supplies and inventories right from its own stores to the original source. The retailer is allowing its suppliers access to some of its information systems, enabling them to know exactly what is selling and plan their production accordingly. This is not helps its suppliers keep the inventory under control, but also helps them deliver the lowest cost products to customers. With sales and in-stock information transmitted between retailers and their supplier, buyers and suppliers are privy to the same facts and can negotiate based on a shared understanding—shaving a significant amount of time and energy over more traditional, low-tech systems, while buyers benefit from supplier's products knowledge, suppliers benefit from retailer's experience in the market.

11 There are special discount retail sale outlets, some of them temporary for a short duration. And some are permanent retailers, who offer special discount and other attractive schemes during festival times. This in turn translates into higher sales volumes.

12 The organized retailers are displaying products properly and providing appropriate browsing space to attract an individual to a store. It differentiates organized retail store from the Un-organized retail store. In un-organized (or) conventional retail store, it is simply a case of ordering the products.

13 With the advent of credit cards, impulse buying is on the rise. The arrival of cable and satellite television has increased the influences of western culture.
Retailers in the organized sector are paying greater attention to consumer retention and encouraging 'regulars' to purchase more. A trend that has started yielding rich dividends in India. With limited data available on consumer profiles, most retailers are doing their bit to collect information on regular customers. Most of the stores follow the point system, where purchases up to a certain limit are given points, which can be accumulated and encased.

The First Scheme was shopper's 'First Citizen's Club' (FCC) which today has a membership of over a lakh. The FCC members account for 55 percent of turnover and 15 percent of footfalls. The average spend is over Rs. 1800 per visit, as compared to the store average Rs. 900. There is even a kid's version, with the SKIDS card for FCC member's children. Every quarter, the store sends a special SKIDS magazine, and invitations to in store SKIDS events like story-telling sessions and drawing competitions. The customers are targeted based on special events like birth days and anniversaries.

Benzer has a Benzer Elite Club, and shoppers become members when they make a purchase worth at least Rs. 10,000. Buying merchandise worth Rs. 50,000 in the first two years gets the customer a five percent discount on future purchases and his increase to 7.5 percent when purchases cross Rs. 2.5 lakh. The purchases need not be those exclusively made by the cardholder and can include those made by acquaintances as well.

Pantaloons with its Bare Denims membership scheme and Ebony are also in the rewards business. And players like players like Westside, cross roads, KBN in Mumbai and Ansals Plaza in Delhi are in the process of starting loyalty club schemes.

Interestingly, the small regional players and single location shops are entering the fray of a loyalty club scheme.

Khurana's Origins, Hyderabad has already devised its loyalty club scheme, which will work on a point system. Nucleus, Hyderabad is also talking of a loyalty club scheme.

Major credit card companies give consumer stamp for shopping at a specific store. They forget link with retailers. There are cards allowing shoppers to patronize a certain 'network' of retailers for points / discounts. Bharat Petroleum Corporation Ltd. (BPCL) has pioneered the first customer loyalty programme in the Petroleum Sector. 'Petro Bonus' is a pre-payment and reward programme implemented by using state-of-the-art microprocessor based card technology. The scheme rewards the customer petromiles on each usage of the petrocard for fuelling of making
These petromiles are accumulated and can then be redeemed against various gift items.

A recent IOAI (Internet & Online Association of India) research report has tracked Internet user’s proclivity for shopping online. The study conducted at eight cities – Mumbai, Delhi, Chennai, Calcutta, Bangalore, Hyderabad, Ahmedabad, and Pune among 3099 people. It aimed to understand the profile, internet usage, products purchased along with propensity to buy along with the nuances of shopping online with the shopper’s affinity and aversions to online shopping. A total of 3099 respondent’s views were solicited of which 55% (1716) had shopped online and 87% (1493) had shopped more than once forming the base of the report. The study finding reveals online shopping intention as detailed below:

<table>
<thead>
<tr>
<th>Payment Method Used</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit Card</td>
<td>59</td>
</tr>
<tr>
<td>Bank Transfer</td>
<td>2.3</td>
</tr>
<tr>
<td>Cash On Delivery</td>
<td>13</td>
</tr>
<tr>
<td>PayPal</td>
<td>12</td>
</tr>
<tr>
<td>Debit Card</td>
<td>11</td>
</tr>
<tr>
<td>Money Transfer</td>
<td>8</td>
</tr>
<tr>
<td>Postal Transfer</td>
<td>5</td>
</tr>
<tr>
<td>Cash on purchase</td>
<td>3</td>
</tr>
<tr>
<td>Through convenience store</td>
<td>2</td>
</tr>
<tr>
<td>Pre-Paid card</td>
<td>1</td>
</tr>
<tr>
<td>Other Method</td>
<td>5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Last 3 Item Purchased</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Books</td>
<td>34</td>
</tr>
<tr>
<td>Videos/ DVDs/Games</td>
<td>22</td>
</tr>
<tr>
<td>Airline Tickets/Reservations</td>
<td>21</td>
</tr>
<tr>
<td>Clothing/Accessories/Shoes</td>
<td>20</td>
</tr>
<tr>
<td>Music</td>
<td>18</td>
</tr>
<tr>
<td>Electronic Equipments</td>
<td>17</td>
</tr>
<tr>
<td>Computer Hardware</td>
<td>16</td>
</tr>
<tr>
<td>Tours/Hotels-Reservations</td>
<td>14</td>
</tr>
<tr>
<td>Computer Software</td>
<td>13</td>
</tr>
<tr>
<td>Event Tickets</td>
<td>12</td>
</tr>
<tr>
<td>Cosmetics/Nutrition supplies</td>
<td>10</td>
</tr>
<tr>
<td>Groceries</td>
<td>6</td>
</tr>
<tr>
<td>Sporting goods</td>
<td>4</td>
</tr>
</tbody>
</table>
Online / web shoppers have become more sophisticated and demanding landscape of e-tailing is dramatically changing and forcing many retailers to rethink their strategy. The retailers find that turning browsers to buyers is tricky and the question on profitability remains elusive.

A survey across the cities of New Delhi, Mumbai, Calcutta, Bangalore, Hyderabad, Chennai, Pune, Jaipur and Ahmedabad indicated that the existing floor space available for retailing was Rs. 6,25,000 square feet and planned floor space was Rs. 43,75,000. On the retailing front 121 organized retailers have emerged in the last five years and 14 cities are on the expansion list.

Shopper today in India, and anywhere, wants convenience, good value, choice of merchandise, mix of shopping with food and entertainment, personalized service and comfort. Retailers, on the other hand want a high sales turnover with appropriate margins, high visibility, synergetic neighbors, low start-up and occupancy cost, sustained footfalls, quality infrastructure and center management.

The organized retail growth initiatives are already in place. The entry of corporate such as RPG, Piramals, ITC, Reliance Land, MGF, Zee, S.Kumar's signals a change. Another interesting trend is the emerging leisure and shopping which leads to better retail opportunities.

Megatrends in retailing 2005
- Globalization and concentration, both have materialized.
- New communication technologies would affect the way business is done.
- Customer behavior: Polarization, Individualization, both will be observed.
- Increased importance of environmental aspects.
- Fragmentation of society will be there.
6.3 FORECAST

1. In many of the developed economies organized retail already has a 40 percent share of the market compared to India's current levels of 3%. With the organized retail segment growing at the rate of 25-30 per cent per annum, revenues from the sector are expected to triple from the current Rs 35,000 crore to Rs 1,09,500 crore by 2010.

2. The organized retail share of food segment is expected to reach Rs. 6000 crore from the current level of Rs. 600 crore over the next five years.

3. The organized retail share of non-food segment is expected to reach Rs. 24,000 crore from the current level of Rs. 4,500 crore.

4. The organized retailing in food is expected to grow at a faster rate than non-food segment over the next years. The percentage share of food in organized retail is expected to rise from the current level of 10% to 20%.

5. In the non-food segment apparel, books, electronics, and music will take major share. The apparel business at present commands 41 per cent of the total organized retail market.

6. India is rapidly evolving into an exciting and competitive market place for consumer goods and services. With potential consumers numbering from 2 million (for premium brands) to 150 million (for middle – market brands), the market presents tremendous growth opportunities.

7. The organized retail chains and various retail formats such as specialty store (franchise / independent / standalone) Department store; Supermarket; non-store and Hyper market have been visible face of Indian retail scene in recent times. These formats will be competing against each other to eventual success trends in retailing, which in turn will decide the future of retailing in India.

6.3.1 OPPORTUNITIES

1. Indian retail companies are drawing up ambitious plans to expand their reach across the country. Going by the scale of their plans and the speed at which they want to implement them, it appears as if they are preparing themselves before the Wal-Marts and Carrefours of the world set shop in the country.

   - Pantaloon Retail is planning to add no less than 45 hyper market stores under the Big Bazaar brand by the end of 2006. The company would also add many more stores under other formats like Pantaloon, Fashion Station and Home Town. By 2007, the company is planning to have at least 10 million square feet of retail space.
• Trent and Shoppers' Stop are also opening large format multi-product stores. Trent has launched its hypermarket brand Star India Bazaar, which are already doing well. Shopper's Stop is opening a chain of hyper markets called "Hypercity" in November.

• Away from the limelight, Reliance Industries is believed to be quietly readying itself for a large roll out in retailing. The company's retail foray would revolve around the fuel stations it is planning across the country, along the highways and in smaller towns. There are reports that senior executives of Reliance have spent considerable time in the US over the last two years studying various retail formats.

• Total retail space under the organized players is expected to go up to 90 million square feet by 2007 from around 30 million at present. This would involve an investment of nearly Rs.40,000 crore as the retail chains expand to smaller cities across the country.

2 The organized retail in India over the last five years confirms that the Indian consumer reacts favorably to changing style of convenience shopping and customer services.

3 Organisations and individuals accepting the challenge will leverage the opportunities offered by the billion strong popular for a billions strong retail business.

4 The opportunities in the Indian retail market fall into three categories viz.
   • Ready-to-go-sectors
   • Shape and adapt sectors
   • Wait-and watch

The categories require different approaches to ensure success.

i. Ready to go sectors are those where the supply chain is reasonably sophisticated and there is little change required in consumer shopping behavior. These sectors are primarily dry grocery, electronics, men’s apparel, music/books, furnishing, fuel, jewellery, Health, and personal care, sports, clothing and shopping malls.

5 Shape and adapt sectors are those where at least one or two parameters requires to be and can be restructured. These include fast food, fresh grocery, women’s apparel, toys and photo.

6 Wait and watch sectors are those that are constructed by market intrinsic factors and include fuel, liquor and pharmacy.

7 The organized retail revolutions in India also offers an opportunity not only to the retailers but also to technology providers, logistics providers, manufactures retail services and equipment providers and industry consultants.
In determining how to capture these opportunities, it is important to look into the past, when there had been a few success and several failures. The failures are proof of the Indian Penchant for traditional stores over modern formats. Many of the early retail ventures were not able to offer compelling enough propositions to make the housewife switch from her preferred store, either in terms of range or price. A few successful ventures proved that consumers do and will switch if retailers can offer a compelling proposition. However, the early failures should serve as a warning that the Indian consumer, like his brethren elsewhere, is a smart, value-for-money shopper, and retailers who plan to purpose this opportunity need to be sure that they can deliver value.

6.4 SUGGESTIONS

1 Organized retail in India is at nascent stage, as compared to matured retail market in the developed nations, It offers wide opportunities for professional retailers, real estate promoters, FMCG manufacturers, service providers of supply chain management, customer relationship management and logistics.

2 Organized retail is well recognized by the Government which resulted in liberalization and easy flow of foreign direct investment (FDI) into the retail business. Financial institutions have also recognized the importance of retailing business and assured return from investment and have identified the organized retail project as thrust sector for investment / funding. Technology service providers particularly in IT, Merchandisers institutions are finding retail as thrust sector for growth. FDI needs to be liberalized in a calibrated manner so that domestic interests are not damaged, while also allowing global best practices to seep in.

3 There are different product segments and retail formats, which providers retail project opportunities at different level of investment.

4 The scope for setting up the organized retail projects is not restricted to metros; it is also penetrating into other urban and semi-urban centers. Rural India is altogether a different retail and needs special entry strategy.

5 There are notional, multinational and overseas retail chain majors, who offer investment opportunities for small and medium entrepreneurs (SMEs), and imparting experience retail model, retail management, technology, training strategic support marketing, advertisement and economic scale of sourcing.
The success of the retail project is dependent on the selection of location product segment, retail format and strategic alliances.

Food and grocery and apparel retailing in India are well established. It attracts Indian masses, business communities and there are little to fear as far as survival and success of the project are concerned.

The product segments that get growing acceptance in organized retail are consumer durables, books, music, fast food, personal care products, jewellery, watches, gifts, toys, greeting cards, Arts & Crafts, furniture and furnishing.

Modern retail sector helps increase penetration, brings transparency, helps develop modern infrastructure and stimulates demand. Established manufacturers like P&G are known to enter into tie-ups with large retailers such as Wal-Mart in order to reap the advantages to scale and in turn offer low prices to retailers, which can in turn be passed to the customers.

6.4.1 Suggestions/issues to the Government for the purpose of policy making
To safeguard the interests of the retailing industry; following are the issues to be addressed to by the Government of India:

1. The first suggestion is that the Government of India should state that it recognizes the importance of the retailing business in the GDP and its role in growing the consumption and the economy. The last 12 months has really brought forward the role of organized retailing whether it is through retail stores or development of malls.

2. The second suggestion is to give retail the industry status and attach the same to commerce industry.

3. Treat retailing and shopping in line with hotels and use the retail to promote tourism and consumption and allow the following benefits:
   a. Import of capital goods duty free under EPCG as in the case of hotels against foreign exchange earned from customers under deemed exports.
   b. Allow raw material imports for production for retailing under the same deemed export benefit.
   c. Allow retail to operate 24x7x365 days as a national policy. Allow retailers to appoint employees on hourly, part-time and flexible hours so that more employees can be recruited in more than one shift and retail can help the country increase employment generation.

4. Allow FDI in retail up to 26 per cent with minimum capitalization.

5. Allow FII participation in the primary market so that many retailers will come to the capital market for funding and growth.
Frame retail real estate shopping centre and mall development policy at national levels which can govern all states to model around the policy. This policy should ensure maximum customer convenience and safety norms, access and infrastructure development, concessions to mall developers for customer areas like aisles, toilets, parking atrium etc. This policy framework will ensure real estate developers do not cut corners and will leap frog Indian retail to international level immediately.

Give 100 per cent concession to all retailers on income tax for IT capital expenses to encourage small retailers to invest in IT. This will ensure that Indian shopkeepers upgrade themselves and the Indian IT industry develops software specifically for small Indian retailers which run into millions. Some of these initiatives will take Indian retailers a long way ahead and will boost consumption and growth of the Indian economy. (Source: B S Nagesh, "Retail has arrived", Economic Times, February 17, 2005.)

6.5 CONCLUSIONS

1 The post liberation era has been witnessing a resurgence of business in organized retail. The brand manufacturers, Technology innovating organizations, World renowned products and services, global giants in consumer products – in fact the entire gamut of accepted brands in beauty and cosmetics, Internet and Computer training, furniture and fittings, fast food chains and restaurant, household services, recreations and entertainment are vying with each other to make their presence felt in a highly charged consumer market in India. GRDI (Global Retail Development Index) and FDICI (Foreign Direct Investment Confidence Index) as specified in the AT Kearney report highlights the fact that India is the world’s most attractive retail market ahead of China.

2 Retailing is building the gap between products and consumer; enabling the former to specialize in manufacture and the latter to obtain a range of goods with their money from a limited number of physical sources.

3 There have been significant changes in the pattern of different forms of retailing namely:
   - Traditional stores
   - Department stores
   - Co-operative retail societies
   - Multishop groups/Chain stores
   - The independent retailer
   - Franchising
4 In developed economies organized retailing already has a 40% share of the market compared to India’s current level of 3%.
5 The share of organized retailing is mere 3 %, current Rs 35,000 crore.
6 The small sized retail outlets (SMEs) operating in an area upto 500 Sq.ft. contribute Rs. 100 billion in organized retail sale and Rs. 50 billion by Corporate retail sale.
7 The organized retail chains and various retail formats such as Speciality store (franchisee/independent/standalone) Department store; Supermarket; non-store and hyper markets have been visible face of Indian retail scene in recent times. These formats will be competing against each other to decide the eventual success trends in retailing, which in turn will decide the future of retailing in India. To grow retail we also have to promote India as a shopping destination for international shoppers and to do that we need to give Indian retail an Indian face – the malls, the markets, the offerings.
8 Organizations and individuals accepting the challenge will leverage the opportunities offered by the billion strong populace for a billion strong retail business. Availability and management of talent as well as speedy implementation of plans is the need of the hour. Retail is currently facing a manpower shortage. The current challenge is to get the right talent to fill the middle management positions.
9 The organized retail revolution in India also offers opportunities not only to the retailers but also to technology providers, logistics providers, manufacturers, retail services and equipment providers and industry consultants.
10 Organized retail is a business that is guaranteed to grow for ever. The retail chain is a profitable and rewarding strategy for a retailer. The retail chain concept is being welcomed and is steadily expanding in India.
11 An existing successful retailer, with an operating system, a name and reputation can consider expanding their business through retail chain. New entrant into retail business can consider to be a part of retail chain. It is a challenging task for the new entrant to set up a stand alone retail venture and make it a success.
12 Organised retail in India is at nascent stage, as compared to matured retail market in the developed nations. It offers wide opportunities for professional retailers, real estate promoters. FMCG manufacturers, service
providers of supply chain management, customer relationship management and logistics.

13 There are different product segments and retail formats, which provides retail project opportunities at different level of investments.

14 There are national, multinational and overseas retail chain majors, who offer investment opportunities for small and medium entrepreneurs (SMEs) and imparting experience retail model, retail management technology, training, strategic support in marketing, advertisement and economic scale of sourcing.

15 The success of the retail project is dependent on the selection of location, project segment, retail format and strategic alliances.

16 Food and grocery and apparel retailing in India are well established. It attracts Indian masses, business communities and there are little to fear as far as survival and success of the projects are concerned.

17 The products segments, that get growing acceptance in organized retail are consumer durables, books, music, fast food, personal care products, Jewellery, watches, gifts, toys, greeting cards, Arts & Crafts, furniture and furnishing.

18 While the retail growth rates in India are fairly high – about 30 to 35 per cent, there is need for caution in terms of really understanding customers, building the requisite infrastructure and systems to ensure sustainable growth, and not just short term success.

19 To touch global standards, the Indian retail industry has to pick up best practices from across the world. Retail is not merely keeping things on the shelf and disposing them. It is important that we bring in the right technology, the right quality to meet the demands of the Indian consumer and most of all, in the food sector.

20 To drive the growth; the Key challenges and opportunities for the retail sector include employment generation and demographic transition.

In conclusion....The Road Ahead is very very exciting....There would be experiments (and failures)....Homework & responsiveness would make the difference. Thus we can surmise that Retail consolidation is an Opportunity of the new millennium for our country. The key is to initiate the process of unlocking 'Value' in the supply chain. Then only the Indian consumer will provide the subsequent momentum

The End