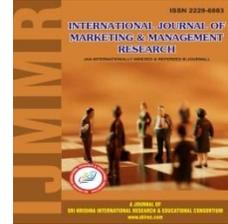




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RETAIL INDUSTRY & ITS IMPACT ON INDIAN ECONOMY

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ABSTRACT

The Indian retail industry is the fifth largest in the world. Comprising of organized and unorganized sectors, India retail industry is one of the fastest growing industries in India, especially over the last few years. Though initially, the retail industry in India was mostly unorganized, however with the change of tastes and preferences of the consumers, the industry is getting more popular 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.

Indian retailing, enjoys many unique features, is still done in a primitive way. Barring a few exceptions, Indian retailers, particularly FMCG retailers, are not in a position to implement world-class practices of supply chain management. The concepts of Quick Response or Efficient Consumer Response are unheard of in Indian retailing. The two bases of modern retailing management, the Electronic Data Interface and a mutually respectable partnership among retailers and suppliers (the manufacturers) are missing to a great extent in Indian context. Also, Indian marketing channel members are performing some unnecessary tasks, which makes the channel structure heavy and inefficient. Though these inefficiencies are observed in all retailing irrespective of industry, the symptoms are more evident in Indian FMCG retailing. Inefficiency in retailing leads to lower profitability of the retailers and lower service outputs for the consumers. Ways and means to strengthen the position of the retailing industry, doing away with the causes for the inefficiencies, therefore, are to be taken up in an urgent manner. Such measures may include establishment of retailers co-operatives, merger and buy-out, use of technology to the greatest possible extent, setting up of nonstore retailing centers and increase in franchisee network.

The paper attempts to explore into the dynamics of Retail Industry on both Global & Indian prospective to explore its present & future impact on Indian Economy.