RETAIL – CURRENT TRENDS, CHALLENGES AND STRATEGIES FOR GROWTH

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ABSTRACT
Indian retail market has high growth potential with an estimated market size of USD 574 billion in 2015 and is a major employment generator. The driving forces are high disposable incomes, urbanization, availability of internet and broadband connection at affordable prices combined with a large population predominantly youth. Online retail has emerged as an important component with virtual formats where by consumer places order through web portals and the goods are delivered at the doorstep. Traditional convenience stores remain strong with around 95% share, while organized retail in the form of large retail chains constitute a mere 5%. Its share is expected to increase with the entry of major domestic players and changes in the buying behavior of the consumers. Concerns for the sector are low availability of commercial real estate, high rentals, shortage of trained manpower, supply chain constraints, regulatory restrictions on foreign investment in multi brand retail and varying tax rates in different states. The retail market is evolving due to changes in consumer preferences and other demographic factors. Retailers have to tap the opportunities created by these changes and formulate appropriate growth strategies. The aim of the study is to examine the size of the retail market and its components, emerging trends in the sector. The study is of use to the retailers as it attempts to find the constraints and suggests measures to be adopted to overcome the constraints in order to harness the growth potential.

KEY WORDS: Demographic dividend, mobile commerce, social networks, supply chain constraints, traditional retail.

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