



Retail Investor Perceptions & growing Capital Market - new perspectives for youth

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Abstract: Indian retail market is showing impressive growth India is the 7th largest retail market in the world. Consumers have almost tripled in India . Majority of the consumers are within age bracket of 15-25 years. Nearly half of its population belonging to this age bracket is a stimulating factor in expansion of consumer market. Rapid industrialization, rapid migration to urban suburban center, expansion of educational access, growth of technological has led to great consumer in India. Indian retail sector has become part of global economy & India is considered as a safe retail investment destination. But retail sector is not considered an industry in India; hence retail sector faces several challenges,

Key words: Indian retail sector, growing sector, impact of consumerism, challenges

Introduction: The word retail has a French origin. The original word is retailer which means to cut a piece retailing is a vital part of economy. As retail generally means quicker delivery of goods or meeting the consumer demands on time . There is a great expansion bloom among retail trading in India. Retailing includes retailing directly meets the consumers, retailing helps in co-ordination of all business related activities and retailing also covers pre- product delivery & post – product delivery service . In India shopping maals, big bazaars, departmental stores, supermarkets, are considered as organized retailers while provision store popularly known as kirana shops are in unorganized sector.

Demand drivers of retailing in India – the following are the reasons responsible for driving retail expansion in India as shown in diagram-1. Rising income levels – Retailing in India is expanding because there is a great rise in income levels of Indians. Growing urbanization - Retailing in India is expanding because there is a Growing material aspirations- Retailing in India is expanding because there is easy credit availability - Retailing in India is expanding because there is an easy technology backed service providers- Retailing in India is expanding because there is innumerable openings through technology.



India’s position in retail sector- India has occupied a remarkable position in global retail rankings; the country has high market potential, low economic risk, and moderate political risk. In market potential, India ranks eleventh (after United States, China, Canada, UK, Brazil, Germany, Austria and

Mexico). India's net retail sales are quite significant among emerging and developed nations; the country is ranked third (after China and Brazil). Overall, given its high growth potential, India compares favourably with global peers among foreign investors

Sl. no	top retailers	year of establishment	outlets / stores
1	Reliance Retail Ltd	2006	1500
2	Pantaloons Retail Ltd	1997	1000
3	Provogue India Ltd	1997	250
4	Shoppers top Retail Ltd	1991	67
5	I T C Retail Ltd	1910	62
6	Trent Retail Ltd	1998	30
7	Mac donalds Retail Ltd	19996	300
8	Aditya Birla retail Ltd	2006	15
9	Titan industries Retail Ltd	1984	112
10	Future retail Ltd	1991	1200

Indian retail sector & Foreign Direct Investment (FDI) - The Indian retail industry in the single-brand segment has received Foreign Direct Investment (FDI) equity inflows totalling US\$ 275.4 million during April 2000–May 2015, according to the Department of Industrial Policies and Promotion (DIPP). With the rising need for consumer goods in different sectors including consumer electronics and home appliances, many companies have

invested in the Indian retail space in the past few months.

1. Paytm plans to set up 30,000–50,000 retail outlets where its customers can load cash on their digital wallets. The company is also looking to enrol retailers – mostly kirana stores – as merchants for accepting digital payments.
2. Mobile wallet company MobiKwik has partnered with



Jabong.com to provide mobile payment services to Jabong's customers.

3. DataWind partnered with HomeShop18 to expand its retail footprint in the country. Under the partnership, HomeShop18 and DataWind would jointly launch special sales programmes across broadcast, mobile and internet media to provide greater access to the latter's tablet range.

4. FashionAndYou has opened three distribution hubs in Surat, Mumbai and Bengaluru to accelerate deliveries.

5. Abu Dhabi-based Lulu Group plans to invest Rs 2,500 crore (US\$ 402.0 million) in a fruit and vegetable processing unit, an integrated meat processing unit, and a modern shopping mall in Hyderabad, Telangana.

6. Aditya Birla Retail, a part of the US\$ 40 billion Aditya Birla Group and the fourth-largest supermarket retailer in the country, acquired Total hypermarkets owned by Jubilant Retail.

7. With an aim to strengthen its advertising segment, Flipkart acquired mobile ad network AdiQuity, which has a history of mobile innovations and valuable experience in the ad space.

8. US-based Pizza chain Sbarro plans an almost threefold increase in its store count from the current 17 to 50 over the next two years through multiple business models.

9. Amazon, the world's largest online retailer, is readying a US\$ 5.0 billion war chest to make India its biggest market outside the US.

10. Wal-Mart India Private Ltd, a wholly owned subsidiary of Wal-Mart Stores Inc., plans to open 500 stores in India in the next 10-15 years.

11. British retail major Tesco invested Rs 850 crore (US\$ 133.8 million) in multi-brand retail trading by

forming an equal joint venture with Tata group company Trent; to form the joint venture, Tesco purchased 50 per cent stake in Trent Hypermarket Ltd (THL). THL operates the Star Bazaar retail business in India. (India in Business – Ministry of external affairs, Government of India Investment & technology promotion division. 2015).

E-commerce is expanding steadily in the country. Customers have the ever increasing choice of products at the lowest rates. E-commerce is probably creating the biggest revolution in the retail industry, and this trend would continue in the years to come. Retailers should leverage the digital retail channels (e-commerce), which would enable them to spend less money on real estate while reaching out to more customers in tier-2 and tier-3 cities. Both organised and unorganised retail companies have to work together to ensure better prospects for the overall retail industry, while generating new benefits for their customers.

Nevertheless, the long-term outlook for the industry is positive, supported by rising incomes, favourable demographics, entry of foreign players, and increasing urbanisation.

Challenges of Indian retail industry-

1. Impact of global economic slowdown
2. Impact of competition from the unorganized sector
3. Impact of retail sector has no recognition as an industry
4. Impact of high real-estate costs
5. Impact of lack of basic infrastructure
6. Impact of supply-chain inefficiencies



7. Impact of challenges with respect to human resources
8. Impact of margin pressure

The country has 111 million smart phone connections in 2014 (June) , behind leader China, followed by US and Brazil. India could become the world's largest middle class consumer market with a total consumer spend of nearly US\$ 13 trillion by 2030, as per a report by Deloitte titled 'India matters: Winning in growth markets'. On the back of better incomes and increasing affordability, the consumer durables market is anticipated to expand at a compound annual growth rate (CAGR) of 14.8 per cent to US\$ 12.5 billion in FY15 from US\$ 7.3 billion in FY12. Online retailing, both direct and through marketplaces, will grow threefold to become a Rs 50,000 crore (US\$ 8.06 billion) industry by 2016, as per rating agency Crisil. Also, the growth of internet retail is expected to boost offline retail store (Dheeraj sinha – Consumer India - inside the consumer mind & wallet – 2011).

Conclusion - Retailing in India is expanding because there is a great expansion in consumer aspiration. Indian society has been transforming towards unforeseen materialism. Indian Middle class has been seen a phenomenal change in its income level. There is a growing demand for consumer durables , electronics , apparel , health care products, Kitchen ware , travel ware , etc. But there are attached challenges to this bloom. India is a young country with young population , but this would change proceeding. Western markets are a example for bloom & recession in consumerism. Young Indians have to prepare themselves for this type of

market volatility & precaution can only save them.

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