

Indian Organized Retailing: A Modern prospect

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Abstract

A new wave of consumerism driven by rapid sea Changes in domestic demographics, increasing urbanization, improvement in standard of living, life styles, and advances in information technology creates a behemoth consumer market, which offers a plethora of opportunities for the growth and development of sun rise retail sector in India. The fast changing trends of consumerism based on the growing wealthy middle class consumers have conspicuous impact on modern retailing, particularly in food & grocery, apparel and entertainment sector. Hence, the emergence of supermarkets, hypermarkets and shopping malls become the destination centers to cater to the ever-changing needs of consumers. Thus, the study of changing trends of consumerism assumed significance in the wake of understanding and development of modern retail formats across the nation. However, little is understood about its actual influence and contribution to the organised retailing. The present study puts focus on the phenomenal changes and developments happening in retailing in view of the burgeoning consumerism.

Key words: Consumerism, Organized retailing, Urbanization

1. Introduction

India is one of the fastest growing economies after China with 9.4% GDP growth in the world. The liberalization and globalization policies and practices have brought in structural shifts in consumption patterns of urban & rural population. Consumerism describes the shift in Indian culture from a producer-oriented society in the nineteenth century to a "consumerist" society in the twentieth century. Consumerism in India, which is based on around 300 million middle class households, is buoyed by current GDP growth in the region of seven to nine percent. India is poised for a dramatic expansion of domestic consumption that will make the country one of the largest consumer markets in the world. According to McKinsey Global Institute Report (MGI), over the next two decades, India will become fifth largest consumer market from its present 12th position and overtake Germany to be behind the US, Japan, China and the UK. It is also estimated that real consumption will grow from Rs 17 trillion today to Rs 70 trillion by 2025 (McKinsey Global Institute Report). In recent days, due to Changes in domestic demographics, life styles, improvement in standard of living, increasing urbanization, and advances in industrialization, manufacturing, transportation, communication all contributed to the growing consumer market. Overall Indian consumer goods market is about \$ 450 billion and is expected to double to about \$ 800 billion in about 5 years, if the country maintains its 8% growth trajectory (AT Kearney Retail Report, 2005). Growing consumerism would be a key driver for organised retail in India. The fastest growing retail sector in the Indian economy is expected to be dynamic and sales are expected to follow an upward trajectory with a healthy 8% constant value CAGR (compound average growth rate) and the present total retail business is estimated as \$320 billion, which is forecast to grow to \$637 billion by 2015 (KSA Technopak retail report, 2006). Hence, it is imperative to understand the changing trends of consumerism that led to the growth of organised retailing in India. This study puts great focus upon the overview of the selected organised retail formats like food & grocery, apparel and entertainment sector and throws light upon changing trends of retailing and prospects associated with it.

2. Changing trends of consumerism

An important socio-political and economic environment confronting the business is the growth of consumerism. While consumerism is not a new phenomenon, it has only become widespread over the 20th century and particularly in recent decades, under the influence of neo-liberal capitalism and globalization (Ranjan, 2006). Indian economy is evolving as a service exporting economy of the world. At home, it has evolved as a domestic consumption economy. Though consumerism is not well developed in India, yet it is growing slowly and spreading far and deep. It has become an intrinsic part of India's evolution as a largest global consumer market as it should be of any emerging market which attempts to embrace global standards, both for its consumers and for its products.

2.1 Socio-cultural impact on consumerism

Different social classes Table 1 characteristically different behaviors pattern in consumerism. Out of these, 1.6 million upper class house holds earn Rs 45 lakh (\$100,000) or more per year spending about Rs 4 lakh (\$9000) a year luxury / very premium goods and services, which made for a market potential of about \$65,000 crore (\$14.4 billion) is growing at a healthy rate of 14% a year (KSA Technopak estimates, 2006). India's middle-income group (popularly called middle-class) of 300 million is about 25% of the total population base of which, about 4% are extremely rich and about 10% have just graduated into the middle class and the wealthy middle class is estimated to go up to 400 million that believe in good things of life style and indulge in conspicuous consumption worth of \$2.8 trillion in a year by 2025. The changing trends of consumer class shown in Table 1 reveals that percentage of increase of consumer class in the Rich (416%), Consuming (179%) and the Climbers (37%) from the year 1996-2001 to 2007 and the percentage of decrease of consumer class in the Aspirant (-65%) and Destitute (-61%) class and the total change of 21% is conspicuous indicator of changing trends of consumer market (Baja et al, 2005).

Table 1

The Changing cultural and Cross-cultural values trigger a rapid change in consumer preferences, beliefs and eating habits that results the formation of fast food outlets, Domino's pizza, burgers, coffee cafes etc (Swpna Pradhan, 2007). The metamorphosis change in dress culture has made consumer irresistible to shop in modern apparel retail formats conforming to the western style.

2.1 Economic impact on consumerism

Consumerism is widely influenced by the economic characteristics and economic policy dimensions. India's G.D.P is invariably going high for the last couple of years and stood at 9.4% for the year 2006-2007. India is the fourth largest GDP of US \$ \$4.042 trillion as measured by purchasing power parity (PPP). India's percapita income (PPP) of US \$3,700 is however, ranked 117th in the world. When measured in terms of USD exchange rate, India's GDP is US\$785.47 billion, which makes it the twelfth largest economy. Wealth distribution is fairly uneven, with the top 10% of income groups earning 33% of the income. There is a significant change in the per capital income and population growth from pre-liberalization (4% per capital income and 2.2% population growth) to the post-liberalization period (6.4% per capital income and 1.8% population growth) (RBI Bulletin, Dec 2006). It contributed 42% to industrial production in the year 2005-2006 compared to 24% in the year 1999-2000. This is a clear reflection of rapid rise in consumer demand driven by jump in the per capital income at 6.4% compared to 1.5% during the first 30 years of post independence (RBI Bulletin, Dec2006).

2.2 Demographic and psycho graphic impact on consumerism

The demographic changes are the utmost influential factors in the changing trends of consumerism in India. Out of the total population of 1027 millions, about 742 million live in rural areas and 285 million in urban areas. The net addition of population in rural and urban areas during 1991-2001 has been to the tune of 113 million and 68 million respectively is an obvious indicator of increasing demand for consumer goods. The 70 % of the country's 1027 million population concentrated in rural areas consisting of 6 lakh villages creating a demand for products such as toothpaste, instant coffee, deodorants, etc. increase by 60 percent by 2012 (Assocham Retail Report, 2007). The burgeoning population growth has significant influence on total retail market shown in Figure 1.

Figure 1

The average household income in urban areas has been growing at a 5% CAGR (Compounded Annual Growth Rate) for the last decade. The income profiles of Indian households are tremendously increasing from the year 1995-2002 to 2007 (see Table 2), which is an encouraging phenomenon for growing consumerism.

Table 2

Nearly 37% of the urban population constitutes chief earners who earn regular salaries / wages. Their share in total income is 45% that gives more opportunity for spending for luxury goods.

The number of people who earn over US\$ 5,000 plus per annum is growing at fast pace and this is primarily attributed to the rapid rise in young earners (those in their mid twenties). The 70 million-plus people earn over Rs.8, 00,000 (\$18,000) a year – number to rise to 140 million by year 2011 Expenditure in urban areas accounts for 62% of income, compared with 56.2% in rural areas. India's largest young population over 890 million people below 45 years of age and 550 million-plus people will be under the age of 20 years by 2015. The working age population between 15 and 64 years will increase by a staggering 71 million in India to reach 762 million by 2010 (The UN report, 2005) is an obvious sign augurs well for the changing trends of consumerism. The age distribution of Indian

population from the year 1996-2001 to 2006 (see Table 3) reveals that 280 million people are under the age group of 20-34 years old. This creates whopping 600 million-plus effective consumers by 2010 (Business Line, 25/02/07).

Table 3

The changing composition of work force and growing number of women employees in public and private organizations i.e. the participation of women in professional and technical workforce in India is 34% and 21% respectively (NCEAR report, 2005) contribute a lot to the paradigm shift in consumerism. The accelerated growth in employment from 1.6 % levels of 1993-2000 to 2.5 % during 1999-2005 is also the good facilitator of growing consumerism. Intrinsic factors such as needs, motives, perceptions, and attitudes, interests, opinions, activities and lifestyles mostly influence the consumerism in a rapid changing environment. Personal and social motives are the most influential in increasing consumerism and creating necessity for modern retail formats that cater to meet the preferences. Consumers' motives are positively related to their pleasure and satisfaction while shopping in modern retail outlets.

3. Over view of present Retailing in India

The changing face of consumerism has necessitated the need for modern retailing in India. Retail marketing is not a new phenomenon, but gained momentum in India for the last couple of years for various reasons. In fact, consumerism is one of the chief attributes for the growth and development of retail trade in India. Malls across India's urban landscape have put on new face of changing consumerism across India and more importantly the new reality of retailing as an industry. The sun rise retailing sector is India's largest industry after Info Tech, in terms of contribution to GDP and constitutes 13% of the GDP (gross domestic product). The retail industry in India is largely unorganized and predominantly consists of small, independent, owner-managed shops. Of the estimated 15 million retail outlets in the country, only about 4 % of them are larger than 500 sq. ft. in size. India has one of the highest density of retail outlets per capita in the world with a widely spread retail network but with the lowest per capita retail space (@ 2 sq. ft per person. Indian retailing continues to be one of the least evolved industries. Dynamic retailing buoyed by favorable political and economic outlook with government legislation permitting foreign direct investment of 51% in single- brand retail and 100% in cash and carry retail business. Retailing is expected to be dynamic and sales are expected to follow an upward trajectory with a healthy 8% constant value of CAGR. The present total retail business is estimated as \$320 billion which is forecast to grow to \$637 billion by 2015 (KSA Technopak Retail Report, 2006). Retail sector in India is highly fragmented with organized retail contributing to only 4.6 % of total retail sales. According to India retailing report- 2007, the total retail trade in India is estimated at Rs. 12, 00,000 crore out of which, organised retailing estimated at Rs. 55,000 crore (see Table 3).

Table 3

Moving forward, organized retailing is projected to grow at the rate of about 37 % in 2007 and 42% in 2008 and that the value of the organized retail sector in India by 2010 would be around Rs2, 00,000 crore or US \$ 45 billion (India retail report, 2007).

4. Impact of Consumerism on Food and Grocery Retail Sector

The new wave of consumerism wields clout over food & grocery retail sector. In a developing country like India, a large chunk of consumer expenditure is on basic necessities, especially food related items. Hence food, beverages and tobacco account for 60% of the consumer spending and sales constitute 70% of total retail sales is the 'way to go' for retailers to attract consumers initially. According to KPMG study entitled 'Grocery Retailing in Asia Pacific.' the organized Indian food/grocery-retailing sector is forecast to grow at a compound annual growth rate of 33% between 2004-2007. But the growth of organized retailing in India has changed the business landscape and buyer behavior. According to IMAGES India Retail Report-2007, of the Rs.12, 00,000 crore retail market, food & grocery retail is by far the single largest block estimated to be worth a whopping Rs.7, 43,900 crore, but more than 99 per cent of this market is dominated by the neighborhood Kirana stores. The food and beverage retail market in India is estimated at \$4.6 billion (Rs.21000 crore) and makes up for 2 percent of the country's total retail market, out of which organized food and beverage retail market accounting for 5 percent of the total food and beverage market is valued at \$230 million (Rs.1050 crore) and constitutes 3 percent of the total organized retail market in India. The organized food and beverage retail sector is represented by mid-priced fast food restaurant chains (both Indian and International) modern format retail chains, such as (Barista, Café Coffee Day and Qwiky's) and fine dining restaurant chains, which account for only about 8-10 percent of the organized food and beverage segment, with the presence of limited players such as TGIF, Ruby Tuesday, Geoffrey's, and so on. The coffee-retailing segment is estimated at \$45 million (Rs.200 crore) and growing at the rate of 25 percent per year (KSA Technopak Retail Report, 2006).

5. Apparel Retail Sector

The Indian apparel sector is the most profoundly influenced by the consumerism in India. The Indian fashion and retail sector is at a crossroads today; facing as it does, both opportunities and challenges. Following a boom in information technology and communication across India due to satellite television, internet and other forms of media, the Indian customer is now becoming aware of fashion trends happening across the world and demanding the same in India. The wardrobe of young girls and boys is changing with more prominence to Western wear and Indo-western wear. A market with 600 million people of less than 25 years of age, more than a lakh people with annual incomes greater than Rs 50 lakh, more than 7 lakh people with annual incomes greater than Rs 15 lakh and growing exponentially, is an indicator of increasing consumer spending even across categories which were earlier price-driven. India is ranked as one of the world's top ten apparel exporters. The organized apparel segment is of \$1.8 billion and is expected to grow at a steady 9.5 percent per annum over the next three years. Multi-brand outlets are becoming the popular destination for customers and will outrank manufacturer retailers in size. Large retailers such as Shoppers' Stop, the RPG group, Pantaloon retail and Trent have stabilized their retail models, and are rolling out more stores to grow in size. Kids retailing is growing by leaps and bounds in India and those in the industry say it is likely to see 30-35 per cent growth per annum. When it comes to clothing, men are as conscious as women. It would come as a surprise that men's wear constitute one-sixth of India's domestic market for clothing, textiles, and fashion accessories that stands at Rs 1,13,500 Crore. The Indian consumer's particularly wealthy middle class is unmindful and unapologetic in purchasing branded apparel goods. Riding on back of buoyant consumer sentiment and demand, the Indian apparel market has galloped to over Rs 1, 00,000 crore.

6. Entertainment Retail Sector

The entertainment retail sector consists of electronic, music and media, which is riding high on growing income and education levels, fast growing urbanization, technological improvements and consumerism has brought in huge investment in the media and entertainment retail sector. This sector is expected to cross turnover of Rs.100, 000 crore by 2011 from the present Rs. 43,700 crore there by registering 18 percent compounded annual growth (FICCI-PwC retail report, 2007). The reading habits of people are seeing a lot of drastic change and there is more thirst for gaining knowledge. That creates a need for book retail outlets such as Landmark, Oxford, Crossword, RPG, Pantaloon etc. have gone national and more book stores have mushroomed across the country with an average retail space 1500 sq-ft to 10,000 sq-ft. The total print media industry is expected to register 13 % growth to reach Rs 23,200 crore from the current size of 12,800 crore by 2011 (FICCI-PwC retail report, 2007). The conspicuous change observed in mobile retail market, is estimated at Rs 70,000 crore and growing at the rate of 15-20 %. This is the one segment expected to cross 220 million mobile users by the year end and 500 million by 2010 as about 6 million subscribers will be added every month. Though the internet media has a small base, it is expected to show the highest compounded annual growth rate of 43% to reach Rs 950 crore in 2011 from Rs 160 crore now (Ficci-PwC retail report, 2007)

7. Emerging trends and future prospects of Retailing

India today stands on the verge of another major revolution i.e., organised retailing. Rising consumerism and a youth-driven culture has made the new generation of consumers more discerning towards brands and their demand is drawing many retailers to the Indian markets. New shopping has evolved from a need-based activity to a leisure-time entertainment activity. The consumer today spends to achieve the "feel good" factor. The retail landscape will undergo a sea change with both local and global players offering unlimited choice to customers. So the adventure of international retailers (largely as joint ventures or franchising at present) providing competition to existing players as well as increased choice and awareness for consumers. The modern retailing has changed the whole concept of shopping in terms of format and consumer buying behaviour, ushering in a revolution in shopping in India. The recent trends in the retail sector in India are as follows:

7.1 Departmental stores, Supermarkets and hypermarkets are gaining prominence

These are driven by a consumer need for convenience and distinctive shopping experience to customers on account of services extended along with core offerings and atmospherics of retail store, while the big box category killer stores are gaining importance in the specialty retail categories. While supermarkets may emerge at the initial stages of retail market development, in the long term they are unable to match the consumer value proposition of convenience stores and hypermarkets. Some of the dominant players among the total 1,300 supermarkets in India

are Apna Bazaar, Sabka Bazaar, Subhiksha, Nilgiri's, Food world, Spencer's, Reliance Fresh, Heritage Fresh, etc and out of 70 hypermarkets, some of the leading retail players in hypermarkets are Hyper city, Magnet, Jumbo, C3, Shop rite, Big Bazaar and etc.

7.2 Emergence of Mall culture

The new shopping malls that have been expanding their footprint across Indian cities are well designed, built on international formats of retailing and integrated with entertainment and restaurants to provide a complete family experience. Over 600 malls are expected to be built over the next two years and most Indian cities with over a million population will be exposed to this modern method of retailing (Deutsche Bank's research report, 2005). The Indian consumers have accepted the mall culture and shopping at malls become a favorite pass time for the consumers. The lately emerged idea of "Concept Malls", which display only one product through a number of its retail outlets within its premises in one particular area. Concept malls are expected to grow and make shopping a more pleasant experience for the consumer. Some of the categories of malls are:

Jewelry Mall: Jewelry shopping is a favorite shopping stop for the Indian women. The prominent jewelry shopping malls in India are Tanishq, Nakshata and Gold Souk, which is located in Guragoan, is India's first specialty mall. The Gold Souk has all facilities for the gold shoppers. The mall has Food court; children's play area, executive lounge, florist, beauty salon, besides a full floor devoted to branded jewelry goods.

Interior and Exterior Mall: The Merlin Group's "Homeland" is a five- storey mall in Kolkata is the apt reference for the Interior and Exterior Mall Homeland, which have 150 retail outlets offering a range of building and interior decor solutions under one roof. The mall offers A to Z in home making.

Electronic Mall: The Electronic Mall caters to the customer need of any kind of electronics, electrical and white goods in one roof. The best example for this kind of mall is "Senior Circuit City" located in Guragoan. The 5- storey mall have around 500 shops and show rooms of Indian and International electronics consumer durables, mobile phones, TV's, VCDs, DVDs, music systems and other home appliances (www.guragoanscoop.com).

8. Changing trends in the domestic organised retail

The organised retail market is expected to grow much faster, at a CAGR of 21.8 per cent to US\$ 55 billion (Rs 2, 46,000 crore) in the same time frame, garnering around 15 per cent of overall retail sales by 2015. Based on projections, the top five organised retail categories by 2015 would be food, grocery and general merchandise; apparel; durables; food service; and home improvement. The intense competition and imminent entry of foreign retail giants has advocated domestic retail bigwigs to go on expansion and diversification spree with mammoth investments. Some of them are:

Pantaloon Retail: Expansion into all possible formats of retail across categories and segments. The approximate retail space occupation is 30 million sq.ft by 2010. Turnover is expected to touch Rs.30, 000 crore (\$6.67 billion) by 2010-11.

Reliance Retail: About Rs.25, 000 crore (\$6.25 billion) investment to set up multiple retail formats with expected sales of Rs.90, 000 crore (\$20 billion)-plus by 2009-10.

RPG: Planning IPO, 450-plus Music World stores and 50-plus Spencer's Hypers covering 4 million sq.ft area by 2010.

Lifestyle: Rs.450 crore (\$90 million) investment in next five years to expand on Max Hypermarkets and value retail stores, Home and Lifestyle Centers.

K Raheja Group: Operates Shoppers' Stop, Crossword, In orbit Mall, Home Stop and Hyper city. It is expected open 55 hypermarkets across India by 2015.

Subhiksha: Expected to grow to 1,500 stores from the present 1,000 stores operating across 90 cities and planning to go for IPO in 2008.

Pyramid Retail: 150 stores in next five years with an estimated retail space of 1.75 million sq.ft.

Trent Ltd.: To open 27 more stores across its retail formats, adding one million sq.ft of space in the next 12 DLF malls.

Trinethra: Recently acquired by the AV Birla Group, Trinethra (with two formats – Trinethra and Fabmall) plans 220 stores with a projected turnover of over Rs.300 crore (\$667 million) this fiscal.

Vishal Group: Plans include an IPO and investment close to Rs.1, 250 crore (\$278 million) by 2010, targeting 220 outlets, taking its cumulative retail space to five million sq.ft and sales turnover to Rs.5, 000 crore (\$1 billion).

Bharti Retail: With back-end tie- up with Wal-Mart, Bharti is planning to invest Rs.10, 000 crore (US\$ 2.5 billion) in creating a nationwide retail network, including 100 hyper malls and several hundred small supermarkets to cover 10 million sq ft of retail space by 2015 (www.Indiaretailing.com).

9. Retail reforms on the anvil

The opening up of retail trade for Foreign Direct Investment (FDI) promises to usher in revolutionary changes to the Indian consumer market in the days to come. Recently, in a significant step towards liberalizing India's retail trade, the government had decided to partially open the retail sector by announcing 51 per cent FDI in single brand retailing. The Government regulations allow 100 per cent FDI in cash and carry through automatic route besides the franchises and strategic licenses for multiple brand retailers. Now, the Government also proposes further liberalization in the retail sector allowing 51 per cent FDI in consumer electronics and sports goods (India retail report, 2007). India's vast middle class and its almost untapped retail industry are key attractions for a plethora of global retail giants wanting to enter Indian retail market. Driven by changing lifestyles, strong income growth and favorable demographic patterns, Indian retail is expected to grow 25 per cent annually, has attracted the interest of a host of global giants from the US, European Union and Australia. It is estimated that FDI potential of \$300 billion investment in the retail sector would come if the proposals to allow sector-specific retail trade on the table.

10. Future prospects of retail sector

Based on the present scenario and future projections the following are projected as the future prospects of Indian retail industry.

- Organised retail will form 10% of total retailing by the end of this decade. In the mean time, the organised sector will grow at rate of around 30 % per annum (India retail report-07).
- India to have nearly 600 shopping malls by 2010, there by paving way for opportunities galore in real estate sector (Deutsche Bank's research report).
- Kids' retail: When it comes to Indian children, retailers are busy bonding--and branding. According to research firm KSA Technopak, the branded segment comprises US\$ 701.7 million of the total kids' apparel market-size of over US\$ 3 billion. Leading the kids' retail revolution is the apparel business, which accounts for almost 80 per cent of the revenue
- Agriculture in retail: With the increased prominence of Corporate farming practices across India by various domestic retail bigwigs, there is a huge amount of investment opportunities are forecast. Some of them are: a) With a US\$ 5.6 billion, multi-year investment in agriculture and retail, Reliance Retail will establish links with farms on several thousand acres in Punjab, West Bengal and Maharashtra, b) Field Fresh, planning to become India's first large-scale exporter of produce, will annually pay farmers over US\$ 30,000 to lease land for vegetables, to hire tractors and to pay their workers, c) Besides a five-year program with the Punjab government to provide several hundred farmers with four million sweet-orange trees for its Tropicana juices by 2008, PepsiCo--with agriculture exports worth US\$ 40 million--also introduced farmers to high-yielding basmati rice, mangoes, potatoes, chilies, peanuts, and barley for its Frito-Lay snacks.
- There will be 83% increase in the turnover of the farming sector due to the efficiencies of the state of the art logistic and supply chain management practices.
- Retail sector is estimated to create 50,000 jobs per year in the next five years.
- Exports will increase by \$2 billion per year and it will reach \$40 billion by 2010
- India will attract \$150 billion of foreign direct investment by 2010 in infrastructure sector alone due to the increased intense competition both by the domestic and foreign retail bigwigs.

Conclusions

Riding on economic growth and widespread consumerism, the Indian consumer market and retail trade has become Siamese twins and growing in tandem. With the rising affluent middle class society, changing consumption patterns, rise in number of dual income nuclear families and the youth driven culture are some of the factors fuelling the new wave of consumerism. The rapidly evolving Indian consumers are now seeking out a different shopping experience with increasing awareness of information and technology. India is now ready to leapfrog into the next stage of evolution where a large number of Indian and International retailers build sizeable scale models across the country. Opportunities are abundant, across all formats and categories, as the new Indian consumer has clearly demonstrated a readiness for all organised retailing segments. As has been the case in retail markets across the globe, the influx of foreign brands and funds into the country will change the retail landscape. It will make domestic players grow bigger and more innovative in the face of enhanced competitive pressures. The Indian retail sector is at an inflexion point where the growth of organised retailing and growth in the consumption by the Indian populations going to take a higher growth trajectory.

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Table 1 Changing Structure of the Indian Consumer Market

Consumer Class (Annual Income Rs)	1996	2001	2007	Change
The Rich (Rs 215,000 and more)	1.2	2.0	6.2	416%
The Consuming Class (Rs 45,000 -215,000)	32.5	54.6	90.9	179%
The Climbers (Rs 22,000 -45,000)	54.1	71.6	74.1	37%
The Aspirants (Rs 16,000 -22,000)	44	28.1	15.3	-65%
The Destitute (Rs below 16,000)	33	23.4	12.8	-61%
Total	164.8	180.7	199.2	21%

Source: NCAER-2005

Figure 1 Population and proportion of total retail market

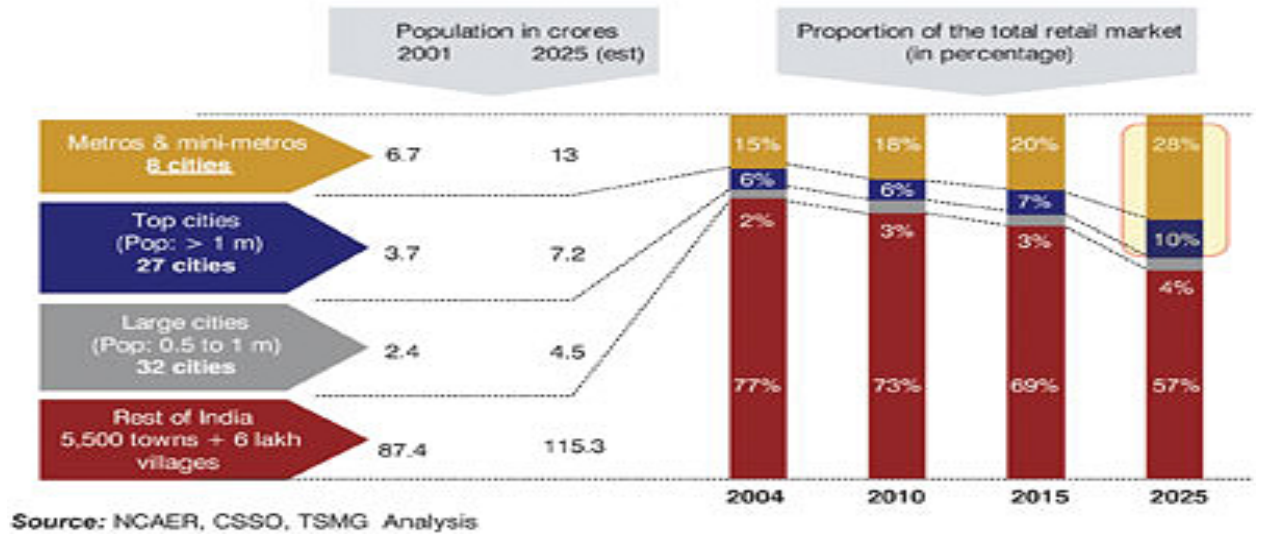


Table 2 Income profiles of Indian Households

Income Profile	Million households		
	FY 95	FY 02	FY 07E
Income group in USD			
Low (<\$ 489)	86.1	59.3	39.9
Lower Middle (\$490-978)	44.9	72.2	78.5
Middle (\$978-1522)	18.0	23.5	36.6
Upper Middle (\$ 1523-2087)	7.0	13.6	21.4
High (> \$ 2087)	4.6	12.1	22.7
Total	160.6	180.7	199.1

Source: Tata Statistical Outline and Merrill Lynch Research-2005

Table 3 Age Distribution of Indian Population (Millions)

Year	Kids 0-4	Children 5-14	Adolescents 15-19	Adults 20-34	Mid aged 35-54	Aged 55& more	Total
1996	119.5	233.2	90.7	224	178.1	88.7	934.2
2001	108.5	239.1	109.09	246.8	207.3	101.7	1012.4
2006	113.5	221.2	122.4	279.1	239.2	118.7	1094.1

Source: NCAER-2005

Table 3 Structure and Share of Retailing in India-2006 (at current prices)

Retail Segments	India Retail Value (Rs.Crore)	Organised Retail (Rs. Crore)	% Organised in 2006
Clothing, Textiles & Fashion Accessories	113,500	21,400	18.9
Jewellery	60,200	1,680	2.8
Watches	3,950	1,800	45.6

Footwear	13,750	5,200	37.8
Health & Beauty care services	3,800	400	10.6
Pharmaceuticals	42,200	1,100	2.6
Consumer Durables, Home Appliances/equipments	48,100	5,000	10.4
Mobile handsets. Accessories & Services	21,650	1,740	8.0
Furnishings, Utensils, Furniture-Home & Office	40,650	3,700	9.1
Food & Grocery	7,43,900	5,800	0.8
Catering Services (F & B)	57,000	3,940	6.9
Books, Music & Gifts	13,300	1,680	12.6
Entertainment	38,000	1,560	4.1
Total	Rs. 12,00,000	Rs. 55,000	4.6

Source: IMAGES F&R Research