

## **DYNAMICS OF CREATING AND MAINTAINING RETAIL IMAGE**

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### **Abstract**

Indian retail sector is poised for developments that are unprecedented not only in India but almost anywhere in the world. Economic impact will be felt across the entire economy from consumers to producers and manufacturers to service providers to retailers. The high private consumption is one of the major factors for the growing retail industry. Over 62 per cent of the private consumption share is towards the retail sector, of which 55 per cent is the contribution from the rural areas, indicating the increasing significance of retail presence in rural areas. The new demanding Indian consumer has higher needs and expectations from life in general, and retailing in particular, than ever before. This has been created by the well-educated smart shopper, a new communications paradigm, pervasive advertising, and a surplus of just about everything (wheat, money, manufacturing capacity, merchandise, retail space, and stores, etc.) except time. The result is the “I want it better, cheaper, easier, faster, and now” consumer who knows that if he/she can’t have these demands met by your business there are a dozen alternatives. India is eighth largest retail market in the world and is poised for explosive growth and is expected to touch USD 637 Billion in 2015 with a terrific growth rate of 50 per cent. Almost half of the Indian retail market in 2006 was in rural areas. However share of the urban market is increasing by almost 5 per cent every 8-10 years. 57 per cent of the urban population contributes to 27 per cent of total retail market, which amount to 80 Billion, implying that we need to

reach out to the top 141 cities to address this opportunity. The Indian retail industry, at about USD 300 billion, accounts for nearly 37 per cent of India's GDP. It is the eighth largest retail market in the world. The retail market is poised for explosive growth and is estimated to more than double by 2015. The GDP is projected to have an annual growth rate of 8 per cent. That does mean higher growth for Indian retail industry due to increase in disposable income levels. (India Retail Report 2009). The share of organized sector in retail trade, which is just around 4 %, is expected to touch 10% in 2010 and is in turn pegged to grow to \$64 billion by 2015. Hence it is important for all to track demographic and socioeconomic changes, evolving consumer needs and desires, and behavioral transformation as it takes place including buying behavior. It is also important to have multi-channel, pan- India strategy for those who are aspiring to hold leadership position in the industry in the years to come. In short, India is attempting to do in 10 years what took 25 or 30 years in other major markets in the world and shall bypass many stages of “evolution” of modern retail. India is likely to see emergence of several “innovative” India-specific retail business models and retail formats in the coming years. The objective of this paper is to establish a better understanding by analyzing the growth drivers of the Indian retail sector and how it is affecting the shopping behavior of Indian consumers as well as to understand the key trends that will have an impact on the retail sector.

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**Keywords :** retail; revolution; India; shoppers' behavior