INTRODUCTION

India is one of the emerging markets in the global economy. Since liberalization, the country has witnessed growth at unprecedented rate. With reforms in almost all the sectors, the country has seen growth in infrastructure, capital markets, banking, insurance, etc. This advancement has given rise to a new sector in the country in the form of retail industry. With growth of industry, the employment levels have increased and that has led to the increase of disposable income of the common consumer.

The gradual increase in GDP and the purchasing power of Indians provides an excellent opportunity for organized retailing. The fast and furious pace of growth of the Indian economy is the driving force for Indian consumerism. Projections by analysts suggest that India has the potential to be labeled the fastest-growing economy and outpace the developed economies by 2050. India presents a significant market with its young population just beginning to embrace significant lifestyle changes. The demographic and economic facts widely quoted are undoubtedly impressive but — in order to assess the true nature of retail opportunities, we need to understand the deep transformation that is occurring in Indian consumer behavior due to changing lifestyles, rising aspirations and the emergence of a dynamic youth culture. Against the backdrop of an accelerating modern retail revolution, India offers to be an attractive destination for global corporations and leading retailers seeking emerging markets overseas.
Retailing in India is receiving global recognition and attention and this emerging market is witnessing a significant change in its growth and investment pattern. Some of the highlights of the Indian Retail sector are:

- The Indian retail industry accounts for 10% of GDP and 8% of employment.
- India is being touted as the next big retail destination with an average three year compounded annual growth rate of 46.64%.
- The Indian economy is poised to take the third position in the world in terms of Purchasing Power Parity by the year 2010.
- The Indian Retail Market is an Rs.1,200,000 million markets as per the Images India Retail Report 2007.
- Organized Retail market is zooming ahead with an annual growth rate of 30%.

The Retail sector is vibrant with growth happening in all related areas - be they malls, hypermarkets or single brand luxury stores, they have dotted the commercial landscape of the metros, and have even percolated to the Tier II and Tier III cities.

It is not just the global players like Wal-Mart, Tesco and Metro group are eying to capture a pie of this market but also the domestic corporate behemoths like Reliance, KK Modi, Aditya Birla group, and Bharti group too are at some stage of retail development. Reliance, announced that it will invest $3.4 billion to become the country's largest modern retailer by establishing a chain of 1,575 stores by March 2007.
Development of mega malls in India is adding new dimensions to the booming retail sector. Shopping experience in the nation of shopkeepers is changing and changing very fast. Malls are fast becoming sought-after entertainment hotspots. From a situation where there were no malls about a decade ago, the country has 300 malls translating to over 100 million sq.ft. is available mall space by the end of 2007.

Food and Grocery retail holds the most potential, as almost 99% of it is unorganised. A number of big players are entering the field of organised food retail like Reliance, Aditya Birla Group and the Bharti Group, which has tied up with the world’s largest retailer - WalMart. All these major players are expected to show an annual growth rate of 25-30%.