

# Organised Retail Business Opportunities and Challenges in National Capital Region (NCR)

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## Introduction

Liberalisation of the Indian economy and rationalization of business procedures has already ensured a high economic growth with a rapidly expanding base for the manufacturing and hi-end service sectors. Fresh avenues for gain employment to a predominantly young and talented population has created high disposable incomes that translate into higher consumption and thus better opportunities for all verticals of organized retail business to flourish. The current slowdown in the Indian economy notwithstanding, the retail business segment in the country seems to be in for a big time expansion led by most major Indian business majors and global players. As per the images F&R Research estimates

The Indian Retail market stood at Rs.1, 330,000cr in 2007 with annual growth of about 10.8%. Of this, the share of organized retail in 2007 was estimated to be only 5.9% , which was Rs.78,300 cr. But this modern retail segment grew at the rate of 42.4% in 2007, and is expected to maintain a faster growth rate over the next three years, especially in view of the fact that major global players and Indian corporate houses are seen entering the fray in a big way. Even at the going rate, organized retail expected to touch Rs.2, 30,000 cr. by 2010, constituting roughly 13 percent of the total retail market.

The organized retail has tremendous growth potential in the fast expanding Indian economy. Not only has it benefited millions of consumers but also farmers, small manufacturers and artisans. The sector also offer enormous direct and indirect employment opportunities while attracting huge investments in building the supply chain infrastructure, adding to the economic growth of India especially in rural areas. According to Kishore Biyani, Chairman CII National Committee on Retail, Founder &CEO of Future Group "modern retail in

India is increasingly playing a larger role in the economy through increasing tax collection, spurring consumption and economic growth, creating public spaces in urban India and large scale employment generation among lesser privileged youth."

Currently, there are about 280 operational shopping centers in various formats(malls, supermarkets, hypermarket, and chain stores etc.) and this number is expected to rise to almost 500 by end 2010. Of the new malls coming up, 40 percent are concentrated in the tier II and III cities. Shopping centre business alone is estimated to become as Rs.40,000 crore business by 2010. By 2011 India will have an additional 280 hypermarkets, 3200 supermarkets, 400 department stores, and approximately 1,200 mega specialty stores and category sellers and 20,000 exclusive brand outlets across the various retail categories. Malls alone will provide an additional 200 million square feet of gross leasable quality retail space by year 2011.

The corporate big wings such as Reliance, AV Birla, Tata, Godrej, Bharti, Mahindra, ITC, RPG, Pantaloon, Raheja and Wadia Group and Future Group are expected to invest close to Rs.1 trillion in the business of retail over the next five years. Reliance Retail is investing Rs.30, 000 crore in setting up multiple retail format backed by a 68 strong distribution network, with expected sales of over Rs.10,000 crore by 2010. The Future Group's Pantaloon Retail and RPG's Spencer's are also going all out to maintain their dominant position on India's retail horizon. Subhiksha has earned global accolades for its fast-track growth. The Lifestyle India, Indiabulls, Wadhawan Group, Vishal Retail, petroleum majors IOCL, BPCL and HPCL, and others are firming up more and more ambitious retail expansion plans by the day. While global retailers Metro AG and Shoprite Holdings increase their presence on the Indian retail landscape, the Bharti-Wal-Mart

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combine is scouting locations for their joint retail venture. The recent tie-up between Tata and Tesco further adds to action in retail.

These key factors have been the growth drivers of the Organised Retail sector in India which now boast of retailing almost all the preferences of life - Apparel & Accessories, Appliances, Electronics, Cosmetics and Toiletries, Home & Office Products, Travel and Leisure and many more. With this the retail sector in India is witnessing rejuvenation as traditional markets make way for new formats such as departmental stores, hypermarkets, supermarkets and specialty stores.

The retailing configuration in India is fast developing as shopping malls are increasingly becoming familiar in large cities. When it comes to development of retail space specially the malls, the Tier II cities are no longer behind in the race. If development plans till 2007 is studied it shows the projection of 220 shopping malls, with 139 malls in metros and the remaining 81 in the Tier II cities. The government of states like Delhi and National Capital Region (NCR) are very upbeat about permitting the use of land for commercial development thus increasing the availability of land for retail space; thus making NCR render to 50% of the malls in India.

### Study Area Profile

In urban India, families are experiencing growth in income but dearth of time. More and more women are taking up corporate jobs, which is adding to the family's income and leading to better lifestyles. Rising incomes has led to an increased demand for better quality products while lack of time has led to a demand for convenience and services. The demand for frozen, instant, ready-to-cook, ready-to-eat food has been on the rise, especially in the metropolitan and large cities in India. There is also a strong trend in favour of one-stop shops like supermarkets and department stores.

Delhi is the best example of a multi-ethnic and multi-cultural society with an ever-expanding economy.

Being the capital city, it has an affluent population comprising a cosmopolitan mix from across the country. Delhi is ranked as the number one market in the country in terms of size and socio-economic profile and it's steadily increasing quality of life, a booming economy and consumer market makes it one of the hottest destinations for Retail segment. Traditionally, Delhi and NCR has been one of the lead areas in retail activity in the country. Several large retailers first opened up their shop in the National capital Territory.

The cash-rich Delhi population is an ideal market for high-end retailers and this explains the presence of all the premium brands, including Marks & Spencer's, Lacoste, Louis Vuitton, Nike, Reebok, Wallmart, and McDonald etc in the city. Almost all Indian retail giants are present in the Capital and looking at expansion. The traditional prime retail areas in Delhi, including areas like Connaught Place, South Extension, Greater Kailash, and Vasant Kunj and Saket would continue to command.

Taking the advantage of shortage of retail space in Delhi, many private developers are coming up with new retail projects in South and North Delhi. Saket Dist. Center would cater high end societies in the south and Pitampura's Netaji Subhash Chander place would cater mix of high end and middle class societies in North and West Delhi.

Retail expansion in the National Capital Region (NCR) comprising Gurgaon, Faridabad, Ghaziabad is primarily being planned in the new malls. An estimated 75 malls are placed by 2007, all this development is taking place, keeping the rising demand for real estate by the retail brands. Retail industry is set to grow by leap and bound by 2010. It is Gurgaon that has initiated Organised Retail boom in Delhi and NCR in the form of malls. Major retail brand presence is along MG Road in Gurgaon and now it has started spreading across Gurgaon, Sohna road, DLF Phase V are next in the row. Concept of specialty malls was first introduced in Gurgaon, a few malls such as The Gold Souk has already come

up which houses around 70 retailers and another The Wedding mall is being built on Sohna Road which will house everything from trousseau to event managers and Jewellery.

In Noida, Sector 18 is the hub of retail activity. Besides the 3,50,000 sq ft Center stage Mall, which is now operational and the Unitech Entertainment city which is soon to be operational is likely to give it immense bump in terms of footfall. Presence of retail giants like Benetton, Adidas, McDonald's, Papa jones, Madura Garment, Bata, Provouge, Levi's and Reebok makes it imperative for other brand to set up their base at the same place.

The National Capital Region comprises an area of 33,578 square kilometers (includes the remaining five tahsils of Alwar), covering the states of Haryana, Rajasthan, Uttar Pradesh and the National Capital Territory of Delhi.

Figure : 1.3

Retail Space Distribution in Delhi NCR

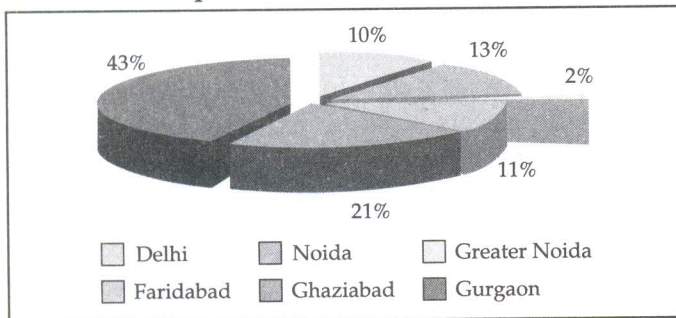


Table No. : 2.1

The Area of the NCR

State	Area/ Kilometer Coverage
NCT Delhi	1,482 square kilometers
Haryana	Eight districts - Gurgaon, Rewari, Faridabad, Sonapat, Rohtak, Panipat and Jhajjar & Mewat, comprising 13,413 square kilometers
Uttar Pradesh	Five districts - Ghaziabad, Bulandshahr, Meerut and Baghpat & Gautam Budha Nagar, comprising 10,853 square kilometers
Rajasthan	Alwar district, 7,829 square kilometers

**Statement of the Research Problem**

Today, retailing is about so much more than mere merchandising. It's about casting customers in a story, reflecting their desires and aspirations, and forging long-lasting relationships. As the Indian consumer evolves they expect more and more at each and every time when they steps into a store. Retail today has changed from selling a product or a service to selling a hope, an aspiration and above all an experience that a consumer would like to repeat.

The total concept and idea of shopping has undergone an attention drawing change in terms of format and consumer buying behavior, ushering in a revolution in shopping in India. Modern retailing has entered into the Retail market in India as is observed in the form of bustling shopping centers, multi-storied malls and the huge complexes that offer shopping, entertainment and food all under one roof.

A large young working population with median age of 20 to40 years, nuclear families in urban areas, along with increasing workingwomen population and emerging opportunities in the services sector, convenience of shopping at a one place, reasonable pricing for the quality and branded stuff, more and more MNC's opening up their offices in India with western setup, changing attitude towards consumption of products and services, and a good place to pass the time are going to be the key factors in the growth of the Organised Retail sector in Delhi and NCR.

Purchasing power of Indian urban consumer is growing and branded merchandise in categories like Apparels, Cosmetics, Shoes, Watches, Beverages, Food and even Jewellery, are slowly becoming lifestyle products that are widely accepted by the urban Indian consumer. Indian retailers need to advantage of this growth and aiming to grow, diversify and introduce new formats have to pay more attention to the brand building process. The emphasis here is on retail as a brand rather than retailers selling brands. These changes have led to

the overall increase of professionalism in the service delivery as well as the consumer purchase patterns shifting from “need only” based to “extended storage-based bulk purchase characteristics.

Organised Retail market wherein many products and services are offered to the same consumer at the same location which present multiple attractions to their monthly disposable incomes. The middle class has been a leading adaptor of this change process by its changing lifestyles, strong income growth and changing demographic patterns which are placing the growth projections for this industry comfortably at 25% annually.

Retailing in NCR is not being limited to only consumer goods, it is further explored in the books music and gift retail industry which have picked up pace in transforming from being isolated businesses to being integrated retail locations.

Food being a major driver of retail consumption globally has also seen growth and entry of various global fast food chains into India backed by slowly building weekend spending patterns in the metros as well as acceptance of these food habits in the Indian palette.

The retail push in areas like Fashion Apparel, Consumer Electronics, Entertainment Retail, Eyewear Retail, Fitness & Personal Care, Food & Grocery Retail, Footwear Retail, Fuel & Forecourt Retail, Health & Pharmaceutical Processes, Home & Office Furniture Furnishings Retail, Jewelry Retail, Telecom Retail, and Time wear Retail is set to boom present huge opportunity and as a future destination to new revenue opportunities.

By considering the above opportunities and challenges in Organised Retail business in Delhi and NCR, the present study was carried out with following set of objectives.

**Objectives of the Study**

1. To study the penetration of Organised Retail Outlets in National Capital Region (NCR) area.

2. To analyze the opportunities available to Organised Retail business in National Capital Region (NCR) area.
3. To find out the challenges faced by Organised Retail business in National Capital Region (NCR) area.

**Research Methodology**

The present study is carried out based on both primary data and the secondary data, the primary data are collected from the owners of the organized retail outlet with the help of a structured interview schedule by covering various aspects like retail business opportunities for different product category and services and challenges faced in acquiring retail outlets, legal formalities, impact of FDI and shortage of trained labour force etc., in Delhi and NCR. The secondary data were collected from government of India and Delhi government official websites. In addition to that the data provided by Indian Retail Forum (IRF), Official website of the Organised Retail Formats functioning in NCR area, published information of confederation of Indian Industry (CII), Federation of Indian Chambers of Commerce and Industry (FICCI), News papers, Journals, Conference Reports on retail business, vision documents prepared by research organizations are considered. For the analysis part of the study is concern pie-diagrams and bar-diagrams were used to analyse and interpret the data collected.

**ORGANISED RETAIL BUSINESS OPPORTUNITIES IN NCR:**

**No. of Retail outlets in National Capital Region (NCR)**

**Table No.1**

<b>Location</b>	<b>No. of Retail Outlets</b>	<b>In %</b>
Delhi	1170	30%
Faridabad	436	11%
Ghaziabad	532	14%
Gurgaon	509	13%
Noida	1289	33%
<b>Grand Total :</b>	<b>3936</b>	<b>100%</b>

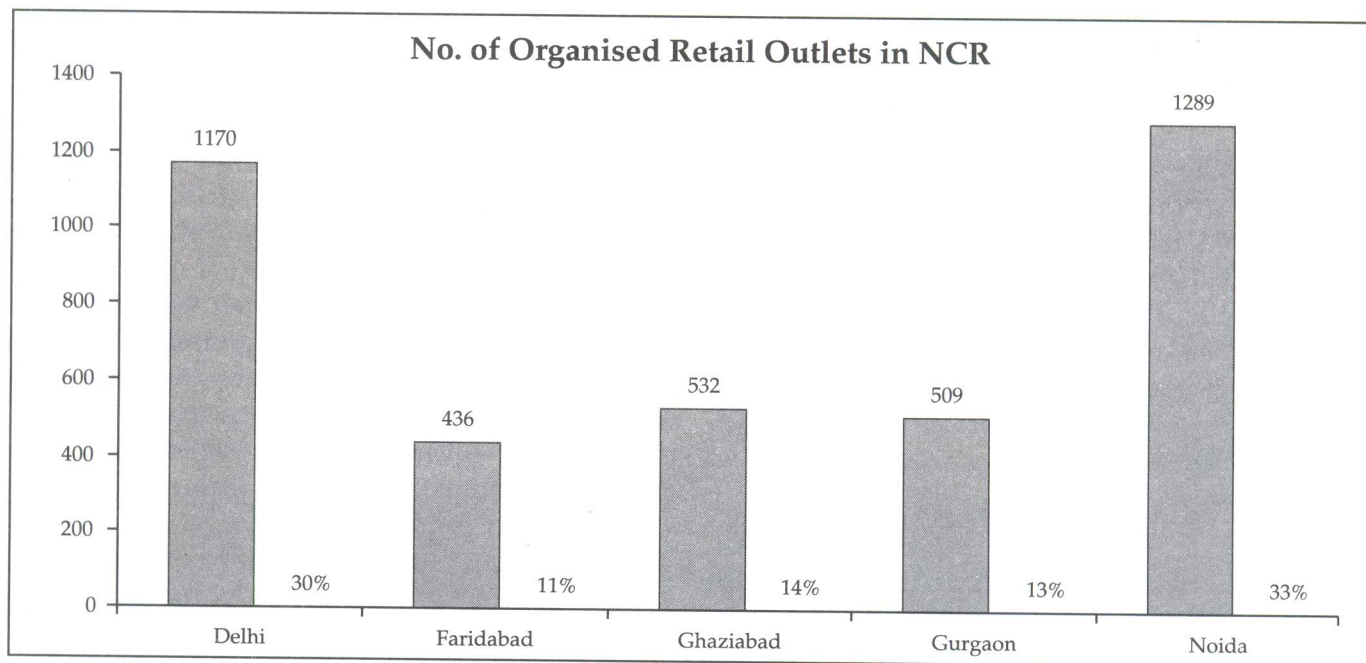
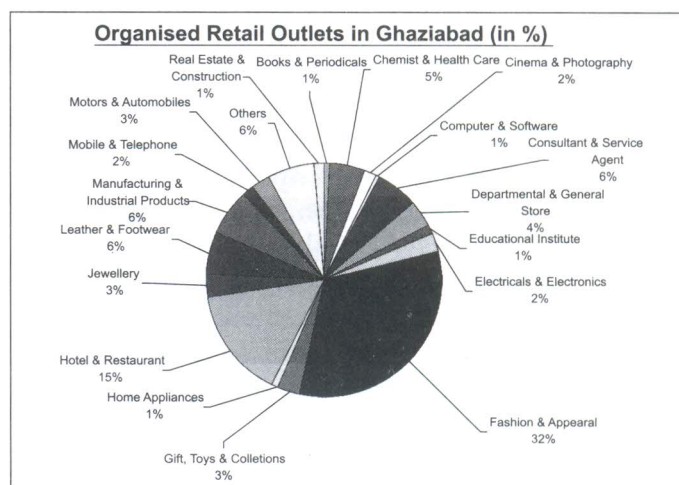
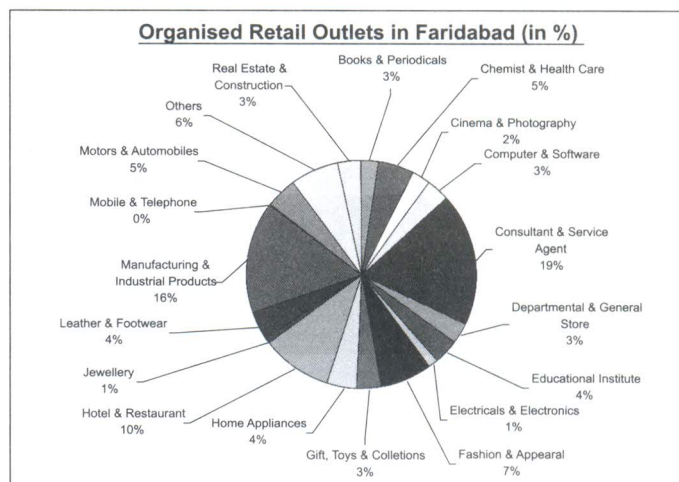
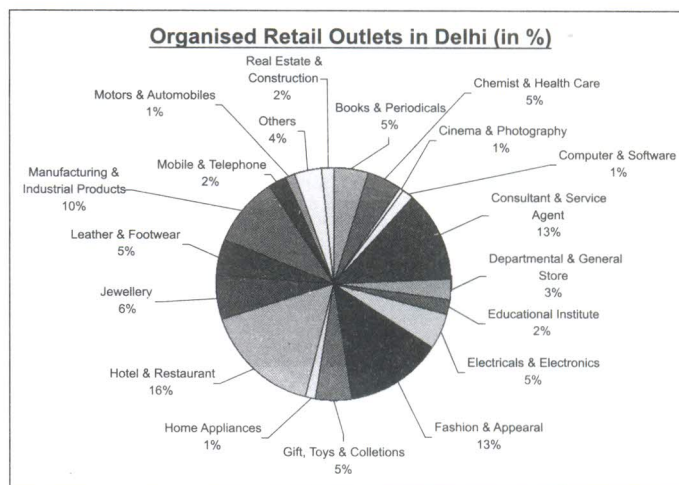


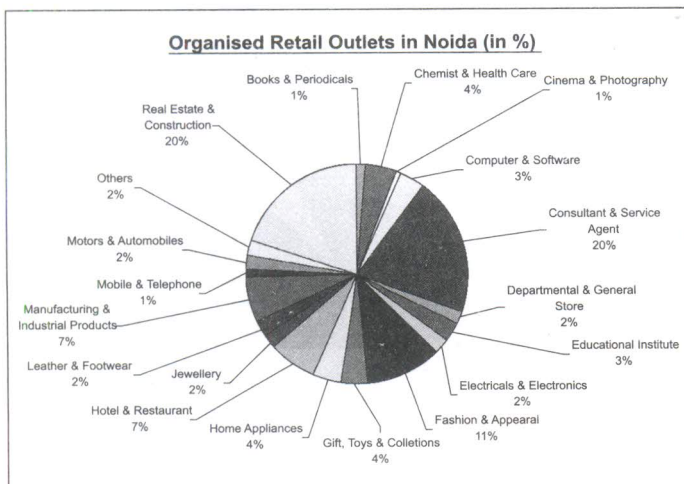
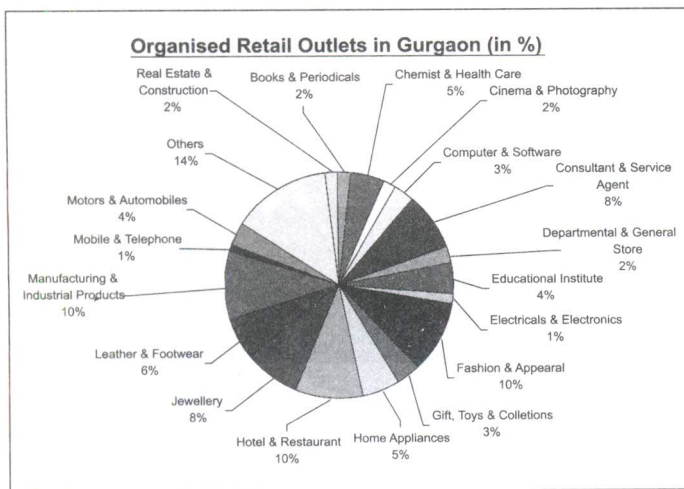
Table No. 2 Product /Service Category wise Retail Outlets in National Capital Region (NCR)

Service/Product Group	Delhi	Faridabad	Ghaziabad	Gurgaon	Noida	Total
Books & Periodicals	54	11	4	10	17	96
Chemist & Health Care	55	22	25	24	57	183
Cinema & Photography	9	10	9	9	13	50
Computer & Software	17	15	3	15	45	95
Consultant & Service Agent	151	82	32	43	262	570
Departmental & General Store	32	12	19	11	25	99
Educational Institute	22	16	7	22	36	103
Electricals & Electronics	60	6	13	7	29	115
Fashion & Apparel	157	32	171	53	144	557
Gift, Toys & Collections	58	14	17	16	48	153
Home Appliances	15	19	4	27	55	120
Hotel & Restaurant	189	43	81	49	89	451
Jewellery	71	4	18	41	26	160
Leather & Footwear	59	17	32	30	31	169
Manufacturing & Industrial Products	115	69	33	49	87	353
Mobile & Telephone	29	1	9	5	15	59
Motors & Automobiles	15	20	14	18	24	91
Others	43	28	34	72	29	206
Real Estate & Construction	19	15	7	8	257	306
Grand Total :	1170	436	532	509	1289	3936

## Organised Retail Business Opportunities and Challenges in National Capital Region (NCR)

- Among the 3936 retail outlets in NCR, fashion and apparel (557), Consultant and Service Agent (570) hotel and restaurant (451) manufacturing and industrial products (353) real estate and construction (306) and chemist and health care (183) occupy major retail space in NCR.
- The presence of fast food hotels chain like McDonald, Nirula's Pizza Hut, Food Court, Barista, Barnie's Nescafe, Chinese, Bowl, Costa Coffee, Dominos, Haldiram etc., shows the changing food habit of people (North Indian, South Indian, Chinese, Junk Food, Fast Food etc.) attracted many to start hotels and restaurants in Delhi and NCR
- The Delhi and NCR being the modern cosmopolitan city with multi ethnic and multi-cultural society demand more clothing (fashion, life style). The presence of premium brands like Philips, Colour Plus, Provogue Madura Garments Reymond's, Mauyr Suitings, Peter England, Kurton, Ex-Calibre, VanuHussian, Colout Plus, Cantabill, Lacoste etc shows more demand for this type of product and cater the needs of young educated masses and professional who are working and looking for variety, fashion, style, comfort, international quality etc.,
- In the foot wear category giants like Benetton, Adidas, Bata, Nike, Reebok, Liberty, Rockport, Action, Allen Cooper, Relaxo, Woodland etc setup their base Noida.
- The cinema and photography stores in NCR fulfill the demand for the product like camera, recorder, film and spare parts, DVD, LCD, VCD etc., the major players like Sony, Kodak, Hitachi, Videocon, Samsung, Panasonic, Philips, Canon etc., are opened up their formats in this region.
- On the least side of retail outlets in NCR, Cinema and photography (50), Mobile and Telephone (59) motor and automobile (91) computer and software (95)





**Challenges faced by Organised Retail Business in NCR Area**

The Organised Retail Industry in National Capital Region (NCR) is in a phase of transition and hence it is likely to face a whole new set of challenges. For one, generating large, free cash in flows for expansion is not easy. Retail margins are already wafer-thin, compared to those in other markets like the Middle East. The management of Life Style, which runs over 200 stores there, says its net profit margins after tax in India are 4-5% compared to about 10% in the Middle East.

There are enough recent examples of chains in NCR that tried ramping up too fast too soon. Barista, Domino's and Shoppers' Stop all fell into a cash trap.

So deciding the right pace of expansion is quite critical. Most retailers are trying to increase margins. For instance, RPG group has started sourcing its fresh produce directly from the farmers. About 350 farmers in Delhi are doing contract farming for RPG. Everybody are going from this. The farmers get a guaranteed off take and 46-48% of the price which the consumer pays (up from the earlier 40%). As for Food World, now sourcing half of its total fresh produce directly from these farmers, it can sell it 15-20% cheaper than the market.

In apparel, it is not easy to find suppliers who can match the capacities that a fast-expanding chain like Shoppers' Stop needs. The management feels that every time customers ask why they do not have a product or a size, they end up with egg on their face. That is why store labels come in and so do international labels, which offer gross margins of 40%.

Many department stores, too many exclusive outlets, all too close to each other. There is also a lack of sufficient differentiation. This could make it hard to build store loyalty. Besides, customers do not prefer to travel for more than 20 minutes to visit a store. So, building higher levels of traffic when catchments are shrinking is a tough challenge.

**Real Estate**

Location is considered to be a key component of the retail strategy of any store. It also guides the direction and success of retailing industry in general. Indian retail units have to struggle on account of the shortage of real estate for new projects and even retail space in Delhi and NCR are out of reach for retailers due to price and high demand. Some of the new retail projects initiated by private houses are suffering on account of lack of cooperation from the local bodies in respect of security, hard infrastructure (power, roads), and public transportation facilities. In such conditions, retailers are ending up with incompatible retail property at high price. Poor state of retail estate in NCR attributed to the following factors.

- A stamp duty on transfer of property is very high

and inconsistent throughout NCR area the stamp duties and taxes are payable on every conceivable documented transaction. It is a form of revenue for a state, which varies from state to state.

- The Urban Land Ceiling Act and Rent Control Acts were repealed just a few years back, but it has distorted property markets in urban centers, leading to exceptionally high property prices, particularly of retail property in NCR.
- The presence of pro-tenancy laws makes it difficult to remove a tenant or tenants. The problem is multiplied by tedious and long drawn procedures to clear titles of ownership.
- Land use conversion is time consuming and complex, particularly in case of new shopping centers, which are coming up on out-of town agricultural land.
- Huge costs are involved in terms of time and money in legal processes for property disputes.
- City urban planning projects, smaller commercial plots together with rigid building and uncertain zoning laws, hinder the procurement of retail property.
- Non-residents are not allowed to own property except if they are of Indian origin. Foreign-owned Indian companies can own property for business purposes.
- Foreign investment in real estate business is prohibited except for integrated township development, wherein 100% FDI is allowed with prior government approval.

### Work Force

- The traditional independent retailers who practice child labour have come under stringent provisions of the law forbidding child labour. Therefore, dependence on adult and experienced workforce will definitely increase their cost of operations in NCR.
- On the other hand, the Organised Retailers are

facing multiple challenges on this front, such as limited supply of trained workforce and labour laws hindering operations in accordance with their business requirements. The labour laws that protect store workers are not flexible enough to support the organised formats of retailing. At the supervisory level the main challenge is to get people with knowledge and experience in organized retail because it has only been few years that modern retail entered in India.

- In NCR area some government bodies, after a series of requests, recently extended permission to shopping centers to operate up to 9.30 p.m. on all days including national holidays. For example, the New Delhi government provided such permission to Ansal Plaza. But extended working hours stand contrary to existing labour laws. One of them is that workforce can only be employed for a specified number of hours and, therefore, to operate stores for a longer interval of time the retailers have to depend on multiple-shift duties. Being subject to seasonal demand cycle (festive and end of year), these stores prefer to have part-time arrangement, which is not permissible under the existing laws. This increases the store's cost of operation.

### Legal Formalities

- Legal procedures like title clearance, requirement of numerous lease deeds in the case of multiple ownership, and difficulties in conversion of normal land into commercial use are some of the time consuming and basic difficulties impairing the development of Organised Retailing in NCR.
- To open a large store, an organization has to acquire as many as 10-15 clearances from several government agencies, which involves a lot of time and resources.
- Even local laws do not permit opening of stores beyond 9:30 p.m. (for example in Delhi) and on Sundays and holidays. It stands contrary to the strategy of modern retail centers, as they attract



shoppers on weekends and late hours on weekdays, and offer a whole new shopping experience, which includes entertainment, and food courts under one roof) Shoppers' Stop, which pioneered modern retailing in India, has recently obtained permission to extend shopping hours up to 9.30 p.m. on all days including national holidays for its outlet at New Delhi's Ansal Plaza.

- The incongruence between legal provisions and business requirements is evident by the fact that India is yet to have a uniform taxation system in place. Though the Value Added Tax (VAT) has been adopted in many states, the Central Sales Tax (CST) is still present in the country and needs to be abolished, since destination based VAT and CST cannot exist together.

#### FDI in Retailing

- The local partners who may not want to run a business with foreign retailer with minority stake. For the global partners too don't head any local expertise in retailers since there's none. Ambiguity above how the government will define 'single brand' is also leading to apprehensions about the implementation of the policy decision.
- Allowing FDI in Single brand move by the government would not enable the much needed improvements in supply chain infrastructure, food, processors and agricultures and value chain, cold chain distribution which are some of the key anticipated benefits of greater investment in Organised Retail.
- The single brand format would be mostly applicable to product categories such as apparel & food wear, consumer durable is significant, because it already had the highest penetration of Organised Retail outlets through franchises, department and speciality stores.
- single brand format does not apply to the large food and grocery segment, which is the key driver of Organised Retail growth due to the mass 'value' play that it implies and due to it being almost 60 to 70 percent of total retail. It is still unclear how this would apply to retail brands like marks & Spencer, the Gap etc., which are like umbrella brands with multiple sub-brands/ label/ categories.

#### High Taxes

The issue of high taxes on import of luxury goods. Since these are not manufactured in India, there is no question of protection of the domestic industry with these taxes. Since these taxes eat into the profitability of the business.

#### Protection of Indian Retail

- Retail industry people feel the single brand retail stores is unlikely to bring a flurry of investments or create job opportunities in the immediate future, similarly foreign brands/ labels like Tommy Hiltiger, US-based VF corporations brands like Lee, Wrangler, Kiplings, Nautica and Jonsport and other such as Tag Haver, Lovis Vuitton, Hugo Boss, Mothercare, Chanel Gent, Guess either don't have a global policy to invest in their own retail chains or wouldn't like to change the existing franchise arrangement and go for JV's for lack of critical mass.
- The companies like Gap, Zera, Ralph Lawen, Old Navy and Banana Rebulic are looking of India to invest, because their philosophy is to sell their respective brands strictly through company owned exclusive retail stores. They are also withholding their plan due & dear good policy on FDI.
- The retailing industry ties to figure out the exact implication of the government's move, there is no talk yet of the MOM & POP stores disappears, which is on big arrangement against FDI in retail or of franchising facing threat.
- The government further put in place a package of safety net that included measures to be strengthens the marketing of the products sold by small retailers, provision of soft loan and setting up of a central logistic system sponsored by the state handed Allied Retail Trade co. (ART).

## Organised Retail Business Opportunities and Challenges in National Capital Region (NCR)

The ART would act on behalf of the small shopkeepers & moderate the expansion of the foreign retailers.

### Occupancy cost or Rent:

- Rent paid to the landlords or developers is one key issue plaguing the retail sector in NCR. On one side retailers find it difficult to meet the occupancy costs and on other side developers find it hard to agree and operate at the rentals proposed by the retailers.
- In NCR there is no understanding of what developer is doing and what a retailer wants. Whatever property development is taking place in NCR the developers think that organized retail is to grow and expand. They are developing the property without understanding the margins in which any retailer would operate. Developers are building air-conditioned corridors without even asking whether an average retailer will be able to pay Rs.15 per sq ft for maintenance.
- In NCR the retailers doesn't even approach the location for executing store operations because he realizes that it will not be possible for him to work at such high costs of occupancy. Sometimes retailers open a store in a mall or high street just for positioning and are not concerned about the revenue generation because of the high rentals and maintenance charges.

### Supply Chain Management:

- It is clear a successful retail model is built on an efficient supply chain and logistics, which in turns in helps in reducing costs, improving customer service, and bringing products faster to the shelves. The retailers in NCR face the problem of supply chain management involving multiple handling of products along the way. Further the legislative procedures for licensing of infrastructure are overburdened and elongated in NCR.

### Suggestions

- The government of India should take policy decision to protect the unorganised retail

business in NCR area which gives employment opportunities to illiterate & low income category people, other wise government has create alternative employment for the said people.

- There is no proper Organised Setup from govt. and from the retailer's side to regulate the Organised Retail business especially in NCR Region. If they form setup like Indian Retail Forum (IRF) (that serves for only retailers), can serve better to the retailers and people of NCR area.
- Consumer is a true asset, which both manufacturer and retailers have, but at this point of time, there is no genuine collaboration between them. The mutual and dependent growth of the two will come from the very significant factor of consumer understanding, both from the category point of view and the shopper behavior.
- Majority of retail mall in Delhi & NCR running with objective of profit maximization. If they discharge social responsibilities towards the society, employee and the customer in the form of better goods with lesser cost, higher remuneration respectively attract more customers.
- The government of India opened up Foreign Direct Investment (FDI) in single brand category. Instead of permitting FDI, if Govt. of India gives permission to Indian companies to start more retail outlets in NCR area; it can serve the people better and can help the strong economic development of the country.
- The majority of the Organised Retailers started their business in some part of NCR area like Gurgaon, Noida, Faridabad, Ghaziabad, New Delhi etc. If they will be spreaded to other places of NCR the retailers can get the benefit of low rent and low maintenance charges. On the other hand, generation of employment and area development can be made simultaneously.
- The Organised Retail business people entered in

almost all the categories of product sale. Sometime, they are purchasing the goods directly from the manufactures/ producers at best rates. These benefit of best rate (cost benefits) to be pass on to the customers.

- Majority of the malls & Organised Outlets are functioning very nearer to the residential area in NCR area. They are not taking much care relating to environmental protection. If, the regulating authorities like pollution control board, govt. of NCR area take special attention can avoid future problems.
- The lack of adequate infrastructure, particularly road, reliable power supply, insufficient investments in alternative modes of transport and a well connected cold chain and warehousing infrastructure are among the most significant impediments to the development of smooth supply chain management. If the governments of Delhi and NCR give significance to the above the organized retailers in NCR can better serve to the customers.
- The retailers of Delhi and NCR is full of commercial minded, customer focused, innovative merchants they should learn how to convert the existing talent bank into useable human capital for sustainable organized retail business. If they appoint the employees with combination of retail experience and passion for imparting that knowledge can serve better.
- The owners of organised retail business people/real estate developers should give priorities in job opportunities to the people whose land has been acquired.
- Malls functioning in NCR area are catering only to the needs of higher income group people. The **middle and lower income group people who is** visiting these malls just to see and enjoy the time. The goods which are sold there not affordable to those people to buy. This is to be changed at the earliest, otherwise mall will be the fun place for the middle & low income group people.

- People of NCR area are heavily demanding the products like clothing, food, footwear, books, and cosmetics. If the new venture people enter in these product category can secure good business.
- The NCR areas are come under the states of Delhi, Hariyana, Rajasthan, UP etc., each state have different law. If they want to have new retail environment together the states should have uniform amendment in by-laws

### Conclusion

The retailing in contrast to the situation a few years ago in Delhi and NCR region the Organised Retail Sectors enjoys competitive advantages today. The efforts required to maintain such advantages are incomparably greater. The Un-Organised Retail business in particular will have to struggle more than area ever in future to justify their ongoing existence. The overall opportunities to the unorganised business are shrinking against the Organised Retailers. The manner in which India's Retail Industry is shaping up in Delhi and NCR, the foreseeable future indicates that large retailers would most certainly enter into a sizable share of the branded market, which was previously largely controlled by small players. The trend of large National chain stores, Malls, Super Complexes replacing small independent retailers is continuing unabated. Rapidly growing catalogue and internet usage confront small retailers with new challenges and dramatic changes that force them to adopt rapidly or perish.

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