
**FOOD RETAIL AND RETAIL SUPPLY CHAIN IN INDIA – LITERATURE
REVIEW**

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ABSTRACT

The food retail in India is largely unorganized and the size of organized retail is merely 5%. At the same time, organised food retail has seen a significant growth in the past few years with large scale investments made by Indian corporate houses. Food Retail is not effective without the supply chain. Retail supply chain is a contemporary and evolving field which is a culmination of two different areas of management, namely, supply chain management and retailing. Even though there are many refereed papers in the area of supply chain management and retailing, there are not many research papers/articles in the area of retail supply chain, especially food retail. Scouring for research papers in the area of food retail supply chain with reference to Indian context is a herculean task. In spite of the paucity of literature in the specific field, a humble attempt is made to unearth the research papers/articles and is presented in this paper. This paper shall help the researchers, academicians and other enthusiasts in furthering the research in food retail and food retail supply chain.

Keywords: *Food retail, Food and grocery, organised retail, retail supply chain, modern retail.*

INTRODUCTION

Retailing consists of all activities involved in selling goods and services to consumers for their personal, family, or household use. It covers sales of goods ranging from automobiles to apparel and food products, and services ranging from hair cutting to air travel and computer education.¹

Food Retail is one of the largest sectors in the global economy. *In India, for a long time the corner grocery store was the only choice available to the consumers.* With the increasing demand of the customers spurred by changing trends, aspiring needs for variety, the traditional retail gave rise to modern retail format. The traditional food and grocery segment has seen the emergence of supermarkets/grocery chains, convenience stores and hypermarkets.

Traditionally, retailing has not been a structurally organized industry in India. Organized retail network was seen only in fabrics, with large mills building their own exclusive stores like Raymond's, Bombay Dyeing etc.

The Indian Retail Industry on the whole is divided into organised and unorganised sectors. *Unorganised/Traditional retailing* refers to the traditional formats of low-cost retailing, for example, the local *kirana* shops, owner manned general stores, *paan/beedi shops*, convenience stores, hand cart and pavement vendors, etc.²

In India, the terms large-scale, modern-format and organized are used synonymously even though they have different meanings. Large-scale refers to the scale of operation of retail business which in turn implicitly refers to a chain of stores. Modern-format basically refers to self-service. However, *many of the self-service stores also called as "Supermarkets", are in the range of 500 square feet or less in size* and are nothing more than independent mom-and-pop stores. And *organized retail* typically means large-scale chain stores which are corporatized, apply modern-management techniques and are very likely to be self-service in nature. Most of the estimates of organized retail market size refer to only large-scale retail.³

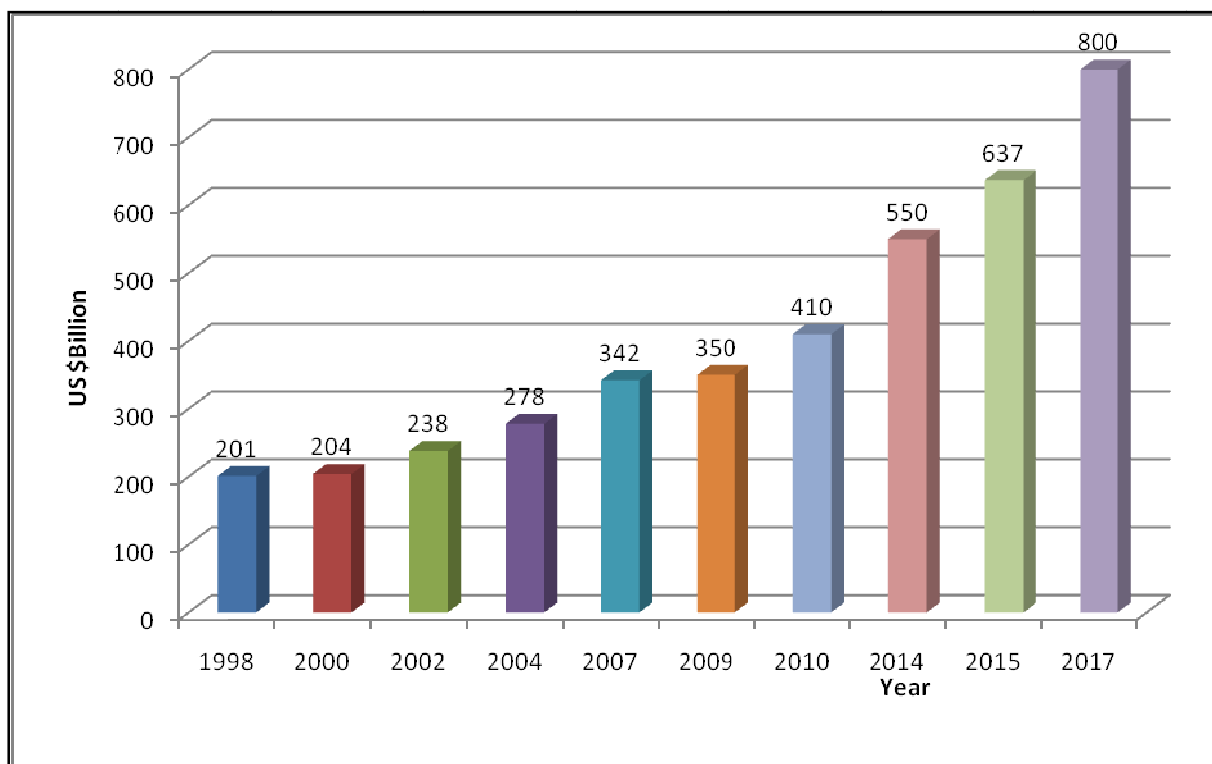
Modern Retail has seen a significant growth in the past few years with large scale investments made by Indian corporate houses primarily in Food and Grocery retailing. The *total retail (organised and unorganised) industry* in India is estimated to be *Rs 20 lakh crore in 2010*. This is expected to reach *Rs 27 lakh crore by 2015*. *Organised retail, which is estimated to be Rs 1.0 lakh crore (5 per cent share) in 2010, is projected to reach Rs 3.0 lakh crore (11 per cent share) by 2015*. This means a *tripling of the current size* and scale of organised retail in the next five years, i.e. 2010 - 2015. While organised retail will grow at a fast pace, *it is important to note that*

a larger part of the Rs 7.0 lakh crore growth in total retail will come from unorganised retail.

This segment (unorganised retail) is projected to grow by over Rs 4.5 lakh crore in the next five years.⁴

The retail market in India is about \$410 billion in 2010 and may rise to \$637 billion in 2015 (**Figure 1.1**), according to consultancy Technopak Advisors.⁵ The Indian retail business employs nearly 21 million people, about 7% of total employment. There are about 15 million retail outlets, the largest number in the world.

Figure 1.1: Size of Indian Retail



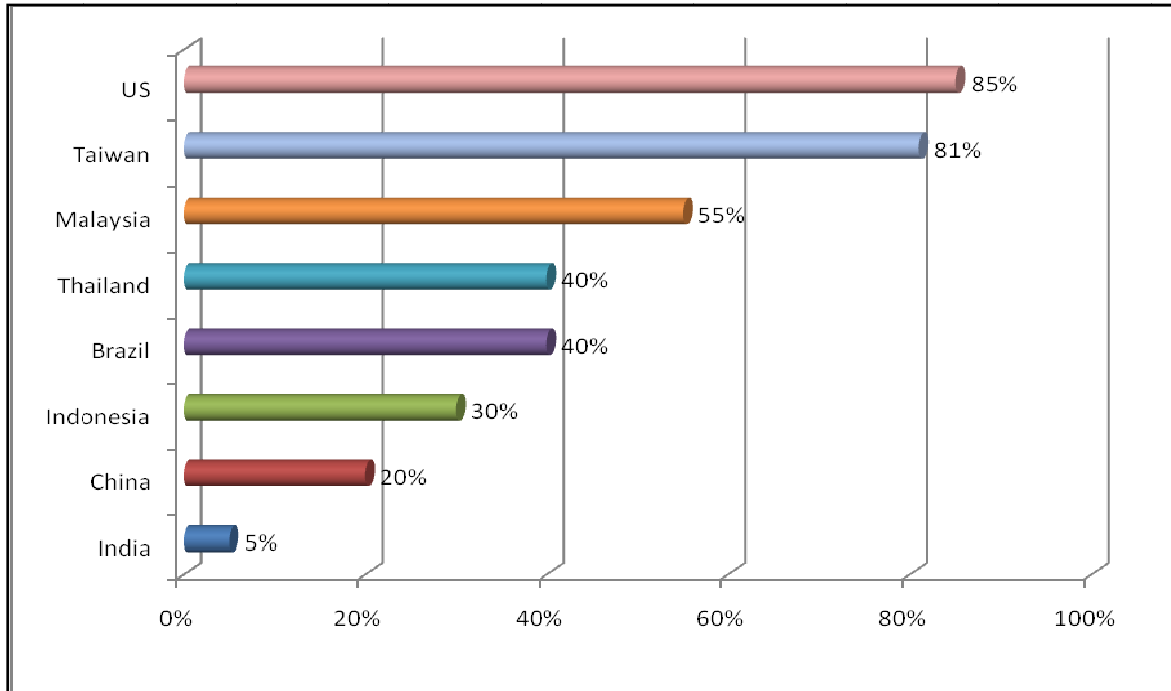
Source: CII, 2007 and Technopak Analysis, November 2010.

However, the size of Indian organized retail is merely 5% compared to the US – 80%, Western European Countries – 70% and Brazil – 40% (**Figure 1.2**). This indicates the huge scope for the growth of the organized sector in India and its potential to grow to a significant 20% by the end of the decade.^{6,7}

The *Global Retail Development Index (GRDI)*⁸ is an annual study that ranks the top 30 developing countries for retail expansion worldwide. The Index analyzes 25 macroeconomic and retail-specific variables to help retailers devise successful global strategies and to identify

emerging market investment opportunities. India continues to be one among the top five countries for the last five years (Table 1.1).

Figure 1.2: Modern retail as Percentage of Total Retail Sales



Source: *Economic Times*, 4th July 2011 and *Business World*, 20th December 2010.

Table 1.1: Global Retail Development Index – 2011

2011 Rank	Country	Market Attractiveness (25%)	Country risk (25%)	Market Saturation (25%)	Time Pressure (25%)	GRDI Score	Change in rank compared to 2010
1	Brazil	100.0	79.4	42.9	63.9	71.5	+4
2	Uruguay	85.0	73.8	63.6	39.6	65.5	+6
3	Chile	54.3	100.0	30.3	44.3	64.7	+3
4	India	28.9	59.9	63.1	1000.0	63.0	-1
5	Kuwait	80.4	80.6	57.3	27.1	61.3	-3
6	China	49.5	76.5	31.0	87.7	61.2	-5
		0=Low	0=High	0=Saturated	0=no time		

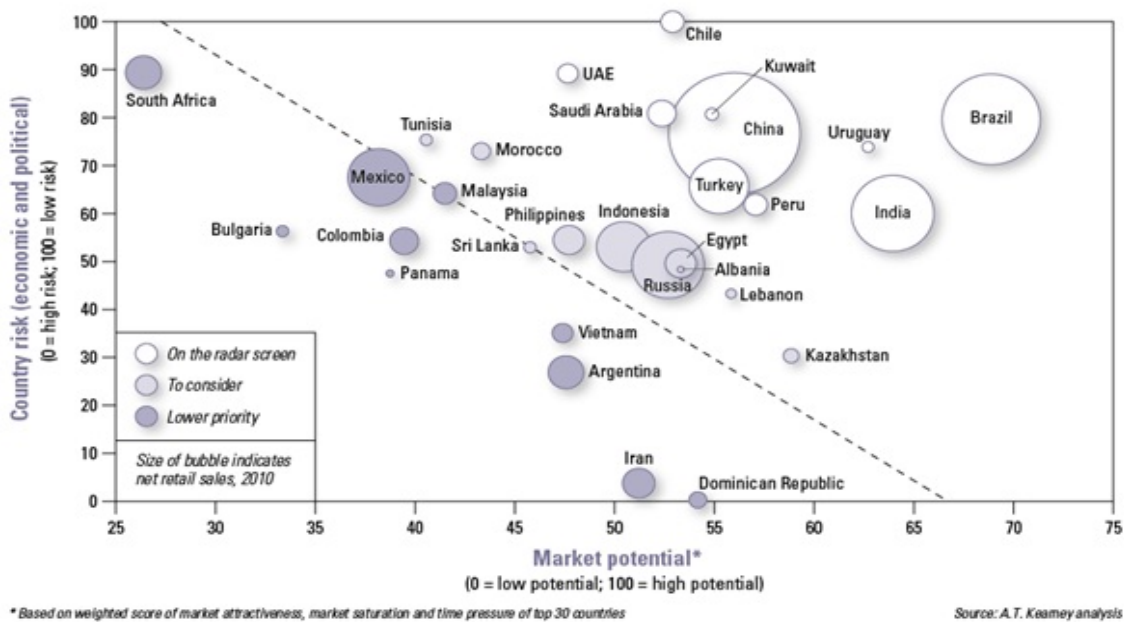
	Attractiveness 100=High Attractiveness	Risk 100=Low Risk	100=Not Saturated	pressure 100=urgency to enter	
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Source: A.T. Kearney, 2011.

India and China both fell this year, 2011. While these countries are large and growing, on a relative basis, several Latin American markets outshine both India and China. And as retailers continue to enter India and China—particularly in tier 2, 3 and 4 cities where consumers are increasingly accepting global brands with rising disposable incomes and are becoming more discerning in their tastes—in several instances, traffic to stores has yet to meet expectations.

Figure 1.3: Global Retail Development Index 2011 – Country Attractiveness

2011 GRDI country attractiveness



* Based on weighted score of market attractiveness, market saturation and time pressure of top 30 countries

Source: A.T. Kearney analysis

Source: A.T. Kearney, 2011.

LITERATURE REVIEW

Retail supply chain is a contemporary and evolving field which is a culmination of two different areas of management, namely, supply chain management and retailing. Even though there are many refereed papers in the area of supply chain management and retailing, there are not many research papers/articles in the area of retail supply chain, especially food retail. Moreover, most often the research papers cover a specific topic such as the relevance of Radio Frequency

Identification (RFID) systems in food supply chain, customer behaviour in a food and grocery etc.

In India, supply chain management with respect to organised retail is gaining importance of late only. And scouring for research papers in the area of food retail supply chain with reference to Indian context is a herculean task. In spite of the paucity of literature in the specific field, a humble attempt is made to unearth the research papers/articles relevant to the research study.

Retailing in India

The following three papers give an account of linkages between economic growth and consumer spending pattern, the retail distribution network and the changing Indian retail sector.

Srivastava (2009),⁹ in his research brings forth the retail scene in India. He has extensively used the reports of Mckinsey, HSBC, Technopak, CII and others to capture the growth of organised retail and shopping malls in India. Also, he gives an account of the different organised formats promoted by the Indian business houses. He finds that the malls are more developed in Northern and Eastern part of India. Malls are becoming centre for outings for the families and they spend about 1-3 hours in malls. Food, groceries and apparel purchases by customers contributed to 52 per cent of these organised retail formats in 2006. *Srivastava* further elaborated on the time spent by the customers in the malls and how the food courts, play places, etc in the malls are becoming the attractions for family outings. According to him, the small retailers in order to compete and to retain their customers offer better service by means of credit and home services.

Sengupta A, (2008)¹⁰ discusses the birth of the first supermarket, Nilgiri's established in Bangalore in 1971. The emergence of modern retail business in India has a history spanning over 30 years. The paper is on food and grocery retail, biggest in India and the author tries to detail the drivers of revolution and growth focusing on the role of manufacturers, retailers and consumers.

Chetan Ahya (2006)¹¹ argues that the rising scale of organized retail distribution network and increasing competition will force players to focus on *restructuring the whole supply chain* to improve productivity and to provide a better deal to the customers.

He is critical of the organized retail chains ability to offer customers the right price for staple vegetables during the crisis situation because of *disorganized supply chain*. He concludes that unavailability of cheap funds for investment in the back-end infrastructure for aggregating the fresh produce, grading, packaging and storing in cold storage are the primary reasons. Similarly,

FICCI is also of the opinion that the long chain of intermediaries and insufficient price-discovery mechanisms were the reasons for high price mark-ups between farmers and consumers. FICCI suggest farmers need to be encouraged to form farmer cooperatives and aggregate the produce, which could be directly sold on electronic spot exchanges or to retailers.¹²

Modern retail has a huge potential to not only benefit from India's increasing consumption demand but also create demand for value added products. Structured employment and better life for people are the two major benefits that modern retail is looked upon. Speeding up the modernization process is extremely vital as the retail sector has the ability to create about 10 million additional jobs in the next five years (2010-15). Over one million sq. feet of quality retail and entertainment space with annual revenue of Rs. 12,00,000 crore, a whopping Rs 1,30,000 crore in annual Value Added Tax (VAT) collection and over Rs 12,000 crore in additional income tax revenues to the exchequer are expected to accrue in the next five years according to Mr Amitabh Taneja, Chief Convenor, *India Retail Forum 2010*.¹³

According to **Arvind Singhal**, Chairman, Technopak, modern retail and food services in India are at a very early stage of evolution. They have to keep pace with the changes in demography and consumption patterns. Changes in the format size, categories, merchandise mix or brand positioning are the need of the hour. Accordingly, some of the established chains like The Future Group, Spencer's Retail etc, are in the revamp mode. They are rebranding their stores, restructuring categories and formats to catch up with the changing landscape of modern retailing and to cater to the emerging niches.¹⁴

Driven by the growth of organized retail coupled with changing consumer habits, food retail market size in India is set to double to \$150 billion (around Rs 6.7 lakh crore) by 2025. Therefore, Indian food retail sector, which is currently estimated at \$70 billion (around Rs 3.13 lakh crore) has a long way to go in the years to come. Evolution of innovative food processing capacity, emergence of organized retail and change in consumption patterns along with fast changing demographics and habits are expected to fuel the next growth trajectory for the food industry in India, according to KPMG. Though the expectations are high about the growth prospects of the sector, it is a paradox that the growth in real terms is crippled by the sub-optimal supply chain management largely caused by low investments in the sector.¹⁵

In the days to come, almost all sales will be captured through Personal Digital Assistant (PDA) or computers at the retail outlet and transmitted to the suppliers as being done by leading

companies such as Dell and Wal-Mart. This will definitely bring down the wastages in supply chain. The logistics cost which is currently at 12 per cent of GDP could go down by about 1 per cent as a result of application of IT.

The cycle time of supply chain operations from manufacturing to retailers in terms of information flow which used to be about 30 to 35 days in the early 1990s has been brought down to almost one or two days in the 2010s. This was made possible by using various hardware and software technologies and communication links at various levels such as the mobile network, satellite communications, personal digital assistants, automated tracking devices, vehicle tracking systems and so on.¹⁶

Shopping behaviour

A recent research study reveals some important insight about an Indian shopper.¹⁷ The customer:

1. keeps a brand in mind but buys the brand that gives him value
2. is more decisive than the Chinese about the brands they want to buy
3. confidence on the shopkeeper is high
4. takes time to read the information and to make sure that he gets what he wants. Also compares products before deciding
5. usually takes whatever the storekeeper suggests if preferred brands are not available
6. does not look for promotions because most of the shopping is routine
7. enjoys shopping
8. likes reading the ingredients and product benefits before buying
9. will buy a slightly pricey brand if it can give him an experience/ feeling like no other.

Goswami Paromita (2009),¹⁸ seeks to understand whether Indian consumers are likely to move from *traditional kirana stores to large organized retailers* while shopping for groceries. Major findings show that customer patronage to grocery stores is found to be positively related to location, helpful and trustworthy salespeople, home shopping, cleanliness, promotional offers, quality and negatively related to travel convenience. *kiranas* do well on location but poorly on cleanliness, offers, quality, and helpful trustworthy salespeople. The converse is true for organized retailers.

Retail Supply Chain in India

According to **Rajesh Sinha**,¹⁹ Chief Operating Officer (COO), Godrej Consumer Products, focus on supply chain improvement based on a *replenishment-based model* rather than a forecast-based mode enables companies to increase sales by 20 to 30 per cent in three to six months. In two years, a company can register a 5 per cent increase in gross margin. The effectiveness of advertising or promotions increases with increase in supply chain efficiency. *Strategic sourcing*

can reduce expenses by 10 to 30 per cent. Collaborative models with multiple suppliers are the order of the day.

Vishwanadham N (2010)²⁰ analyses the deficiencies in the Indian supply chain in the food retail. The most important problem associated with the Indian food industry is the inefficient supply chain as a result of which about *20 per cent of the food produce worth Rs. 10,000 crore is wasted*. Only through developing an efficient supply chain can India's population have access to affordable superior-quality food produce while ensuring remunerative prices to the farmers.

The food supply chain is complex, with perishable goods and numerous small stakeholders. In India, the infrastructure facilities connecting these components are very weak. Each stakeholder – farmers, wholesalers, food manufacturers and retailers work in silos. Demand forecasting, data integration, financial flow management, supply-demand matching, collaborative forecasting, information sharing and synchronisation of the movement of goods through efficient transport scheduling have to find their way into the food supply chain.

Manufacturers, wholesalers, distributors and retailers can achieve tangible benefits through innovative network and inventory optimisation. The benefits may include enhanced demand intelligence, improved sales and services, optimised inventory levels, increasing profitability and margins and enhanced trading partner collaboration. Inventory management helps reduce purchasing and inventory costs; connect inventory control, purchasing and sales order processing with demand planning; reduce costs, improve cash flow and ensure that the right stock is available whenever needed.²¹

Cut-throat competition in India's organised retail industry has given way to harmony. The retailers have formed a rainbow coalition that will align their source operations and share private labels, logistics, warehouses and hiring details on a transactional payment basis. The retailers may fight on the front-end but collaborate on the back-end – an approach that would help retailers focus their resources on the front-end to meet the customer expectations. The move essentially focuses on how to cut costs in supply chain and third party manufacturing. Right now, the supply chain cost is about 12-50% across product categories.²²

India is the world's second largest producer of fruits and vegetables. But it loses between 30% and 40% of its fresh produce annually due to *wastage along the supply chain*. India wastes more fruits and vegetables than it consumes. Gaps such as poor infrastructure, insufficient cold-storage capacity, unavailability of cold-storage in close proximity to farms and poor transportation

infrastructure are the contributing factors. To overcome the debilitating impact of wastage, it is crucial that three *supply chain issues* are addressed. They are reduction of food miles, development of truly world-class supplier and fixing the infrastructure.²³

For organised retail, while the last decade has been one of experimentation, the coming decade would be that of consolidation. The retailers have been dabbling with a variety of formats, *supply chain configurations, product portfolio, project financing, manpower planning* and so on. Towards the end of the decade, confidence level amongst the organised retailers on how to really tap the Indian opportunity has increased. However, the key issues to be addressed remain are *battle hardened retailers, growing dominance of private labels, supply chain innovations, enabling infrastructure and policy liberalisation*.²⁴

The following tables present in brief the studies conducted by different agencies, consulting firms, institutions and centres of excellence on Indian retailing and retail supply chain.

A C Nielsen on Retail and Retail Supply Chain

Title	Issue	Focus Area/Key Result
<i>Global Online Consumer Confidence, Concerns and Spending Intentions</i>	A Nielsen Report, July 2011	<p>The report is based on the survey conducted between May 20 and June 7, 2011 covering more than 31,000 consumers in 56 countries throughout Asia Pacific, Europe, Latin America, the Middle East, Africa and North America. The report shows that the <i>Indian consumers</i> (with an index of 126) remained <i>most positive</i> and have consistently reported the highest consumer confidence scores since Nielsen consumer confidence tracking began in 2005.</p> <p>However, the few unpleasant factors associated with higher prices spurred by inflation, and general economic volatility across the globe in terms of recessionary trends are dampening the Indian consumers spirit as well with respect to spending and could be gauged by the slight dip in the purchases of some of the consumer goods.</p>

A.T. Kearney on Retail and Retail Supply Chain

Title	Issue	Focus Area/Key Result
<i>The Case for "Compact Hypermarkets" in India</i>	Debasish Mukherjee & Hemant Kalbag, A.T. Kearney, 2011.	The analysis suggests that organized retailers use smaller formats called 'compact hypermarkets' which can tap India's significant urban retail opportunities. Compact hypermarkets are 4,000- to 6,000-square-foot stores; offer the amenities of hypermarkets but are smaller and easier to navigate, and they can compete head-to-head with the <i>kiranas</i> .
<i>Indian Retailers: Improving category management</i>	Hemant Kalbag, Debasish Mukherjee & Subhendu Roy, A.T. Kearney, 2010	The authors propose four guiding principles to capture top and bottom line improvements while keeping the customers happy. They are i. Take a Customer Focus ii. Define category role iii. Watch the competitors and suppliers and iv. Strengthen operations and performance.
<i>Measure Twice, Cut Once – Planning, attention to details, and tested programs build excellence in retail operations</i>	A.T. Kearney, 2010	This study provides a blueprint for achieving an operational excellence. This study gives a four stage framework consisting of i. Driving store value through voice of the customer, channel strategy and store business planning ii. Delivering core store value through supply chain interfaces and store operations iii. Enhancing store value through store life-cycle management, operating expense control and store technology and finally iv. Using the learning store for roll out.
<i>Retail in India: Getting organized to drive growth</i>	Confederation of Indian Industry (CII) – A.T.	The report is divided into three parts namely: i. <i>Retail landscape in India</i> , ii. <i>Key issues in the way of retail growth in India</i> , iii. <i>Key imperatives</i> . The first part deals with the status of organised retail in India, its

Title	Issue	Focus Area/Key Result
	<i>Kearney Report, November 2006</i>	<p>growth, category wise market share in organised retail and different retail formats. The key issues related to the growth include underdeveloped supply chain, inadequate utilities, IT infrastructure hurdles, inadequate real estate hurdles, inadequate human resource, taxation hurdles, supply base hurdles, limited consumer insights, insufficient government incentives etc. forms the second part.</p> <p>The third part covers the measures to be taken to overcome the hurdles listed in the second part. The concluding part details the impact of recommended changes on the retail sector.</p>

Ernst & Young on Retail and Retail Supply Chain

Title	Issue	Focus Area/Key Result
<i>Flavours of Incredible India – Opportunities in the Food Industry</i>	<i>FICCI – Ernst & Young Report, October 24, 2009</i>	<p>According to the report, the Indian food industry is poised to grow by a whopping 42.5% from US\$ 181 billion (Rs 8,43,460 crore) in 2009 to US\$ 258 billion (Rs 12,02,280 crore) by 2015 and by 76% to US\$ 318 billion (Rs 14,81,880 crore) by 2020, throwing up huge opportunities for investment across the entire value chain.</p> <p>Growth in size of the middle to very rich class is projected to increase at more than 300% between 2005 and 2015. During the same period, the proportion of young population (age group 15- 25) in India is expected to grow by 11%. This will lead to an increasing demand for food products to meet demands of convenience, variety, health and a changing palate.</p>

Title	Issue	Focus Area/Key Result
<i>Winning with Intelligent Supply Chains</i>	Pinakiranjan Mishra, Ernst & Young, December 17, 2007	This survey was conducted jointly by FICCI and E&Y. It highlights the key drivers of retail, drivers of change in supply chain, the paradigm shift from the traditional supply chain towards adoptive and real-time supply network with bi-directional information flow, retail supply chain challenges and mitigation strategies.

FICCI on Retail and Retail Supply Chain

Title	Issue	Focus Area/Key Result
<i>Challenges faced by Retail Industry in India</i>	Ketan Dewan, <i>Footfalls</i> , June – July, 2010, Volume 4, Issue 7	The article focuses on the following issues i. competition from local <i>kirana</i> stores ii. knowing and understanding the target customers iii. <i>supply chain management (SCM) issues</i> such as inventory level at stores and distribution centre, demand forecasting, logistics infrastructure, cold storage chains and quality transportation and procurement of goods, iv. lack of trained and skilled manpower and v. shrinkage. Also, the article discusses strategies to overcome these issues and challenges.
<i>RFID Technology in Retail Supply Chain</i>	Ravi Mathur and Gopal Valecha, <i>Footfalls</i> , February-March 2010, Volume 2, Issue 6	This article focuses on the tracking technology RFID and its different standards. It also gives a detailed description about benefits of RFID in achieving supply chain efficiency such as increasing visibility, lowering operating costs, real-time information processing, reducing stock-outs and increasing the competitiveness.
<i>Can modern</i>	Raghav	This article identifies interesting things that <i>kiranas</i> do

Title	Issue	Focus Area/Key Result
<i>retail learn from the humble kirana?</i>	Gupta, <i>Footfalls</i> , March – April 2009.	that could be adapted by modern retail for increased business success, namely: i. Customer Relationship Management ii. Dynamic Merchandising and iii. Efficient store operations.
<i>Organised Retail: Unfinished Agenda and Challenges Ahead</i>	<i>FICCI Retail Report</i> , 2007.	This report is based on information collated from key industry players, trade associations, government agencies, trade publications and various industry sources. It gives a detailed view of retail global scenario vis-a-vis Indian retail market. It discusses changing real estate scenario, requirement of finances in retail, varied unfinished agenda in retail such as simplifying tax structure, single window clearance, FDI in retailing etc. The report covers in detail the <i>retail supply chain management issues</i> in India.

KPMG on Retail and Retail Supply Chain

Title	Issue	Focus Area
<i>Sectoral Snippets – India Industry Information</i>	<i>KPMG Report</i> , April 2009.	This report highlights the current and future scenario of the retail market in India. It also presents a picture of Indian companies' strategic actions to cope with the current economic stress. In the days to come, the Indian retail <i>is going to focus on value retail and food retailing</i> , the study reports. Also, there will be more concentration in Tier II and Tier III cities. According to the study, the companies will invest more in <i>supply chain efficiencies</i> and emphasizes the fact that there is a long term outlook for retail in India and this sector continues to be attractive and there are huge prospects for expansion.

Title	Issue	Focus Area
<i>Indian Retail: Time to change lanes</i>	<i>KPMG Report, March 2009</i>	This report brings forth the impact of slowdown in different parameters of Indian retail sector. Also, it proposes a bouquet of strategies for the retailers to cope up with recession. According to the report, the recession has affected the footfalls, operating margin, put pressure on the liquidity, increase in the rentals etc. It also suggests the ways to build a competent retail supply chain management system.
<i>Skill gaps in the Indian Logistics Sector: A white paper</i>	<i>KPMG Report, 2007</i>	This report is the outcome of the CII Logistics Summit – 2007. It details the status of the logistics sector in India, identifies and assess the skill gaps in this sector, a deeper look at the critical areas, finds the root causes of the skill gaps and recommends suitable solutions to fill up the gaps.
<i>Indian retail: on the fast track. Bridging the capability gaps.</i>	<i>KPMG Report, 2006</i>	According to the report, there are many drivers contributing to the unprecedented consumption boom. The report enlists the fastest growing retail segments in India, organised retail as percentage of FMCG sales by city, experimentation by ITC on rural retailing, evolution of retail formats, growth of malls etc. It thoroughly figures different parameters related to supply chain such as supplier integration, supplier maturity, sourcing, <i>fragmentation of supply chain</i> , technology adoption and usage, private labels etc.

KSA – TECHNOPAK on Retail and Retail Supply Chain

Title	Issue	Focus Area
<i>Changing India, Changing Consumption, Changing Consumers</i>	Arvind Singhal, <i>Perspective</i> , Volume 3, 2010	The first part of the report lists down the factors contributing to a dynamic economy. The study forecasts the consumption pattern for the year 2014. The <i>food and grocery spending continues to be a major component</i> and it continues to top the categories of consumption. The consumers will shift from ‘low-price’ platform to ‘price-plus’ platform. There will be a strong increase in the trend of going shopping as a ‘family’, the study opines.
<i>Increasing Private Label Share in Indian Retail</i>	Baqar Iftikar Naqvi and Madhulika Tiwari, <i>Perspective</i> , Volume 3, 2010	The economic slowdown has significantly increased the pace of shift from national brands to private labels or store brands among the organized retailers. It has increased the private label sales. This migration is not only linked to price (5-10% less than national brands), but also to various factors like improvement in product quality, packaging, presentation and retail experience. The study reports that the rise of private labels is resulting in many conflicts between retailers and brands owing to issues like margins, display and shelf space.
<i>India’s Food Vision: The Next Decade</i>	Sridhar V. & Nimisha Chhabra, <i>Perspective</i> , Volume 4, 2010.	This paper details the growth prospects of India, followed by key factors that have enormous importance in increasing demand for food and are expected to play a major role in the transformation of demand drivers in the growth of food demand – rising population and incomes, increasing number of nuclear families and working women and palate & lifestyle changes. It also gives an

Title	Issue	Focus Area
		account of key issues and challenges in food industry.
<i>India's Emerging Hot-Spots</i>	Veenu Sharma, <i>Perspective</i> , Volume 4, 2010.	<p>This article throws light on the smaller cities becoming nodes of attraction for the marketers. The infrastructure developments, the changing customers, the ripple effect of the metros on the cities are contributing to the growth of these cities.</p> <p>These hot-spots are going to bring to the forefront the next wave of new cities that the retailers would be interested in looking at in order to gain 'first mover' advantage and a foothold in the market.</p>
<i>Overview of India's Consumer and Retail Sectors</i>	Raghav Gupta, Rohit Bhatiani and Pranay Gupta, <i>Perspective</i> , Volume 4, 2010.	<p>The first part of the research article delves into the impact of slowdown on consumer confidence, private consumption and organised retail. The later part of the article finds that the EBITDA and ROC for the retail sector is about 10-12 per cent, while for the FMCG sector, the numbers are higher.</p> <p>The low level of returns in retail is primarily due to the high level of <i>inefficiencies at the back end</i>. Inventory management which is an integral part of any successful retail operation is currently lacking. A significant amount of capital of an Indian retailer is blocked in inventory leading to a strain on the balance sheet.</p>
<i>The Indian</i>	Anil Rajpal	This article looks at how modern retail's landscape is

Title	Issue	Focus Area
<i>Retail Landscape: Now and Beyond</i>	and Pragya Singh, Perspective, Volume 1, 2009.	changing and what can be expected in the near term. It analyses how some retailers are entering the rebuilding phase with a focus on resizing, relocating and restructuring stores. It also looks at the impact of consumer product companies investing in traditional retail, outlines the emergence of collaborative models in retail real estate, and defines the required focus on retail back-end, i.e. <i>supply chain</i> .
<i>Supply Chain Challenges in the Indian Retail Sector</i>	KSA – Technopak, A quarterly report, January 2008.	The report presents an overview of <i>Retail Supply Chain Management (SCM)</i> in India. It discusses the current market size and future estimation; the factors affecting organised retail SCM in India, compares and benchmarks with international retail supply chains. The second part of the study focuses on supply chain objectives, symptoms and pain areas, strategic SCM areas and improvement projects for Indian retailers
<i>Changing Retail Landscape in India: Emerging Conflicts and Implications</i>	KSA – Technopak, 2 nd November 2007	The presentation is divided into four sections namely the i. Economic update on India ii. Impact Areas iii. Emerging Conflicts and iv. Implications for Stakeholders. It gives an insight into the factors influencing the growth of retail in India.

McKinsey on Retail and Retail Supply Chain

Title	Issue	Focus Area/Key Result
<i>Building India – Transforming the nation’s Logistics Infrastructure</i>	<i>A McKinsey Report, 2007.</i>	This is a comprehensive report that covers the India’s current logistics infrastructure. The report finds it inadequate to meet the growth aspirations and presents a logistics infrastructure strategy. The strategy suggested revolves around the proposal to bring out a National Integrated Logistics Policy (NILP).
<i>Tracking the growth of India’s middle class</i>	Eric D. Beinhocker, Dianna Farrel, and Adil S. Zainulbhai, <i>McKinsey Quarterly</i> No. 3, 2007	<p>The study reports the linkage between India’s rapid economic growth and its influence on consumers. The author predicts that in the next two decades, India will become <i>world’s fifth largest consumer economy</i>. Consumer spending will quadruple from about Rs 17 trillion (\$372 billion) in 2005 to Rs. 70 trillion in 2025.</p> <p>The country’s middle class is estimated to grow from about 5 percent of the population to more than 40 percent, i.e. from 318 million in 2007 to 5,283 million in 2025. India will become the world’s fifth largest consumer market by 2025 from the 12th position now. India will witness the rapid growth of its middle class – households with disposable income from Rs. 2,00,000 to 10,00,000 a year. Food will remain the single largest category of expenditure and growth in consumption will accelerate from 3 per cent annually now to 4.5 per cent.</p>

CONCLUSION

The Indian organized retail sector is growing; so the role of supply chain becomes all the more important. In the first phase of the retail revolution, the focus of food retailers had been largely on capturing the consumers’ attention and providing them with a new shopping experience. The

increasing scale of organised retail distribution network and increasing competition are forcing the players to focus on restructuring the whole supply chain to improve productivity and provide a better deal to customers.²⁵ In this regard, the paper attempted to provide insights into some of the research papers in the field of food retail and retail supply chain in India. The paper is a trigger to the researchers and academicians to explore the research possibilities in this emerging area which may help the food retailers and other stakeholders of the trade in achieving supply chain efficiency.

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