

Foreign Direct Investment In Retail Sector In India

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ABSTRACT: *The direct foreign investment enters in India such decision given by Central Government. There is Fifty one % FDI in Multi brand Retail sector and forty nine % investment by local partner. Foreign airline in aviation sector and sale of Equity in four PSUs.*

The Government announced the decision for reformers in India in retail sector. The slew of reforms decided from including raising FDI capital in Broadcasting 49% to 74% and allowing foreign investment in power exchange.

Retail sector has the significant contribution in an Indian Economy. Governemnt take various decision for the growth of retail sector and even to strength the same by allowing foreign direct investment with some restriction in retail rector with significant growth in Indian retail sector there is an emergence of some domestic retail player and some foreign retail industries are also trying to penetrate in Indian market as well.

There are two big players in retail industry one of "Big Bazaar" a domestic retail giant and another is "Walmart" basically in USA retail Company this two big company spread all over world in business due to this company how Indian companies can get benefit through increased competition and to take hold of the new market opportunities to make more competent globally in retail market

KEY NOTES:-

- 1) 51% FDI in Multi brand retail allowed left to state Government to allow setting up of such store.
- 2) 49% Foreign airline allowed to taken in Indian Airlines.
- 3) Upto 74% raise in FDI Capital on Various streams of Broadcast Services.
- 4) Stake role in four PSU's all India Hindustan Copper, NALCO and MMTC clear by CCEA
- 5) In Multi Brand retail sector 51% investment in FDI & 49% investment by local Partner.
- 6) Only in 60 Cities where the Population is above 10 lakhes FDI investment is Allowed.

INTRODUCTION

FDI means the Foreign Investor come in India and do business under the conditio: of Indian Government. Particularly in retail sector and some other area for pushing Economics growth and generating employment in India . The Government of India developed his retail sector and sought support of all segments on this. Round above 16 Million dollars investment is expected and near above one core employment will be generated.

There are number of company in retail sector in India like a Reliance Retail Ltd. Titan Industries, Trent, shoppers stop, Pantaloon retail India Ltd music world entertainment Ltd. Liberty shoes Ltd., Bata India Ltd. Big Bazar, Crossword, and another multi brand company with this sumo foreign return global company are entered in Indian market like cornefour wall mart stores etc. are the leading in Indian retail sector.

Retail is a sector which is showing the great growth in Indian economy. The sector is set for a resolution as both the present players and now entrants are gearing upto explore the market. There are about 400 new mall 2000 super market and 350 departmental stores now

under construction. Number of new retails coming up with huge investment. Retail market in India was valued on INR 16.94% in 2010 and is expected to grow at a CAGR of 11% it accounts for 22% of the countries GDP and is the second largest employer with 35.06 M.N. people.

According to the investment commission of India retail sector is expected to grow almost three times its current level to USD 660 billion by 2015.

The official added that recent steps taken by the government were helping in improving the investment environment in the Country.

The Government has liberalized FDI policy in as many as 12 sectors which include Telecom, Tea and petroleum and natural gas.

FDI inflows in 2012-13 aggregated USD 22.42 billion a decline from USD 36.50 billion in 2011-12.

India is estimated to require about USD 1 trillion between 2012-13 and 2016-17 to fund infrastructure such as ports, airports and highways to boost growth.

OBJECTIVES

- 1) Some one suggestion the may to combat the future challenges posed by the foreign industries in retail sector.
- 2) Find out the future challenges pored by MNS's on the domestic industries in retail sector.
- 3) To study the factor which attracted foreign retail companies towards Indian Market.

RESEARCH METHODOLOGY

The researcher has adopted analytical descriptive and comparative methodology for this research paper reliance has been placed on books journals news paper and on-line databases.

SINGLE BRAND RETAILING AND MULTI-BRAND RETAILING

The meaning of single brand retaining and multi-brand retaining is not clearly defined in any Indian Government Circular or notification whereas single brand retail generally refers to the sailing of goods under a single brand name and the term multi brand retail considered as FDI in multi-brand retail generally refers to selling multiple brands under one roof.

WALMART

A walmart is a American multinational retail company and some of its major marketing strategic are mentioned below.

STRATEGY OF WALMART MARKETING

Walmart's grocery business continues to be a growth factor for their company's business strategy and they are rapidly embracing social media and developing mobile strategic at a rapid clip its marketing strategies consist of floating the market with their presence and it offers various types are product with the relatively comfortable list of options to the marries to acquire the large share of market.

BIG BAZAR

Big Bazaar is the part of future groups a lock on a various marketing strategies used to grow as a part of Indian retail sector.

Big Bazar marketing strategic based on 3-C theory. Big Bazar has divided India in to three segments of 3-C theory at classes there are following.

- * India one consuming (pass which includes upper middle and lower middle class (14% of Indian Population)
- * India Two serving class which included people like drivers, householder helps office, peons liftmen, washer man etc. (55% of Indias population)
- * India three struggling class (Remaining 31% of India's population).

While Big Bazar is targeted at the population across India one and India two Segments 'Aadhar Wholesale' is aimed at reaching the population in India three Segment with this future group emerged as a retail destination for consumer across all classes in the Indian Society.

The pricing objectives at Big Bazar is to get "maximum market share" pricing at Big Bazar is bared on the following techniques.

VALUE PRICING

Big Bazar Promises consumer the lowest available price without coupon clipping, waiting for discount promotions.

PROMOTIONAL PRICING

Big Bazaar offers financing at law interest rate. The concept of psychological discounting (Rs.119 Rs. 99 etc) is also used to attract customers Big Bazaar also caters on special event pricing.

DIFFERENTIAL PRICING

Differently pricing is difference in rate bared on peak and non peak hours or days of shopping is also a pricing technique used in Indian retail, which is aggressively used by Big Bazar e.g. Wednesday Bazaar.

FUNDING

It refers to selling combo-pack and offering discount to customers. The combo-packs add value to customer and lead to increased sales. Big Bazaar lays a lot of important on bundling.

PROMOTION

The various promotion schemes of Big Bazar includes.

- * "Change your life style make a smart choice"
- * Future card (4% Discount)
- * "Keep West a side. Make a Smart Choice"
- * Shakti Card.
- * "Shoppers stop make a smart choice"
- * Exchange offers "Junk Swap offer"
- * Hafte ka sabse sasta din "Wednesday Bazar"
- * "Sal ke sabse saste 3 din.

MULTI CHANNEL MARKETING

Multi Channel marketing has been pioneered by many retailers in the hopes of truly meeting the retail merchandising mantra of the 5 Rs. right place right merchandise, right time

right quantity and right price multi channel marketing is simply the strategy of retail stores supporting their e-commerce platform and their retail web sites, supporting the bricks and mortar stores. It sounds logical and only recently attainable with the growth of ipads and the plethora of mobile apps easily downloaded for smartphones like the I phone and numerous Android devices. It extends its multichannel management adding a new services by the end of the month 'pick up today' is connecting both the on-line and the off-line world product ordered on-line can be picked up the nearby branch on the same day.

MERITS

- 1) FDI to boost growth, Generated Employments
- 2) Expected economic growth 8% per year.
- 3) Unemployment Problem could be solved in retail sector
- 4) Good Price on Agricultural products and removed of the Brokerage system
- 5) Benefit for Small scale Industries.

DEMERITS :-

- 1) Multi brand retail is not beneficial to retails shop, Farmer and Rural area Populations.
- 2) Unemployment problem will not solve by FDI
- 3) There are round about 60 Lakh retail shops in India According to this 2.5 Crore people are employed but if the FDI entered in India the retails industries will be collapsed
- 4) FDI will invest is Only 60 cities which have over Ten lakh population this is Beneficial to 20% population of Urban Area but what about 80% populations.

CONCLUSION:

It is good decision by the Government of India due to this decision economist say the economic growth is fast growing it maintains the economic growth by 8%: per year .Near about 1 Crore New employment will be generated . Through FDI new companies come in India and will set up new industries and will provide the jobs for Indian people. Governments revenue will be improved .It is be beneficial for the consumers, the farmer are also benefitted by The FDI. The FDI will direct purchase the agricultures products from the farmers so the farmers will more benefitted. Due to this the brokers system will be removed and the farmers will get good prices their products so overall the FDI is benefitted for India economy.

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