

**UNIVERSITY GRANTS COMMISSION
BAHADUR SHAH ZAFAR MARG
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Title of the Minor research Project: “An Evaluation of Impact of Big Retailers from Organised sector on Kirana Merchants in Pune”

Executive Summary

The Indian retail sector is presently experiencing exponential growth and has been reported as one of the fastest growing retail destinations globally. Till the recent past, Indian retail sector was dominated up to 97% by the unorganized retailers, whereas organised retail sector claimed only 3%. There were more than 12 million ‘Dukandars’ or small retailers in India.

In the last decade, however, retail industry witnessed a retail revolution. Many national and few global players invested huge amount of money in India’s retail segment. Super markets and hyper markets, category killers and shopping malls, came up in almost all the big cities of India, including Pune. The retail boom created anxiety and fear among the small retailers and kirana merchants. In the recent past, associations of small retailers and kirana merchants expressed opposition not only to the foreign players like Walmart, but also to the big organised retailers like Reliance. As a student and teacher of commerce, the situation was worth analyzing. Hence, a comprehensive research was conducted to find out the impact of big organised retailers on kirana merchants in India in general, and in Pune in particular.

The topic selected for research can be considered as a ‘social research’. The data collected was basically the ‘primary data’. ‘Survey method’ was used to collect the data from 120 kirana merchants from Pune. The latest and up- to- date information on retail activity in India in general and in Pune in particular, was collected through ‘secondary data’.

On the basis of collection and analysis of data, it was observed that in the recent past, the total concept and idea of shopping has undergone changes in terms of formats and consumer buying, leading to retail revolution in India. This was reflected in the form of increasing number of shopping centers in several parts of

the country. With the new FDI decision taken by the Manmohan Singh Government in 2012, it was felt that Indian retail sector would witness a fierce competition among the big Indian retailers and foreign players. However, it seems that big foreign retailers are discouraged by the hostile reaction Indian political leaders.

The survey of kirana merchants from Pune revealed that these small retailers were initially shocked, disturbed and suffered to some extent with the entry of big organised retailers like Reliance and More. At, present, however, kirana merchants have consolidated their position and they are enjoying a steady growth of their business. Certainly, no serious adverse impact is observed on the business of kirana merchants in India. Pune city is not an exception to the situation. Kirana merchants in India and in Pune have done well in the past and will continue to do so in future.

Kirana merchants, however, to face the challenge posed by big retail formats should think in respect of certain changes, modifications and improvements. These suggestions are in respect of supply of clean and quality products at reasonable prices to consumers; application of fair marketing practices and adoption of modern technology. With the implementation of recommendations suggested in this report kirana merchants in India and in Pune, not only will survive, but will flourish despite the entry of big players from the organised sector.

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(MRP submitted to University Grants Commission , XI Plan, by Dr SB Joshi, MES Garware College of Commerce, Pune, in March 2014.)