



Case Problem

Lately many companies have planned for significant investment in organised retailing in India. Several factors have prompted their decision in this regard.

Customers income is rising. People have developed a taste for better quality products even though they may have to pay more. The aspiration levels have increased. The government has also liberalised its economic policies in this regard and permitted even cent per cent foreign direct investment in some sectors of retailing.

1. Identify changes in business environment under different heads - economic, social, technological, political and legal that have facilitated the companies decisions to plan significant investments in organised retailing.

Ans: Changes which have taken place in the following areas are as follows

(i) Economic Availability of more money because of employment opportunities increasing.

(ii) Social Tastes of customers are changing. As he is getting more exposure to the outside world his tastes are changing.

(iii) Technological Technological advancements have led to advanced ways of counting, checking, coding, billing, discounts which are convenient for the customer and also retailer

(iv) Political Government policies are encouraging developers to go for mass construction on real estate. As MNCs are coming to India, they have to be provided an internationally based infrastructure to operate from.

(v) Legal As the government is providing more rights to the consumers, an organised retailing outlets would be more particular in taking care as compared to a small retailer.

2. What has been the impact of these changes with regard to globalisation and privatisation?

Ans: Due to globalisation and privatisation, more retailers from India and abroad are encouraged to make investments in organised retailing. The competition has increased, the consumers are more demanding and expert working force is required in order to cope up with the changes, which have taken place and are further changing.

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