DISSECTING 2018

INVESTMENT GALORE



Cumulative FDI inflow reached US\$ 1.42 billion between April 2000 and June 2018

EASY CREDIT

Innovative credit offerings from financial

organisations amplified the sales of high value durable products

Space demand increased at the rate of approx. 81% to 7.8 million sq ft

MORE SPACE

GST saw more acceptance and deeper implementation

POLICY MAKEOVER

Aditya Birla Fashion and Retail closed 189 exclusive brand outlets

More than 500 stores have been shut in the last couple

- Coffee Day Global shut 120 stores
- Trent Hypermarket, a joint venture between the Tata Group and Tesco shut all its 20 loss-making Star Daily

stores

of years by brick and mortar retailers

- Benetton India rationalised its network of stores and closed down **56 stores**
- Raymond shut 30 loss-making stores Shoppers Stop shut **5 stores**
- Costa Coffee shut **35 stores** and Barista shut **40 stores**
- Amazon India losses go up 30% to Rs 6,287 crore
- **50 million** ecommerce shoppers drop out after first purchase

The Bad...



world (2,4&5)

Headlines which

shook the retail

India is the India ranked 1st in

5th-largest global

destination in the

retail space

But Not All Doom & Gloom...(1&3)

index 2017

Centre approved

100% FDI in

single-brand retail

via automatic route

the global retail

development

Retail industry accounts

for over 10% of India's

Gross Domestic Product

(GDP)

Retail industry is

responsible for

around 8% of the

employment in India

Indian retail attracted

Rs 9.5 billion (US\$

147.40 million) investments in FY18

RIL, Tatas, Future Retail



players for expansion Alibaba eyes JV with big Indian companies; in talks with

PEEKING INTO 2019

Jeff Bezos may team up with KM Birla to counter Reliance and Walmart in retail

Walmart is now the largest shareholder of Flipkart

Walmart India to open 50 best price stores in five years

Headlines which are redefining the future (6)

Indian retail going omni-channel, tying up with foreign

- By 2020, market size expected to increase by 60% to reach **US\$ 1.1 trillion**

Market Predictions

per annum

per annum

physical stores

billion

By 2020, total consumption expenditure is expected to reach nearly US\$ 3,600 billion

By 2023, online retail is expected to be at par with the

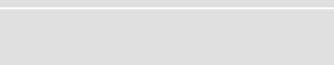
By 2025, India's e-commerce business is poised to touch

By 2020, traditional trade to expand at the rate of **10%**

By 2020, overall retail market is expected to grow at 12%

By 2020, modern trade would expand twice as fast at 20%

- **US\$ 1 trillion** By 2026, e-commerce sales are expected to reach **US\$ 200**
- By the end of 2018, luxury market expected to reach **US\$ 30** billion, from US\$ 23.8 billion in 2017
- Lifestyle changes by middle class Higher purchasing power of the upper class in tier



Growth Catalysts

Increase in digital connectivity

Growing exposure of international brands

Rising need for consumer goods in multiple different

Rising incomes

2 & 3 cities

sectors

Trend Watch-Out Experience to sell more than products (Rise of

'retailtainment')

response

- Online to offline omnichannel blend to thicken
- Subscription-service rental market to sprout

E-commerce to become hyper-personalised

Facebook messenger bots will sell more

- adoption Increased focus on instant gratification and real-time
- Automation-led self-service counters will continue to excite Al will strengthen its stance as practical retail tech

IOT to see increased adoption & to come closer to

Sustainable & socially responsible practices to see increased

affordability bracket Augmented reality adoption to increase



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