

EVALUATION OF INDIAN RETAIL SECTOR WITH PORTER'S FIVE COMPETITIVE FORCES: AN ANALYSIS

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ABSTRACT

Retail sector is a significant but largely unorganized portion in developing countries like India. However, in recent years, there has been a marked increase in efforts to organize retail sector, including pursuit of innovative structures and strategies. By employing Porter's five force model as the theoretical framework, this study conducted an extensive review of published documents. This study is a contribution to the debate and controversy around the entry of big multinational retail giants into the Indian retail market, which is mainly unorganized. India's retail sector employs around 8% of the total work force, (approx. 40 million persons). India has the highest in retail density in the world, with 15 million retail outlets. Most of these units are small owner based. Only 8% of Indian retail outlets are larger than 500 sq feet. This study fills the gap in the literature by discussing strategic orientations for foreign retailers to maximize favorable forces and minimize disadvantageous forces in India.

KEYWORDS: Indian Retail, Porter's Five Forces, Entry, Expansion