



## INDIAN RETAIL SECTOR CAN GENERATE 25 MILLION NEW JOBS BY 2030: NASSCOM RETAIL 4.0 REPORT

*The COVID -19 pandemic has proved to be a catalyst in the evolution of Retail from the 3.0 Era into a more digitally-enabled and collaborative Retail 4.0 era*

**Online+Offline will lead to \$125 Bn retail exports and \$8 Bn in incremental GST contribution by 2030**

*Over 80 percent of survey respondents state that technology innovation will be key to growth for India's retail sector*

**New Delhi, March 08, 2021:** As India leaps forward to become a digitally transformed nation, the country's retail sector has emerged as one of the most dynamically-evolving, rapidly digitizing sectors, with the second-largest consumer base in the world. In 2020, Indian retail has emerged as the world's 5<sup>th</sup> largest market undergoing rapid digital transformation. The **National Association of Software and Services Companies (NASSCOM)**, in association with Technopak, a leading management and consulting firm, today launched its report, titled, "**Retail 4.0: India story - Unlocking Value through Online and Offline Collaborations.**"

Over the last decade, the Indian retail market size has witnessed a massive growth of 3X, accounting for **~\$800 Bn, contributing 10% to India's GDP In FY 2019-20 and 8% to the total workforce with more than 35 Mn employees. The growth has been backed by sustained digital transformation.**

COVID-19 has been a litmus test for resilience and adaptability, and the Indian retail sector has been largely successful in **navigating the crisis by accelerating digital adoption and the shift to online in the country.** The convergence of retail channels and the collective evolution of their capabilities via tech-enabled collaborations will define the Retail 4.0 evolution in India.

### KEY HIGHLIGHTS

- Indian Retail market size has increased by 1.5-2x every five years in the last one and a half decade
- E-Commerce in India is growing at 3-4X the rate of traditional brick and mortar retail
- By FY2030, Online+Offline (O+O) led retail market would add upto \$640 Bn revenue;
- Online+Offline will also lead to 12 million new jobs, upto \$125 Bn retail exports and \$8 Bn in incremental GST by 2030

Speaking at the launch of the report, **Amitabh Kant, CEO, Niti Aayog, Government of India, said,** "*Retail sector is one of the growth engines for the nation's economy, with a double-digit contribution to the GDP, and employment to nearly 35 million individuals in FY2020. The COVID 19 pandemic backed by ever-changing consumer preference has accelerated the adoption of online and offline play that will define the next phase of retail growth in the country. This will create enormous potential in terms of job growth, exports, and an inclusive retail ecosystem with great participation of MSMEs. Going forward, technology will be the key driver of retail evolution in the future. The government of India is in process of formulating the National Retail Trade Policy which will not only create a conducive environment for retail trade but will also simplify policies hindering the growth of the sector in the country.*"

Retail 4.0 will result in a significant rise in the size of the domestic market, job creation, and exports. The changing demand and supply drivers are likely to accelerate the growth momentum, with the India retail market reaching up-to USD 1.5 Tn by FY2030. The sector can add more than 25 Mn new

# NASSCOM®

jobs by FY2030. Of this, a lion's share will be the Offline + Online model which will account for 50% of the total retail employment addition - almost 12 million, enable \$125 billion worth of exports and account for 37% of total retail tax contribution amounting to approx. \$8 billion incremental GST contribution by 2030.

With the increasing rise in Digital Natives and Digital Savvy customers, retailers are embracing the use of data-driven advanced analytics, and prediction tech to tailor customer-centric product/service offerings leading to enhanced personalization experience. Further, to minimize and alter cost structures effectively, retailers both traditional and online are increasingly digitizing point-of-sale (PoS), in-store operations, and inventory tracking in face of evolving demand.

***Speaking on the occasion, Debjani Ghosh, President, NASSCOM, said, "The Indian Retail industry performance in the last decade has been remarkable, with the market size rising by three folds. Retail 4.0 is rapidly evolving to Online+Offline (O+O) retail models that will bring incremental economic contribution, job growth, and exports. To achieve this, a greater need for collaboration among retail stakeholders, policymakers, and supporting sectors for tech-awareness will be the key, which will accelerate the sector's growth in the years to come."***

As per the NASSCOM-Technopak survey of over 360 retail stakeholders, 79% of the respondents strongly feel that technology will play a pivotal role in Indian Retail growth. There has been a rising awareness and willingness to embrace online with 70% of the overall respondents have a positive outlook towards Online+Offline collaborations.

Transformation in retail is driven predominantly by technology, which has not only influenced customer behavior but also enabled the entry of new players, formalization of the value chain, and cost and operational efficiencies. Macro-economic factors, such as demonetization in 2016, GST reforms, and the black swan global pandemic event of COVID-19, have acted as catalysts in the transformation of retail 4.0 led by an active interplay of tech solutions and digital-savvy consumers. The shaping of Retail 4.0 will entail new business models of collaboration with an online plus offline approach to Retail.

Despite technological, operational, financial, and regulatory bottlenecks, the convergence of Offline and Online retail has an enormous potential in terms of incremental economic contribution, job growth, exports, and an inclusive retail ecosystem with greater participation of MSMEs. The Online plus offline model's success requires constant support to MSMEs and traditional retail, export promotion, and access to export markets. To achieve this, there is a greater need for a collaborative retail ecosystem, a coming together of Policy Makers, Traditional And Online Retail Entities, and Supporting Sectors, such as financial entities to exploit and further grow the opportunity presented.

## **About NASSCOM**

The National Association of Software and Services Companies (NASSCOM®) is the premier trade body and chamber of commerce of the Tech industry in India and comprises over 2800-member companies including both Indian and multinational organisations that have a presence in India. Our membership spans across the entire spectrum of the industry from start-ups to multinationals and from products to services, Global Service Centers to Engineering firms. Guided by India's vision to become a leading digital economy globally, NASSCOM focuses on accelerating the pace of transformation of the industry to emerge as the preferred enablers for global digital transformation. Our strategic imperatives are to reskill and upskill India's IT workforce to ensure that talent is future-ready in terms of new-age skills, strengthen the innovation quotient across industry verticals, create new

# NASSCOM®

market opportunities - both international and domestic, drive policy advocacy to advance innovation and ease of doing business, and build the Industry narrative with focus on Talent, Trust and Innovation. And, in everything we do, we will continue to champion the need for diversity and equal opportunity.

NASSCOM has played a key role in not just the growth of the Industry to become a \$180+Billion industry today, but we have helped establish the Tech industry in India as one of the most trusted partners, globally. NASSCOM continues to make significant efforts in contributing towards India's GDP, exports, employment, infrastructure development and global visibility. Our membership base constitutes over 95% of the industry revenues in India and employs over 4 million professionals, and as technology blends into every aspect of the economy, we expect the industry to become key driver of growth, development and inclusion for the country. Our mission is to make India a global hub for Innovation and Talent so when the world thinks Digital, the world will think India.

<p><b>Satyaki Maitra</b></p> <p><b>NASSCOM Press Office – Genesis BCW</b></p> <p>+91 9958041503</p> <p><a href="mailto:satyaki.maitra@genesis-bcw.com">satyaki.maitra@genesis-bcw.com</a></p>	<p><b>Kavita Doshi</b></p> <p><b>NASSCOM</b></p> <p>+91 120 4990200</p> <p><a href="mailto:kavita@nasscom.in">kavita@nasscom.in</a></p>
---	---