

Online retail sector has a threat from physical retail models: Kishore Biyani

By [Indiaretailing Bureau](#) - November 28, 2017

Future Group CEO Kishore Biyani said the much-believed burgeoning online retail sector in India has a threat from physical retail models like Big Bazaar and Easyday, owing to low business share and high cost of business of the former.



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According to a PTI report: The retail champion said although the next trend is digitisation, but physical and digital are not different as layering of technology over physical is the need of the hour.

“Online retail has a threat from us and it’s time people realised that they are not a threat to us, as they don’t even have 1 per cent business share and the cost of doing business is also too high,” Biyani told PTI.

Over the years, part of the retail consumers have moved to online platform such as Flipkart and Amazon for purchase of the daily use items.

“If you look world over, Alibaba is only buying physical retail, so is Amazon and therefore times have changed,” Biyani was quoted by PTI as saying adding that the fever of online shopping of consumer items by Indians have gone away.

The leading retail chain is on an aggressive expansion mode witnessing huge demand and had recently announced opening 10,000 member-only Easyday stores to make it a Rs 1.5-trillion business opportunity by 2022.

The group unveiled a 30-year vision, Retail 3.0, by when it plans to become Asia’s largest integrated consumer retailer by 2047 with revenue of in excess of US \$1 trillion.

Biyani said the fashion and food categories are seeing continuous demand with the fashion segment growing rapidly and chains such as FBB, Central and Brand Factory are in good shape.

When asked about his views on online retail taking over physical retail, Biyani said both are converging and ten years from now everything will converge completely and the company has always been at the forefront, not missing any trend.

“China which people think is the most digital driven country has 82 per cent physical, America has 89 per cent physical model and similarly India too has huge potential for physical retail as online share is very less,” Biyani was quoted by PTI as saying.

“We are called Future group because we look at the future and plan much before,” he further told PTI.

As per a joint report by Ficci and Deloitte, increasing use of smartphones, apps, web and social media will lead to growth of omni-channel retail by amalgamation of offline and online services with Indian retail industry which is growing at 10 per cent, may almost double to Rs 85 trillion (lakh crore) by 2021.

Another report by Ficci and PwC last year said the consumer spending will rise backed by robust economic growth and rising household incomes.