

Russia: A Study of the Food and Grocery Retail Sector

Asif Zameer

Professor

FORE School of Management

New Delhi 110 016

E-mail: asif@fsm.ac.in

Abstract

This paper attempts to understand the current state of affair in food and grocery retail in Russia. A.T.Kearney, the global consultants, ranked Russia as the 22nd most attractive retail market as per Global Retail Development Index (GRDI) for 2016. Moreover, Russia is fast developing and becoming one of the most dynamic emerging countries in BRICS. Higher living standards and rising income have enabled people to spend more for their lives. From unorganized retailing to organized retailing to e-commerce in retailing has been the progression of development in any economy in the world. The same phenomenon can be witnessed in Russia. Food is one of the key categories of spends globally and forms a large share of the consumer's wallet. Pushed by the Chinese and Indian demand for food, the Asia-Pacific region is expected to remain the fastest growing market over the next decade. The other BRICS countries, Brazil and Russia are also expected to witness high growth rates and move up the ranks of the largest food retailing nations. China has already overtaken the U.S. as the world's largest food retail market and the forecast for the next five years states that all BRICS nations will be in the top five grocery markets. The major objective of this paper was to study the present scenario of food and grocery retail in Russia, to understand the contribution of various formats of retailing in food and grocery sector and to analyze the opportunities and challenges for modern retailers in food and grocery sector in Russia. The paucity of academic research in the domain of food and grocery retailing in Russia was the motivation behind this working paper.

Key Words: Russia, Retailing, Food and Grocery retailing, Organized Retail, Formats in Food and Grocery Retail

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