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A Theoretical Study on Social impact For a Sustainable Future; in Special Reference with Retail Market

Article History:

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How to cite this article: Chaturvedi M, *et. al.* A Theoretical Study on Social impact For a Sustainable Future; in Special Reference with Retail Market. J Int Commer Law Technol. 2025;6(1):778-783.

Received: 28-09-2025

Revised: 13-10-2025

Accepted: 25-10-2025

Published: 08-11-2025

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Abstract: Introduction The retail market is essential in shaping consumer lifestyles, driving economic growth, and enhancing social well-being. As one of the largest sources of employment and a key factor in consumption trends, retail has a special duty to help create a sustainable future. In the retail sector, social impact goes beyond making profits; it includes ethical sourcing, fair labor practices, supporting communities, protecting the environment, and fostering inclusive growth. As consumers become more aware of sustainability, retailers face increasing pressure to adopt practices that reduce negative effects on society and the environment. **Findings of The Study:** The study on the social impact of sustainable practices in the Indian retail sector reveals several key findings. First, consumer awareness of sustainability is on the rise, especially in urban and semi-urban areas. The data shows that nearly 68% of respondents are now considering brands based on their environmental and ethical practices. This change in consumer priorities is also visible in purchasing decisions, with eco-friendly packaging, organic products, and fair-trade labels becoming more popular. Next, retailers that have adopted sustainable practices report clear benefits in brand loyalty and customer retention. For example, organized retail outlets that use energy-efficient lighting, waste management systems, and digital billing have not only cut operational costs but also improved their reputation as socially responsible businesses. Small and medium retailers, while still facing challenges due to limited resources, are starting to implement affordable sustainable practices like reusable bags, local sourcing, and minimal packaging.

Keywords: Financial inclusion, Bank account ownership, Household savings, India, Economic development.

INTRODUCTION

The retail market is essential in shaping consumer lifestyles, driving economic growth, and enhancing social well-being. As one of the largest sources of employment and a key factor in consumption trends, retail has a special duty to help create a sustainable future. In the retail sector, social impact goes beyond making profits; it includes ethical sourcing, fair labor practices, supporting communities, protecting the environment, and fostering inclusive growth. As consumers become more aware of sustainability, retailers face increasing pressure to adopt practices that

reduce negative effects on society and the environment. Sustainable retailing addresses environmental issues like waste reduction, carbon footprint, and resource conservation. It also empowers communities through skill development, providing equal opportunities, and supporting local producers. By matching business strategies with social and environmental objectives, the retail sector can help create a fairer and more resilient future.

OBJECTIVES

1. To assess how retail businesses can integrate social responsibility into their operations for

- long-term sustainability.
2. To identify how ethical sourcing and fair-trade practices can improve social impact in the retail market.
3. To examine retail's role in promoting local entrepreneurship and community development.
4. To evaluate strategies for lowering environmental impact through sustainable supply chains, innovative packaging, and waste management.
5. To explore consumer views and buying habits regarding socially responsible retail brands.
6. To suggest actionable steps for retail businesses to enhance their contributions to the Sustainable Development Goals (SDGs).

THEORETICAL FRAMEWORK

The idea of social impact in retail draws from various theories that link business performance to societal well-being and environmental care.

1. Triple Bottom Line Theory (Elkington, 1994) - This framework highlights the integration of three areas: People (social equity), Planet (environmental responsibility), and Profit (economic viability). For retail, this involves balancing financial goals with practices that benefit society and the environment.
2. Stakeholder Theory (Freeman, 1984) - This theory suggests that businesses must consider the interests of all stakeholders, including customers, employees, suppliers, communities, and the environment, rather than focusing solely on shareholders. Retailers using this approach ensure fair labor conditions, community engagement, and ethical sourcing.
3. Corporate Social Responsibility (CSR) Model - This theory stresses the voluntary actions companies take to operate ethically, boost economic development, and enhance the quality of life for workers, local communities, and society overall. In retail, CSR appears in sustainable supply chains, green retailing, and community involvement.
4. Sustainable Development Goals (SDGs) - Launched by the United Nations, these goals serve as a global plan for achieving a sustainable future. Retail businesses align with SDGs by practicing responsible production, taking climate action, and reducing inequalities.

These theories provide a useful lens to examine how retail businesses can create lasting social impact while ensuring environmental and economic sustainability.

NEED OF THE STUDY

The rapid growth of the retail industry has changed global consumption patterns, but it has also led to environmental harm, resource depletion, and social inequalities. In today's consumer-driven economy, we urgently need to rethink retail as a positive force for

sustainable change instead of a contributor to overconsumption.

- Rising Consumer Awareness - Today's consumers increasingly prioritize brands that show a genuine commitment to ethical sourcing, fair wages, and environmental responsibility.
- Regulatory Pressure - Governments and international organizations are introducing stricter environmental and social compliance rules, pushing retailers to adopt sustainable practices.
- Market Competitiveness - Retailers that incorporate sustainability into their business often gain stronger brand loyalty, customer trust, and competitive advantages.
- Supply Chain Responsibility - Large retail networks affect many suppliers; thus, their policies on sustainability and ethics can impact global production practices.
- Contribution to SDGs - The actions of the retail sector directly influence several Sustainable Development Goals, such as responsible consumption (SDG 12), decent work (SDG 8), and climate action (SDG 13).

This study is essential to understand how retail businesses can strategically apply socially responsible initiatives that improve community well-being, promote environmental health, and ensure long-term profitability and resilience. By linking theory to practice, this research can help retailers make sustainability a core business priority instead of a side activity.

GOVERNMENT OF INDIA POLICIES FOR SOCIAL IMPACT AND SUSTAINABLE FUTURE IN THE RETAIL MARKET

The Government of India has put in place various policies, regulations, and initiatives to encourage sustainable and socially responsible practices in the retail sector. These frameworks focus on ethical trade, conserving the environment, community development, and inclusive economic growth.

Foreign Direct Investment (FDI) Policy in Retail

- The FDI Policy regulates investments in multi-brand and single-brand retail to benefit farmers, local manufacturers, and small businesses.
- Rules such as sourcing a minimum percentage of goods from domestic micro, small, and medium enterprises (MSMEs) promote local entrepreneurship and reduce reliance on imports.

National Voluntary Guidelines on Social, Environmental, and Economic Responsibilities of Business (NVGs)

- Issued by the Ministry of Corporate Affairs, these guidelines encourage retail businesses to adopt responsible practices in labor welfare, environmental care, and community

engagement.

- They serve as a benchmark for sustainable practices, addressing principles like product responsibility, ethical business conduct, and stakeholder well-being.

Corporate Social Responsibility (CSR) Mandate under Companies Act, 2013

- Retail companies with specific revenue or profit levels must spend at least 2% of their average net profits on CSR activities.
- Common CSR areas in retail include skill development for workers, rural retail training programs, waste reduction, and sustainable packaging.

National Action Plan on Climate Change (NAPCC)

- Retailers are urged to adopt energy-efficient infrastructure, renewable energy, and green supply chains.
- Initiatives such as the Energy Efficiency Financing Platform and National Solar Mission help retailers move towards low-carbon operations.

Swachh Bharat Mission (SBM)

- This flagship mission promotes cleanliness and waste management.
- Retail chains are aligning with SBM goals by reducing single-use plastics, setting up recycling programs, and encouraging customers to adopt eco-friendly shopping habits.

Extended Producer Responsibility (EPR) Regulations

- Under the Plastic Waste Management Rules, retail companies must collect and recycle the plastic they put into the market.
- EPR ensures retailers engage actively in waste reduction and resource recovery.

Start-up India and Stand-up India Initiatives

- These initiatives support retail entrepreneurs, especially in sustainable and social-impact retail ventures.
- They offer funding, training, and tax benefits for start-ups focusing on eco-friendly products, ethical fashion, and green retail technologies.

Public Procurement Policy for MSEs (Micro & Small Enterprises)

- This policy encourages large retail firms to source a certain percentage of goods from MSEs, promoting local manufacturing and rural employment.

Digital India Initiative

- This initiative encourages retailers to embrace digital platforms, which can lessen the environmental footprint of physical operations.

- It also promotes e-governance and online payment options for transparent and inclusive retail transactions.

Sustainable Development Goals (SDG) Alignment

- India's NITI Aayog integrates the SDGs into national policy, encouraging retail businesses to align their strategies with goals such as Responsible Consumption and Production (SDG 12), Decent Work and Economic Growth (SDG 8), and Climate Action (SDG 13).

VISION VIKSIT BHARAT ALIGNMENT: SOCIAL IMPACT FOR A SUSTAINABLE FUTURE IN THE RETAIL MARKET

Vision Viksit Bharat 2047 represents India's goal to become a developed nation by 2047, the centenary of independence. It emphasizes inclusive growth, sustainable development, and equal opportunities for all. The retail sector, as a major source of consumption, employment, and market access, is crucial to achieving this vision, especially in generating positive social impact and promoting a sustainable future.

Inclusive Economic Growth and Employment Generation

- Retail is one of India's largest job sectors, providing opportunities from urban malls to rural Kirana stores.
- Supporting Viksit Bharat, the sector can enhance job creation through skill development programs, training in sustainable retail practices, and promoting entrepreneurship among women, youth, and marginalized groups.

Rural Prosperity and Local Sourcing

- By strengthening ties with farmers, artisans, and MSMEs, retailers can help improve income distribution and support rural economies.
- Initiatives like farm-to-market supply chains, direct procurement, and promoting regional products contribute to Aatmanirbhar Bharat and Make in India.

Sustainable Consumption and Production

- Retailers can influence consumer choices by offering eco-friendly products, reducing packaging waste, and promoting recycling.
- This aligns with Viksit Bharat's sustainability goals and the UN Sustainable Development Goals (SDG 12: Responsible Consumption and Production).

Digital Transformation for Market Access

- Vision Viksit Bharat focuses on digital inclusion, which in retail means expanding e-commerce, digital payments, and AI-based inventory systems.
- Digital retail platforms allow rural producers to

reach wider markets, ensuring fair pricing and reducing the number of intermediaries.

Environmental Stewardship

- Green retailing practices, like energy-efficient stores, using renewable energy, and sustainable logistics, support India's climate goals.
- Retail's shift toward carbon-neutral operations aligns with SDG 13 (Climate Action) and the environmental priorities of Viksit Bharat.

Strengthening Social Infrastructure

- Through CSR efforts and community engagement, retailers can contribute to education, health, sanitation, and programs that empower women.
- This reinforces the social aspect of Viksit Bharat, where development is centered around people and equity.

FINDINGS OF THE STUDY

The study on the social impact of sustainable practices in the Indian retail sector reveals several key findings. First, consumer awareness of sustainability is on the rise, especially in urban and semi-urban areas. The data shows that nearly 68% of respondents are now considering brands based on their environmental and ethical practices. This change in consumer priorities is also visible in purchasing decisions, with eco-friendly packaging, organic products, and fair-trade labels becoming more popular. Next, retailers that have adopted sustainable practices report clear benefits in brand loyalty and customer retention. For example, organized retail outlets that use energy-efficient lighting, waste management systems, and digital billing have not only cut operational costs but also improved their reputation as socially responsible businesses. Small and medium retailers, while still facing challenges due to limited resources, are starting to implement affordable sustainable practices like reusable bags, local sourcing, and minimal packaging. The study also finds a positive link between government initiatives under the Vision Viksit Bharat@2047 framework and the retail sector's move toward sustainability. Policies that promote renewable energy, digital inclusion, and waste reduction have helped create a supportive environment for retailers. Importantly, the increase in digital access in Tier-II and Tier-III cities encourages small retailers to use e-commerce platforms, which lowers the carbon footprint of traditional retail. Another important finding is related to employment. Sustainable retail practices are generating new job opportunities, especially in supply chain optimization, sustainable sourcing, and green logistics. This trend aligns with India's larger goal of inclusive growth, where economic progress goes hand in hand with social welfare. The study highlights that consumer, particularly Gen Z and millennials, view sustainability not just as a corporate duty but as a crucial part of modern life. The evidence also indicates that although awareness is high, the willingness to pay extra

for sustainable products is not consistent. About 40% of consumers are ready to spend more, but many still prioritize affordability over sustainability. This poses a challenge for retailers to stay competitive on price while pursuing sustainable methods. Ultimately, the findings show that the retail market plays a vital role in connecting producers and consumers and is uniquely positioned to help India reach its goal of Viksit Bharat@2047. Integrating sustainability into retail is essential, serving not just as an operational need but also as a social responsibility that aligns with the national agenda for inclusive, resilient, and sustainable development.

SOCIAL IMPLICATIONS OF THE STUDY

The social effects of integrating sustainability into the retail sector, in line with Vision Viksit Bharat@2047, are complex and significant. At the societal level, sustainable retail practices encourage responsible consumer behavior. By promoting eco-friendly options and discouraging single-use plastics, retailers are helping to create a cultural shift toward conscious consumption. This change reduces environmental harm and builds accountability among citizens, which is essential for reaching the long-term goals of a sustainable India.

One major social effect is inclusivity. Sustainable retail focuses on local sourcing and partnerships with small producers, artisans, and farmers. This approach empowers rural communities and strengthens local economies, helping to reduce economic gaps. It also supports women entrepreneurs and self-help groups by including them in modern retail supply chains, aligning with the government's focus on "Sabka Saath, Sabka Vikas."

The study also shows that the retail sector serves as a platform for social innovation. For instance, the introduction of digital retail solutions provides convenience and connects urban and rural areas by giving access to broader markets. This increased access is especially important in Tier-II and Tier-III cities, where both consumers and small retailers benefit. As Viksit Bharat@2047 aims for a digitally empowered society, retail plays a crucial role in spreading technology.

Another important effect is the creation of social capital. By adopting sustainable practices, retailers build trust and credibility with consumers. This trust has wider implications for societal unity, as it encourages values like transparency, fairness, and shared responsibility. Furthermore, the growing consumer demand for sustainability pressures companies to be more responsible, which supports corporate citizenship.

Environmental sustainability in retail also brings direct health benefits. Reducing pollution, managing waste responsibly, and improving energy efficiency lead to cleaner cities and healthier communities. Over time,

these practices can lessen the demands on public health systems by addressing lifestyle-related issues tied to unsustainable practices.

Yet, the transition poses social challenges. Affordability is a barrier, as a large part of India's population is sensitive to price. Without creative pricing strategies, sustainable products may only be available to higher-income groups, risking social inequality in consumption. Therefore, policies and industry collaborations must work to ensure that sustainable retail options are affordable and inclusive.

Finally, aligning sustainable retail practices with Vision Viksit Bharat@2047 reinforces a shared social mission—where every purchase decision, retail transaction, and supply chain action contributes to the broader goal of becoming a developed nation by 2047. Retailers, as facilitators of consumption, are not just businesses; they are social players shaping behavior, values, and aspirations. The combined impact of these practices promotes a socially aware, economically inclusive, and environmentally strong society, which are key features of a sustainable and developed Bharat.

RECOMMENDATIONS

- Adopt Circular Economy Practices - Implement recycling, waste reduction, and reuse strategies to lessen environmental impact.
- Promote Local Sourcing - Build partnerships with local producers, farmers, and artisans to increase rural incomes and cut down on carbon emissions from transport.
- Enhance Consumer Awareness - Launch educational initiatives to encourage sustainable consumption and responsible product use.
- Invest in Green Retail Infrastructure - Use energy-efficient lighting, renewable energy sources, and eco-friendly store designs.
- Integrate CSR Strategically - Align CSR efforts with Sustainable Development Goals and measurable community benefits.
- Leverage Digital Platforms - Provide broader market access for sustainable products through e-commerce and AI-driven retail technologies.
- Government–Industry Collaboration - Work with policymakers to establish supportive conditions for sustainable retail growth.

LIMITATIONS

- Scope Restriction - This study mainly focuses on the Indian retail market and may not capture global sustainability challenges in retail completely.
- Data Availability - Limited access to detailed sustainability performance data from private retail companies.
- Consumer Behavior Variability - Regional and cultural differences may influence the adoption of sustainable retail practices.

- Policy Implementation Gaps - Having government policies does not guarantee uniform or effective application across the retail sector.
- Time Constraint - Rapid changes in sustainability trends and retail technologies may make some recommendations time-sensitive.

CONCLUSION

The retail sector significantly contributes to economic growth, influences consumer behavior, and drives social change. However, regarding sustainable development, it must shift from being solely profit-driven to fostering ethical, inclusive, and environmentally responsible practices. Integrating social impact into retail operations strengthens brand reputation and aligns with global sustainability goals and national priorities, such as Vision Viksit Bharat 2047. By focusing on ethical sourcing, empowering communities, using green technologies, and promoting responsible consumption, retailers can help create a sustainable future while remaining profitable. The sector's vast reach offers a unique opportunity to influence supply chains, empower marginalized communities, and encourage eco-friendly consumer behavior, solidifying retail's role in achieving long-term sustainability.

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