

High Food Prices Cast Shadow on India's Festive Season Spending

As India's festival season begins, rising prices of essential items like edible oils, onions, and tomatoes have significantly increased grocery bills, affecting consumer spending. While the festive period typically sees high demand for electronics and other goods, this year's start has been slow. Sales of home appliances and electronics rose only 5-7%, falling short of expected growth.

High food inflation, which reached 9.24% in September, has strained household budgets, pushing many to cut back on purchases or delay them. Online sales have also shown mixed results, with premium products selling better than budget options. While retailers like Reliance, Amazon, and Flipkart are offering discounts, the overall demand for items like mobile phones and fashion remains lukewarm.

Despite these challenges, rural demand and strategic offers might boost sales as the season progresses, with major retailers remaining optimistic. Economic indicators, however, show signs of fragility, leaving the final outcome dependent on Diwali sales.

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