

RETAIL INDUSTRY IN INDIA

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Abstract :The Indian Retail sector has come off age and has gone through major transformation over the last decade with a noticeable shift towards organized retailing. High consumer spending over the years by the young population and sharp rise in disposable income are driving the Indian organized retail sector's growth.

Key words:Retail Industry , technology and lifestyles .

INTRODUCTION

Competition and the constant changes in technology and lifestyles have changed the face of retail sector in India. Retail sector in India is growing rapidly because of changing lifestyles, increase in disposable incomes of middle class population, healthy economic growth and also due to globalization. Retail Industry, one of the fastest changing and vibrant industries that, has contributed to the economic growth of our country. Within a very short span of time, Indian retail industry has become the most attractive, emerging retail market in the world.

LITERATURE REVIEW:

- 1.Nagesh (2007) describes that Indian retailing will see a sea of change in the next five years driving consumption boom never seen in the history of any country. From a drought situation we will see a flood of modern retail, So Indian retail will be on a steady ground of sustained growth year after year and thereafter.
- 2.Mohanty & Panda (2008) opines about retailing as a sector of India occupies important place in the socio-economic growth strategy of the country. India is witnessing retailing boom being propelled by increasing urbanization, rising purchasing power parity (PPP) of ever growing India's middle class, changing demographic profiles heavily tilted young population, technological revolution, intense globalization drive etc.
- 3.Sahu (2010) describes that a rise in consumer confidence, improvement in profitability and aggressive expansion plans signal better tidings for listed players in the organized retail space. Moreover, analysts believe listed retailers could attract foreign investments by spinning off their subsidiaries into separate companies which can provide a great opportunity for the improvement of this sector.

NEED FOR THE STUDY:

Even though the organized retail sector is at a very nascent stage in India, it provides ample opportunities for retailers, and few challenges will help the sector attain higher economies of scale and growth. Organized retailing has emerged as a new in roads to consumers for shopping. Internet penetration is also spreading across India at a faster rate, gaining attractiveness for buying. Organized retailers intend to take advantage on it. Thus, this study is undertaken to access the factors responsible for growth and challenges for organized retailing in India.

OBJECTIVES OF STUDY:

1.To identify the factors responsible for the growth of organized retailing in India.

RESEARCH METHODOLOGY:

This is a conceptual paper and hence it is based on secondary data only. This data is collected from various reference books by various authors. Also researcher has visited various websites which provided information on retail industry in India.

RESEARCH STUDY:

A significant trend emerging in the retail industry in India is the increase in the number of sales due to discounts provided by the organized retailers during different seasons. The implementation of FDI in multi-brand retailing has also boosted the growth of retail industry. The present value of the Indian retail market is estimated by the India Retail Report to be around . 12, 00,000 crore(\$270 billion) and the annual growth rate is 5.7 percent. India's retail market is likely to touch a whopping Rs 47 trillion (US\$ 738.71 billion) by 2016-17, expanding at a compounded annual growth rate of 15 per cent, a Yes Bank-Assocham study says.

Factors responsible for the growth of organized retailing in India:

1)Increase in income levels of middle class population:

Increase in the literacy level has resulted into growth of income among the population. Such growth has taken place not only in the cities but also in towns and remote areas.

As a result the increase in income has led to increase in demand for better quality consumer goods. Rising income levels and education have contributed to the evolution of new retail structure. Today, people are willing to try new things and look different, which has increased spending habits among consumer.

2)Increase in the number of working women:

Today the urban women are literate and qualified. They have to maintain a balance between home and work. The purchasing habit of the working women is different from the home maker. They do not have sufficient time for leisure and they expect everything under one roof. They prefer one-stop shopping. Modern retail outlets therefore offers one store retailing.

3)Value for money:

Organized retail deals in high volume and are able to enjoy economies of large scale production and distribution. They eliminate intermediaries in distribution channel.

Organized retailers offer quality products at reasonable prices.

Eg: Big Bazaar (SabseSastaSabseAccha). Opportunity for profit attracts more and more new business groups for entering in to this sector.

4)Entry of corporate sector:

Large business tycoons such as Tata's, Birla's, and Reliance etc. have entered the retail sector. They are in a position to provide quality products and entertainment.

As the corporate – the Piramals, the Tatas, the Rahejas, ITC, S.Kumar's, RPG Enterprises, and mega retailers- Crosswords, Shopper's Stop, and Pantaloons race to revolutionize the retailing sector.

5)Entry of foreign retailers:

Indian retail sector is catching the interest of foreign retailers. Due to liberalization multinationals have entered out country through joint ventures and franchising. This further is responsible for boosting organized retailing.

6) Impact of Technology:

Technology is one of the dynamic factors responsible for the growth of organized retailing. Introduction of computerization, electronic media and marketing information system have changed the face of retailing. Organized retailing in India has a huge scope because of the vast market and the growing consciousness of the consumer about product quality and services. One of the major technological innovations in organized retailing has been the introduction of Bar Codes. With the increasing use of technology and innovation retailers are selling their products online with the help of Internet.

7) Impact of Media:

There has been an explosion in media due to satellite television and internet. Indian consumers are exposed to the lifestyle of countries. Their expectations for quality products have risen and they are demanding more choice and money value services and conveniences.

CONCLUSION:

The organized retail sector in India, although dominated by those players who have been in this space for almost a decade, is expected to observe some notable changes in the times to come. Some of the factors which are expected to affect this trend are higher incomes, young shoppers, urbanization and the increased use of credit cards. Furthermore, e-commerce and online delivery modes are expected to be some of the most popular trends in the retail industry in India in the near future.

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