



Retail Industry in India

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Abstract:

Indian retail Industry is one of the most dynamic markets in the world. One of the most important reasons for the increase in market potential was the arrival of a new consumer class, financial middle class. Companies all over the world have realized its enormous potential. The market showed great interest in investments and establishment of new units. When more money will come, selling the product is no longer a concern provided the brand is available at retail. Consumers' taste habits have also changed. The average consumer today is trying to save money to satisfy their daily needs and wants at the same time they splurge on luxury goods just like the upper class. It is mainly brand growth and continued exposure to western luxury lifestyle through the media. Worldwide mammoths who have cashed in on the Indian retail victory story have presently modified their brands to suit the Indian advertise. It has targeted the provincial and semi-urban division within the country. This article on 'Retail Industry in India' reveals about the story of growth and challenges in Indian retail Market.

Key Words: Establishment, Growth, Brand, Investment, Dynamic, Worldwide

Introduction:

Indian shoppers are brilliant and of course want some value for money. At the same time they are prepared to buy anything whether it is luxury or necessity .It means that they are quite prepared to spend more in luxury too. It is the place where we are able to offer and sell anything and the customer is ready to take. It has been proved by the opening of the multi-brand retail segment in the form of foreign direct investment. More universal brands have shown interest in investing in the nation. Walmart is one of the best example of such an huge investment. A worldwide retailing giant that has demonstrated and revealed the interest to stay in the Indian showcase by expanding its businesses. Various multinational brands from all over the world have also made their attack into the Indian shopping centers. The nation's growing middle class and mostly untapped retail market are the key attractions for global retail giants eager to



expand into new countries, which would hasten the country's retail sector's growth. Urban Indian customer loyalty is growing, and they are increasingly drawn to branded products in a variety of sectors, like apparel, beauty products, Shows and Timepieces etc. Whether you're an individual or a global company, India's retail market provides endless prospects for growth and success.

History and Growth of Retail Industry in India:

It has been observed that when the per capita GDP exceeds a particular level and the fundamental needs of shelter, food, and clothes are satisfied, people start spending on various other things and in return it starts improving the prospects for retail market consumption and greatly boosting investment pattern. Basic requirements are satisfied at this level of per capita income, and there is more money available for discretionary spending. It is very much true in case of a large economy like India where it is reasonable to assume that Indian retail Industry is capable to reach a turning point as a result of the country's rapidly expanding economy and higher GDP per capita. Retail markets have been around for a very long time. More than 10,000 years ago, trade was likely conducted through barter systems, according to archeological data. Barter was supplanted by retail trade incorporating coins as civilizations advanced. The first stage of organized retailing in the nation began in 1869 with the founding of the Mumbai Crawford Market, according to a piece in Spectrum: A Journal of Multidisciplinary Research. Hogg Market first founded in Calcutta in 1874. Nilgiris, which was constructed in 1971 in Bangalore, was the first food shop established in a long time. Food World was the first historically speaking shop chain to be established in a sizable amount of time. The establishment of Kirana stores, often referred to as Provision stores, can be seen as the start of the country's retail industry. The British "rationing" program implemented during World War II was the precursor to the public distribution system, or PDS, that is used in India today. In the past 10 years, India's retail business has seen a significant shift and experienced great growth. The Indian retail market has become the top destination for all big giants as it is anticipated to reach \$1 trillion by 2027 and \$2 trillion by 2032. One of India's economic cornerstones, retailing generates around 10% of the country's GDP. As of 2022, the Indian retail market is anticipated to be worth \$1.3 trillion. With 1.4 billion inhabitants, India has one of the fastest expanding retail markets globally. Reliance Retail is at the top of the list of the best retail businesses in India. This corporation, founded in 2005 by Mukesh Ambani, has more than 40 subsidiaries in India. The company has its headquarters in Mumbai, India's Nariman Point.



Challenges of Retail Industry:

Some of the issues in the retail industry include reducing human error in regular operations, preserving customer loyalty in a cutthroat market, locating and employing talented employees, and keeping them on board. First of all we have to know what kind of problem we are facing at the moment then we try to find out the solution.

1. Complying with international norms:

We are still far away from touching international Standards because of various issues like quality of product, lack of trust of customer on upcoming brand in the presence of already established international brands etc. Operating in a less and an unreasonable small space to build supermarkets and hypermarkets on a big scale in numerous areas is also a big issue. This is a must to reach international norms in order to survive in the competitive global economy.

2. Scarcity of skilled or trained labor:

Indian Retail Sector still lacks the necessary qualified specialists. Furthermore, there is ambiguity when it comes to staff retention in retail business services. The management has encountered several difficulties as a result of fraud in the retail sector, including thefts, vendor fraud, and operational mistakes. We should Increase staff engagement with frequent training programs to lower the retail business's high employee turnover rate. Upskilling the staff will keep them at the company. Additionally, by keeping the staff motivated by providing regular rewards can create the magic.

3. Infrastructure issues:

India has poor infrastructure and a disorganized system of distribution for its goods. Poor infrastructure and the conventional supply chain ultimately result in expensive price hikes on retail prices for goods. Unorganized and unstructured long supply chains with several intermediaries, including wholesalers and distributors, are one of the most significant obstacles facing the retail industry. One of the main issues and trends facing the retail sector that can be solved with technology and wisdom is this one. We may improve order accuracy, maintain inventory control, and manage third-party distributions by implementing a system.



4. Lack of technological solutions:

A lot of time-consuming, laborious, repetitive work go into running a retail business in India. It could seem straightforward to delegate these activities to staff in the early stages of your company. But as your company expands, these manual tasks will produce more mistakes and need more labor. However, automation allows for accuracy, accuracy gains, time and human resource savings. We may become more productive while saving time and effort if you use the correct software.

5. Getting customer's attention constantly:

The next greatest problem is keeping existing consumers after recruiting and getting new ones. Customers are seduced by new products, special offers, and discounts every single day. How do you make sure they exclusively use your services and develop a strong loyalty to your brand? Of course this is a big challenge before every retailer. This problem in the retail industry could become an opportunity if we find a balance and give our clients a transparency. Consumer data can be used by retail businesses to research the movements, actions, and interactions of their customers.

6. Cultural Diversification:

Because of India's enormous size and socioeconomic and cultural variety, the nation lacks a standardized form of consumption. It will be difficult enough for manufacturers and merchants to develop strategies for various industries and market segments. It is a difficult task to satisfy the need and put a focus on the priorities of all the heterogeneous segment.

Conclusion:

For a little more than ten years, India has organized retail. However, it primarily affects cities, and it is gradually spreading. The modern world has become a global community, consumerism has a significant impact on the retail sector, and advances in technology have created both opportunities and challenges. Since the launch of the internet, the retail industry is growing to help economies and bring commerce across borders on both a B2B and B2C level. The retail industry in India is expanding quickly due to a number of causes. The nation is seeing significant urbanization, a consistent rise in national salaries, and the advent of the digital economy. The world of retail is highly diverse. It is one of India's sectors that is expanding the fastest and offers many people work chances. The scope of retailing has greatly expanded as a result of rising consumer spending power and retailers' expansion into rural areas. The Indian retail



sector has a lot of room for company expansion, but there are additionally a lot of probable obstacles and bottlenecks that could impede upward mobility. However every problem has a solution. By sorting out the challenges of this sector and adopting the correct solution, we may become more productive. We have to pay close attention to three crucial factors if we want the company to be successful: people, procedure, and product. The three Ps, offer the best return on investment because they serve as the foundation for everything our company performs.

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