The Challenges and Opportunities in Indian Retail Industry

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Abstract

The India Retail Industry is the most declamatory among all the industries, Be the reason or explanation for over 10 per cent of the country’s GDP and approximately 8 per cent of the employment. The Retail Industry in India has emerged as one of the most dynamical and fast stepped industries with various players acceding the market. But all of them have not yet tasted success because of the heavy initial investments that are required to break even with other companionships and engage in a contest with them. The India Retail Industry is step by step edging its way towards becoming the next boom industry.

Key words: Retailing, Retail industry, Market strategy,

Introduction

The total general idea inferred or derived from specific instances and idea of the commodities purchased from stores has undergone an attention drawing change in terms of format and consumer buying behavior, inaugurating a revolution in shopping in India. being the current stage in its development retailing has to become legally committed to the Retail market in India is found or determined by scientific observation in the form of bustling shopping centers, multi-storied malls and the Brobdingnagian complexes that offer shopping, entertainment and food all under one roof

A large young Adequate for practical use of working population with median age of 24 years, nuclear families in urban areas, along with increasing working women population and coming forth opportunities in the services sector are going to be the cardinal as applicable when making an intuitive assumption the growth of the constituted into a structured or coherent whole Retail sector in India.

The growth pattern in coordinated retailing and in the economic consumption made by the Indian population will adopt a rising graph helping the newer businessmen to become a participant the India Retail Industry.

In India the immense middle class and its almost unexploited retail industry are distinguish attractive forces for cosmopolitan retail giants wanting to enter into newer markets, which successively will help the India Retail Industry to grow faster. Indian retail is anticipated to grow 25 per cent annually. Modern retail in India could be deserving US$ 175-200 billion by 2026.

The Food Retail Industry in India overshadows the shopping basket. The Mobile phone Retail Industry in India is prior to a specified a US$
16.7 billion business, growing at over 20 per cent per year. The future of the India Retail Industry looks anticipating with the arising of the market, with the government policies becoming more well-disposed and the egressing technologies alleviating operations(5).

The Indian Retail Scene
India is the one of the countries in the world having the not having or belonging to a structured whole retail market. In a traditional manner it is a family’s livelihood, with their shop in the front and house at the back, while they run the retail business(6).

More than 99% retailers occasion in less than 500 square feet of shopping space. Global retail consultants KSA Technopak have estimated that organized retailing in India is gestated to touch Rs 35,000 crore in the year 2005-06. The Indian retail sector is judge to be probable at around Rs 900,000 crore, of which the organized sector be the reason or explanation for a mere 2 per cent indicating a huge potential market opportunity that is occupy a certain position in the waiting for the consumer-savvy organized retailer(7).

The act of buying power of Indian urban consumer is developing and branded merchandise in categories like Apparels, Cosmetics, Shoes, Watches, Beverages, Food and even jewellery products, are slowly becoming a manner of living that reflects the person's values and attitudes that are to a great degree accepted by the urban Indian consumer. Indian retailer’s indigence to advantage of this growth and aiming to grow, diversify and introduce new formats has to pay more attention to the brand building process. The emphasis here is on retail as a brand rather than retailers selling brands(8).

The concentration of attention or energy on something should be on branding the retail business itself. In their preparation to face boisterous competitory pressure, Indian retailers must come to fully aware or cognizant of the value of building their own stores as brands to strengthen and support with rewards their marketing positioning, to communicate quality as well as value for money. Sustainable competitive advantage will be dependent on translating core values combining products, image and reputation into a coherent retail brand strategy(6).

This is admittedly, that the Indian retail scene is booming. A number of large corporate houses i.e., Tata’s, Raheja’s, Piramal’s, Goenka’s have already made their enter someone else's territory and take spoils this arena, with beauty and health stores, supermarkets, self-service music stores, new age book stores, every-day-low-price stores, computers and peripherals stores, office equipment stores and home/building construction stores. Today the coordinated players have lashed out every retail category.

The Indian retail incident has perceive or be contemporaneous with too many players in too short a time, crowding several categories without looking at their core competencies, or having a resulting from careful thought branding strategy(9).

Challenges & Opportunities
Retailing has seen such a qualitative change over the past decade that its very definition has undergone a sea change. No more can a Someone who manufactures something rely on sales to take place by make certain in the future mere availability of his product. Today, retailing is about so much more than mere marketing, selling and trading (10).

It’s about drawing customers in a story, causing reflection or having a device that reflects their desires and ambitions, and counterfeiting long-lasting relationships. As the Indian consumer undergoes development or evolution they expect more and more at each and every time when they steps into a store. Retail today has changed from selling a product or a service to selling an expect and wish, an aspiration and above all the accumulation of knowledge or skill that results from direct participation in
events or activities that a consumer would like to repeat(11).

For manufacturers and service providers the emerging opportunities in urban markets seem to lie in capturing and delivering better value to the customers through retail. For instance, in Chennai Lime Lite, Kaya Skin Clinic and Apollo Hospital, Apollo Pharmacies are examples, to name a few, where manufacturers/service providers combine their own manufactured products and services with those of others to generate value hitherto unknown(12).

The last mile connect seems to be increasingly lively and experiential. Also, manufacturers and service providers face an exploding rural market yet only marginally tapped due to difficulties in rural retailing. Only innovative concepts and models may survive the test of time and investments(13).

However, manufacturers and service providers will also increasingly face a host of specialist retailers, who are characterized by use of modern management techniques, backed with seemingly unlimited financial resources. Organized retail appears inevitable(14).

Retailing in India is currently estimated to be a US$ 200 billion industry, of which organized retailing makes up a paltry 3 percent or US$ 6.4 billion. By 2010, organized retail is projected to reach US$ 23 billion. For retail industry in India, things have never looked better and brighter. Challenges to the manufacturers and service providers would abound when market power shifts to organized retail(15).

Conclusion
The retail sector has played a phenomenal role throughout the world in increasing productivity of consumer goods and services. It is also the second largest industry in US in terms of numbers of employees and establishments.

There is no denying the fact that most of the developed economies are very much relying on their retail sector as a locomotive of growth. The India Retail Industry is the largest among all the industries, accounting for over 10 percent of the country’s GDP and around 8 percent of the employment.

The Retail Industry in India has come forth as one of the most dynamic and fast paced industries with several players entering the market. But all of them have not yet tasted success because of the heavy initial investments that are required to break even with other companies and compete with them. The India Retail Industry is gradually inching its way towards becoming the next boom industry.

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