

India and Retail Business

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Introduction - Retailing is the latest buzz-word among the business. This newest fad is getting high visibility media coverage dynamic young people as well as blue-chip companies are suddenly taking pride in calling themselves shopkeepers. This profession is able to attract the cream of talent from management institutes.

Today's customers remain updated about products and services through various media when they are interested in buying a specific product they search out for even the smallest details regarding the same. Retailers need to follow an apparent approach in response to the growing consumer power. They realize that it is time to earn the customer's confidence, trust and loyalty to build long term relationship and this is possible only by bidding farewell to aggressive sales techniques.

India ranked second in the world, in terms of financial attractiveness during 2010. Research reports forecast India to be among the top five destinations for foreign investors during 2010-12. Recent declaration of the cos approving a 51% FDI in multi brand retail has brought joy among India retail sector. The country is now in the global radar and has enormous potential inflow of foreign investments.

As India emerges as one of the most potential markets for global brands and retailers and retail reinvents the way modern Indian celebrate their spending power, India that takes pride in its rich culture, heritage, art, craft and variety of wares must capitalize on this ever-escalating consumerism and channelise the spending towards healthy consumption for overall development of the country.

Going by the current growth trend and considering the fact that existing prominent players in organised retail have stopped up their expansion drive with Reliance announcing big plans and other Indian corporate houses too evincing keenness on investing heavily in this sector as also the inking of the joint venture between the world's largest retailer Wal-Mart and Bharti the organised retailing in India has indeed gained top speed and is now on the verge of take-off Taneja added.

There would be a real revolution in the Indian retail industry, if the changes being witnessed in the metropolitan and other tier-one towns percolator to all the 784 urban

settlements, with population above 50,000 perrons.

Expressing concern over the consumption and mall development trend, Editorial director of the mega research of "India Retail Research" R.S. Roy called open the entire retail fraternity, concerned Govt. departments and the supporting organizations to work towards giving Inian retail – "A face of India". India brand story can travel across theglobe with "Delhi Kat" type shopping cum entertainment centred opening not only across India but all over the world. Public private partnership (PPP) can revitalize the formats like Khadi Bhavans that runs one of the largest retail networks in the world and also Govt. state run emporia.

Retail expression is a portfolio game, with a blend of success and failures. Recouping from recession blues retailers are currently in the expansion mode, development their networks and expanding into new markets. Direct retailers are rewarded for their long-term outlook of business.

A Research states that the number of consumers using internet especially through their smart phones are increasing day by day. They also have increasing expectations regarding the mobile experience their retailers provide them with retailers need to pursue smart customers with integrated hi-tech experiences as will and up watching their stores succumb to competition. Smart retails need to go beyond the ordinary customers experience and reap the benefits of rich customer experience.

Understanding future demand is vital for every business. It is always easy to find a model that fits into the past data. But it is difficult to decide a model that will fit into the future data, as future trends are not very explicit. Therefore, a successful business model needs to correctly identify those past features, which will also repeat in the future. Demand forecasting helps to estimates demand and supply in individual market helping retailers in price policies.

Current Scenario of Retail in India :

1. The retail sector in India was valued at around USD 850 billion in 2022.
2. About 85-90% of the market is unorganized - including small neighbourhood stores and street vendors.
3. Organized retail (supermarkets, branded stores, malls)

is expanding fast in urban and semi-urban areas.

4. E-commerce (Amazon, Flipkart, Meesho) has seen exponential growth, especially post-COVID.

Types of Retailing in India :

1. Unorganized Retail Local shops, kiosks, roadside vendors Cash transactions, personal relationships with customers.
2. Organized Retail Large format stores, malls, supermarket chains Structured billing, digital payments, loyalty programs.
3. Online Retail (E-commerce) Platforms like Amazon, Flipkart, JioMart, etc. Digital shopping, doorstep delivery, return policies.

Key Drivers of Growth :

1. Urbanization and rising disposable incomes.
2. Youth population with tech-savvy buying behaviour.
3. Growth in digital payments (UPI, wallets).
4. Government reforms allowing 100% FDI in single-brand retail.
5. Affordable smartphones and widespread internet access.

Challenges Facing Indian Retail:

1. Fragmentation due to dominance of unorganized sector.

2. High competition and price sensitivity among consumers.
3. Logistics and supply chain inefficiencies.
4. Regulatory issues (GST, licensing, state-wise compliance).
5. Low digital literacy in rural regions.

Future Prospects of Retail in India :

1. Retail market projected to reach USD 2 trillion by 2032.
2. Rise of hybrid retail (offline + online experiences).
3. AI and Data Analytics for personalized marketing.
4. Growth in tier-2 and tier-3 cities.
5. Sustainable retail practices and eco-friendly packaging.

Conclusion : The retail industry in India is dynamic and brimming with potential. With digital transformation, increasing consumer expectations, and government support, the sector is poised for tremendous growth. Retail not only contributes significantly to the country's GDP but also empowers entrepreneurship, job creation, and innovation across all levels of society.

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