



A STUDY OF GROWTH AND OPPORTUNITIES IN INDIAN RETAIL SECTOR

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Abstract:

The retail sector has played a very vital role throughout the world in increasing productivity of consumer goods and services. It is also second largest industry in US in terms of numbers of employees and establishments. India is the second one country in Population. Nearly more than 70% of total population is middle class. Due to this nature of the society results in boosting retail market in India. Now in current scenario India is the fifth largest preferred destination in World. Retailing in India constitutes one of the key elements of Indian Economy and contributes 10% of GDP.

Keywords: FDI, GDP, Retailing Sector, E-Commerce etc.

Introduction:

India is the second one country in Population. Nearly more than 70% of total population is middle class. Due to this nature of the society results in boosting retail market in India. Now in current scenario India is the fifth largest preferred destination in World. Retail Industry in India is expected to grow to US\$ 1200 billion by 2021. India's Population is vast using online retail shopping. As per study of Boston Consulting Group at e- marketer, Revenue generated through online retail marketing is projected to grow US\$ 60 billion by 2020 which ultimately results in becoming the world's third largest Consumer economy. Global leading brand retailers like WalMart,GAP,Tesco and JC Penney are increasing their sources from India and now they are started to establishing their own sourcing and buying offices. This is done

because of the choices and preferences of Indian Consumer have been changed. Healthy Economic Growth, changing demographic profile, increasing disposable income, urbanisation etc are the boosting factors of Indian Retailing Growth. This paper provides detail information about the growth of retailing industry in India. It examines the growing awareness and brand consciousness among people across different level of society of India.

Objectives of the Study:

1. To study the concept of Retail Sector in India.
2. To study the growth of retail sector in Indian Economy.
3. To identify the reasons of growth and opportunities in India.

Methodology:

The present study is based upon secondary sources of data. The present study focused on the objectives of the study, classification of retail market and opportunities in retail sector India.

Global Retail Sector- An Overview:

The retail industry includes selling merchandise or commodities at personal or household consumption, mainly consisting of apparel and accessories, technology, food and beverages, home improvement, specialty, pharmaceuticals, and others. Now a days developed nations begin to emerge from recession, their economies recover, and unemployment rates begin to fall, the market segments are experiencing some renewed growth. The global retail sector is estimated 31% of the world's GDP and employs billions of people throughout the globe. Supermarkets contribute nearly 35% of retail direct sales in United States and Asian countries at the forefront. E-commerce is expected increase 23% in revenue and 12% for e-consumers in 2019. Mobile share in e-commerce reaches 29% in certain countries and has been growing fast but there is still room for growth, with desktops still representing the majority of devices used for online shopping. In terms of market trends, specific consumer behaviour such as over-connectivity and the hobby of healthier lifestyles are expected to shape the market in coming years.

Retail Sector in India:

Retailing in India constitutes one of the key elements of Indian Economy and contributes 10% of GDP. Before two decades Government of India introduced changes to attract Foreign Direct Investment in retail industry in India. The government approved 51% share of FDI in multi-brand retailing and 100% in Single brand retailing in India which is expected to boost Indian retail market as a results India becomes a favourable market for fashion retailers with huge young generation consumer base, increased level of income and relaxed policy of FDI.

Reasons of Growth of Retail Sector in India:

Retail Industry in India is one of the fastest growing sectors. There are several factors that are responsible for increasing retail markets in India. Retail Market playing in two folds i.e. organised sector and unorganised sector. While looking the development and growth of these two sector it can be say that the unorganised retail sector has accounted 5% growth annually whereas organised sector is growing nearly 25% annually. This sudden growth in organised sector experienced due to introduction of retail giants in markets like Reliance, Reliance Fresh, Pantaloons, Fashion Unlimited, D-Mart, Decathlon etc. Moreover the overall reasons of growth in retailing sector in India can be explained as follows.

1. **Government Initiatives:** The government of India has taken various initiative steps for increasing growth of retail market in India. These initiatives include allowing 100% FDI in Single brand and 51% in Multi-brand retailing business through existed E-Commerce Companies.
2. **Changing the pattern of Society:** India is positioned the second number in Population. The pattern of the society is changed. The number of middle class is rapidly growing. With this changing structure of society the choices, taste and preferences of middle class consumer is changed. These consumers prefer to buy commodities take offered benefits from Megastores instead of traditional methods. Hence this resulted into growth of organised sector in India.
3. **Increasing number of Working Women:** As with transformation in pattern Indian society and increased rate of literacy. In urban city the number of working women also increased. They have to maintain the balance between their work and home. Therefore the preferences and choices of these working women also changed. Because they do not have sufficient time and leisure. E.g. working women prefer to buy fresh vegetable and fruits online from online shopping websites instead of purchasing from typical markets.
4. **Value for Money:** As customer point of view, they want qualitative products in reasonable prices with number of offers and services. These demands cannot be fulfilled by traditional markets. But these supermarket giants can offer number of attractive offers, services with qualitative products. This is possible for them because of elimination of intermediaries, economies of large scale on production and distribution.

5. **Emerging of Rural Markets:** With the transformation in pattern of society the rural market in India is fast emerging market because rural consumers also became aware about the benefits offered by retail markets and quality consciousness. They also now to prefer to take advantages of retailing by buying and doing business with it.
6. **Entry of Corporate Giants:** The large business giants such as Reliance, Tata and Birla's now entered in Retail Sector in India. They are intended to provide quality products and entertainment. Reliance, Tata, Piramals, Raheja's, etc. mega retailers-revolutionised Reliance Fashion, Reliance Fresh, crosswords, Shoppers Stops etc retailing stores.
7. **Entry of Foreign Brands and Retailers:** Due to LPG policy the India opened its door for international retailers and brand owners to do business in India. MNC's started through Joint-Ventures and franchising. This is further responsible for boosting organised retailing.
8. **Advancement of Technology:** Advancement in technology is one of the boosting factors responsible factors for growth of organised retailing. Vast use of internet, use of computerisation system, digital media and marketing information system have changed the face of retailing system in India.
9. **Rise in Income:** Increase in the literacy level resulted into growth of income among population. Such growth has not taken into the city areas but also in rural and remote area also. As results the increase in income level of people it led increase in demand to live better life.

Opportunities for Retailing Sector in India

The various opportunities in retailing in India is mainly connected with changed pattern of consumer behaviour. With the changed society, level of income and development etc these factors gives the opportunities to the retail sector to satisfy demands of the consumers. Indian consumers want to get shop, eat and get entertainment in one place under one roof which provides retail sector to grow. This has also contributed to large-scale investment in the real estate sector with major national and global players investing in developing the infrastructure and construction of the retail sector in India. In Indian retail market is estimated to be US\$ 600 billion one of the top five retail markets in the world by economic value It has the potential to transform not only the retailing landscape but also the nation's ailing infrastructure. The retail sector has played phenomenal role through distinction, branding, after sales service, exploring commoditization, share of purchase power and innovation.

Conclusion

Retail industry in India is undoubtedly one of the fastest growing retail industries in the world. It is the largest among all industries accounting to 10 per cent of the country GDP and employs around 8 per cent of the workforce. India has seen a drastic shopping revolution in terms of format and consumer buying behaviour. From shopping centres to multi-storied malls to huge complexes offering shopping, entertainment and food all under one roof and it is because of this trend that the retail industry is witnessing a revolution as many new format markets like hypermarkets, supermarkets, departmental stores have made their way in the market. For better development both organised and unorganised retail sector have to work together to ensure better prospects for the overall retail industry, while generating new benefits for their customers.

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