

RETAIL SECTOR CHALLENGES AND OPPORTUNITES

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ABSTRACT:

The retail sector has played a Phenomenal role throughout the world in increasing productivity of consumer goods and services. This paper provides detailed information about the growth of retailing industry in India. The Indian retail industry is the largest among all the industries, accounting for over 10% of the country GDR and around 8% of the employment. It examines the growing awareness and brand consciousness among people across different Socio-economic classes in India and how the urban, Semi-urban and rural markets are witnessing significant growth. Demand and expenditure of rural consumer are increased, so various scope of retailers in Indian rural retail market. This paper includes growth of retail sector in India, strategies, strength and opportunities of retail stores, recent trends and opportunities and challenges, finally confirmed that the growth of demand and expenditure of rural consumer. It also highlights the challenges faced by the industry in near future.

INTRODUCTION

The Indian retail industry has come forth as one of the most dynamic and fast faced 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. Retailing is not only an important aspect of the economic structure but very much a part of our lives. Although there are many approaches to understanding retailing, mostly emphasis is on retailing as a business activity of selling goods or services to the final consumer.

Modern retailing has entered into the retail market in India as is observed in the form of bustling shopping centers, multi-storied malls and the huge complexes and offer shopping entertainment and food all under one roof. They help the manufacturers to sell their product by providing the right product is available at the right price and at the right place to satisfy the needs of the consumer. In India the vast middle class and its almost untapped retail industry are the key attractive forces for the global retail giants wanting to enter into newer markets, which in turn will help the Indian retail industry to grow faster. Indian retail is expected to grow 25% annually. The future of the Indian retail industry looks promising with the growing of the market, with the government policies becoming more favorable and the emerging technologies facilitating operating.

REVIEW OF LITERATURE :

India is the country having the most unorganized retail market. The status of the retail industry will depend mostly on external factors like Government regulations and policies and real estate price, besides the activities of retailers and of the customers also show impact in retail industry. Purchasing power of Indian urban/rural consumer is growing and branded merchandise in categories like apparels, cosmetics, shoes, watches, beverages, food and even Jewellery are slowly becoming lifestyle products that are widely accepted by the urban Indian consumer. Rural marketing in India Economy has always played an influential role in the lives of people in India, leaving out a few metropolitan cities, all the districts and industrial townships are connected with rural markets. India has a population that is large, heterogeneous, largely English speaking and a cultural heritage that runs back to thousands of years. Indian retailers need to take advantage of this

growth and aiming to grow, diversify and introduce new formats have to pay more attention to the brand building process. The focus should be on branding the retail business itself.

OBJECTIVES :

To analysis rural / urban Indian retail market, its challenges and opportunities.

RESEARCH METHODOLOGY :

To procedure for conducting the study required a lot of attention to be paid for it has a direct bearing an recurring reliable and meaningful information. Information has been sourced from various books, trade journals, government publications, newspapers and internet etc.

STRATEGIES, TRANDS AND OPPORTUNITIES:

Retailing is one of the biggest sectors and it is witnessing revelation in India. Retailing in India is gradually inching its way toward becoming the next boom industry. The whole concept of shopping has altered in terms of format and consumer buying behavior, unhearing in a revolution in shopping in India. The first few companies to come up with retail chains were in textile sector : Bombay, Denim, A' one, Raymond's, S Kumar's etc. The Indian retailing sector is at an inflection point where the growth of organized retailing is going t o take a higher growth trajectory. The Indian population is witnessing a significant change in its demographics. A large young working population with median age of 24 years, nuclear families in urban areas, along with increasing working women population and emerging opportunities in the services sector are going to be key growth drivers of the organized retail sector in India.

CHALLENGES AND OPPORTUNITES

Retailing has seen such a transformation over the past decade that its very definition has undergone a sea change. No longer can a manufacturer rely on sales to take place by ensuring mere availability of his product. Today, retailing is about casting customers in a story, reflecting their desires and aspirations, and forging long –losing relationships. As the Indian customer evolves they expect more and more at each and every time when they steps into a store. Retails today have changed from selling a product or a service to selling a hope, an aspiration and above all an experience that a customer would like to repeat. In India rural market with its vast size and demand base offers great opportunities to marketers. Two thirds of countries customers live in rural areas and almost half of the national income is generated here. 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. However, manufacturers and service. Providers will also increasingly face a host of specialist retailers, who are characterized by use of modern management techniques, based with seemingly unlimited financial resources, organized retail appears inevitable. For retail industry in India, things have never looked better and brighter. challenges to be manufacturers and service providers would abound when market power shifts to organized retail.

CONCLUSION :

The status of the retail industry will depend mostly an external factors like Government regulation and policies and real estate prices, besides the activities of retailers and demands of the customers also show impact an retail industry. 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 term of numbers of employees and establishments. There is no denying the fact that most of the developed economics are very much relying on their sector as a locomotive of growth. The retail industry in India has come forth as one of the dynamic and fact paced industries with several. Players entering t he 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 complete with them. The India retail industry is gradually inching its way towards becoming the next boom industry.

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