

A Study on Recent Trends in India's Modern Retailing Business

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Abstract: *India's retail sector is the largest of all its subsectors. The progressions in the coordinated retail industry are apparent as new retailing designs, present day procedures, select retail outlets, rise of corporate store and so forth. The way people buy things and how they shop have changed in India, causing a shopping revolution. In addition, social changes like the rise of working couples and nuclear families have increased spending power, which has contributed to the rise in personal consumption by Indian consumers. The current study looks at how the Indian retail industry is changing. The present retail industry in India's opportunities and challenges are also the focus of this paper.*

Keywords: Indian consumers, organized retail, the retail industry, opportunities, and challenges

I. INTRODUCTION

Retailing is an integral part of our lives as well as an essential part of the economic structure. Even though people have been trading goods since ancient times, the buying and selling of goods has only recently become more of a formal and brand-dominated activity. Truth be told, today retailing is developing into a worldwide, cutting edge business. Nevertheless, organized retailers like department stores, specialty stores, shopping complexes, malls, and large-scale multiple chains coexist with the traditional forms of independently owned small businesses. Since the year 2000, there has been a significant rise in organized retailing, and with it have come new forms of retailing.

Today, organized retail operations, chain stores, and international investment are beginning to enter. This will cause at least a portion of the retail industry to dramatically expand its scale of operations and better integrate itself into the global economy. This could reduce farm-to-market losses of agricultural products, encourage improvements to infrastructure, and drive the training of middle-class workers.

The following patterns are driving India's retail industry's expansion: a low percentage of organized retailing, a decline in real estate prices, an increase in luxury-goods spending, and an increase in customer aspirations and disposable income. The retailing design in India is quick creating as shopping centers are progressively getting comfortable in huge urban communities. The retailing business, which, until the mid 1990s, was overwhelmed by the chaotic area, saw a fast development in the coordinated area with the passage of corporate gatherings like Goodbye, RPG, ITC and Bennett Coleman and Company into the retailing market. Since the early 1990s,

Indian consumers have been exposed to new domestic and foreign goods through a variety of media, including television and the internet, as a result of the economy's liberalization and expansion. In addition, social shifts such as the rise in the number of working couples and nuclear families, both of which increase spending power, contributed to the rise in personal consumption by Indian consumers. India has the most chaotic retail market of any country. Generally it is a family's vocation, with their shop toward the back, while they maintain the retail business. More than ninety percent of retailers operate in less than 500 square feet of retail space. The Indian retail area is assessed at around Rs 900,000 Crores of which the coordinated area represents a simple 2 percent showing an immense potential market opportunity that is lying in the sitting tight for the purchaser wise coordinated retailer.

TARGETS: To concentrate on the advancement of Indian Retail Industry. To learn about current retail industry trends and challenges in India

II. RESEARCH METHODOLOGY

This research paper was created using secondary sources. Books, journals, magazines, and the internet served as sources for the secondary sources. Whenever necessary, critical analysis has been carried out.

Indian retail business's development: In the past, the retail industry was made up of small retailers known as kirana stores. These stores had shops in the front and houses in the back, where people ran their retail businesses to support their families. The beginnings of organized retail in India can be traced back to the pre-independence period, when the country's established business houses, primarily textile majors, began operating franchised or company-owned retail locations.

There are five stages to the development of Indian retail:

Stage I: Despite the fact that barter would be considered the oldest form of retail trade, India's retail sector has grown to meet the country's specific requirements since independence in light of its size and complexity. The Indian landscape has always had haats, mandis, and melas. They are still present in most of the country and are a necessary part of life and commerce in many places. In India, haats are regular markets that make up a big part of the rural market system. A public gathering of buyers and sellers takes place here at predetermined times and locations. Melas are fairs, and they can be religious or commodity fairs. It is known as melas in virtually every state in India; The country hosts over 25,000 melas annually, according to estimates. It is additionally assessed that the normal outlets in each mela would be more than 800 and the normal deal per mela would be Rs.143lakh. Mandis are market set up by the state government for the offer of horticultural produce straightforwardly from the ranchers. India is home to approximately 6,800 Mandis, who are thought to serve a 36K-strong population.

Stage II: Established textile majors' forward retail integration was primarily responsible for the initial development of modern retail in India. Bombay Dyeing, the Raymond Group, the S Kumars Group, and Bata, to name a few, were major players in this era. Cooperative organizations and departments of the federal and state governments, such as Mother Dairy, Kendriya Bhandar, Super Bazaar, and the Public Distribution System, played a crucial role as prominent Indian Market retailers. In addition, regional chains like Nilgiris and Foodworld emerged during these early years, primarily in the southern region. Some of these chains later expanded nationwide. These stayed the main coordinated retailers in the country for a seriously extensive stretch, till the post 1990 period saw a new flood of contestants in the retailing industry.

Stage III This stage saw the passage of unadulterated play retailers, and not the producers, extending container India instead of work provincially. It is fascinating to take note of that most new retailers like Pantaloons, Customers Stop and Way of life, of this period zeroed in predominantly on attire and other related style classifications. During this time, the Indian economy opened to first-generation international brands like Nike, Reebok, Adidas, Levi Strauss, and McDonald's, among others. In terms of growth, new entrants' entry, and development,

Stage IV is perhaps the most active phase in the Indian retail industry. The Indian retail industry experienced rapid expansion due to a large, young consumer market, a growing middle class, and rising disposable incomes. During this time, large industrial conglomerates like Mahindra and Mahindra, Reliance, Tata, Aditya Birla, and Essar entered the Pan-India retail arena after realizing the enormous potential of the domestic market, which was largely untapped. Global retailers like Metro AG, Max Retail, Hyper City, and others were attracted by their success. New formats like cash and carry, large-format discounters, food courts, multiplexes, children's play zones, and gaming zones emerged during this time. There was frantic activity on the real estate front, with numerous mall proposals and developments in major metros and upcoming tier-II cities. The size of the shopping centers likewise went through fast change from a typical size of 150,000-200,000 sq. ft. to 500,000-1,000,000 sq. ft. In a setting characterized by economic liberalization and a rising purchasing power parity (PPP) index among domestic consumers, the luxury product segment was quickly drawn to the rapid growth. Since the FDI policy of 2005-2006 allowed single-brand foreign retailers to take up to 51% stake in a joint venture with a local company, several premium brands have entered the market

Stage V: Retail chains are likely to concentrate on consolidations in order to cut costs and remain competitive in the market in light of the difficulties the industry is currently facing. Companies are increasingly focusing on improving their existing operations and evaluating consolidation as a growth strategy. Customers can now enjoy a world-class shopping experience at urban shopping malls. Supermarkets and hypermarkets eventually emerged. Continuous advancements in technology, back-end operations, distribution channels, supply chain management, and other areas all contribute to the sector's development. this would at last prompt a greater amount of combination, consolidations and acquisitions and immense ventures.

Retail industry trends

The rise of organized retail: The country's real estate development, including the construction of mega malls and shopping malls, is contributing to the organized retail industry's expansion.

Spending limit of youth of India: India has a huge youth populace, which is a helpful climate to development of this area.

Raising wages and buying power: Between 2000-01 and 2009-10, India's per capita income increased by a factor of two, resulting in increased purchasing power.

Changing customers' mindsets: The mindset of customers is gradually shifting away from low prices toward improved convenience, high value, and a more satisfying shopping experience.

Customer credit is simple: The development of ideas like quick and easy loans, EMIs, and credit card loans has made it possible for Indian consumers to buy consumer durables and other goods.

Higher brand awareness: The youth are very familiar with the brand; The fact that 60% of the population of India is under the age of 30, which has led to the popularity of brands and products, makes it difficult to sell them internationally.

India still has a long way to go before it can truly have a retail industry that is on par with international standards, despite the fact that it has well over 5 million retail outlets of varying sizes and styles.

This is where Indian organizations and Global brands play a colossal part to play.

Ineffective management of the supply chain: Indian retailing is as yet overwhelmed by the chaotic area and there is as yet an absence of proficient inventory network the executives. India needs to focus on improving the management of its supply chain. This would lower the cost of inventory, which would then be passed on to customers in the form of lower prices.

Absence of Retail space: The majority of retail establishments in India are smaller than 500 square feet in size. By international standards, this is a very small amount. Social Variety: Due to its enormous size and socioeconomic and cultural diversity, India does not have a standardized consumption pattern. It will be difficult for retailers and manufacturers to come up with strategies for different market segments and sectors on their own.

Land issues: Real estate is in high demand due to the rapid expansion of the retail sector. Property designers are making retail land at a forceful speed. India will require more retail space than it currently does due to the numerous supermarkets and hypermarkets that are anticipated to open.

Human asset issues: The organized retail industry in India faces difficulties due to a shortage of trained workers. Indian retailers have a hard time finding trained workers and have to pay more to keep them. The profits of the Indian retailer are once more reduced as a result.

Fakes in Retail: It is one of the most significant obstacles that businesses would have to overcome. The challenges that are difficult to manage include vendor fraud, theft, shoplifting, and inaccuracy in supervision and administration. Even after employing security measures like POS systems and cameras, this remains the case. As the size of the area would build, this would expand the quantity of burglaries, cheats and errors in the framework

III. CONCLUSION

Ineffective procedures are the result of the country's inadequate infrastructure and distribution channels. This is a big problem for retailers because a bad distribution channel is hard to manage and can cost a lot of money. India does not have a solid foundation for infrastructure. Companies are being compelled to construct infrastructure facilities as a result of globalization and urbanization. Transportation, including railroad frameworks, must be more effective. Highways must meet international standards. Air terminal limits and power supply must be improved. Other obstacles include timely distribution and warehouse facilities. In conclusion, the majority of the retail sector in India is unorganized. The unorganized sector's competition is the organized sector's primary obstacle. In India, unorganized retailing has existed for centuries. Unorganized retailing has a major advantage in that customers are familiar with each other from generation to generation. It is a minimal expense structure; They have low real estate and labor costs, are mostly run by owners, and pay low taxes. The organized retail industry in India is very small but has a lot of potential. These significant obstacles must be removed in order to fully utilize India's retail sector potential.

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