

Impact of the Globalization Era on Retail Marketing in India

Dr. Wani Murlidhar Namdeo

M. M. Jagtap College of Arts, Science and Commerce, Mahad-Raigad, Maharashtra, India

Abstract: *In the present era management is playing a pioneer role in retail marketing in India as well as every filed. It explains the different techniques of management function in a very illustrative manner for the use of manager who is accountable to carry out the day today activities of the retail marketing to accomplish the objectives within the time schedule and available resources. Recently retailers are increasing the sophistication of retail operation and decision making tools for coordination their supply Chain, buying merchandise & managing strove operation retailing consists of all activities involved in selling goods, service to consumer for their personal family or household use by internet channel and communication by mobiles. It cover sale of goods raping from Automobiles, Food Product, Air Travel, Computer Education etc*

Keywords: Food Product

I. INTRODUCTION

In the present era management is playing a pioneer role in retail marketing in India as well as every filed. It explains the different techniques of management function in a very illustrative manner for the use of manager who is accountable to carry out the day today activities of the retail marketing to accomplish the objectives within the time schedule and available resources.

Now a day in India we see a rise in the purchasing power and growth of a middle class which follows the western lifestyle. Hence conditions are conducive for the rapid growth of organized retail in India. But the Indian rural marketing environment is different from that of western countries. The rapidly rising income levels of Indian consumers and changing life style so that growth of retail marketing in India.

Recently retailers are increasing the sophistication of retail operation and decision making tools for coordination their supply Chain, buying merchandise & managing strove operation retailing consists of all activities involved in selling goods, service to consumer for their personal family or household use by internet channel and communication by mobiles. It cover sale of goods raping from Automobiles, Food Product, Air Travel, Computer Education etc.

The retail marketing contributed to the Economic growth in the many countries and is undoubtedly one of the fastest changing and dynamic industries in the world today.

Retailing is still in its infancy in India. In the name of retailing, the unorganized retailing has dominated the Indian landscape so far. According to an estimate the unorganized retail sector has 97% presence whereas the organized accounts for merely 3%. Industry has already predicted a trillion dollar market in retail sector in India by 2010. However, the retail industry in India is undergoing a major shake-up as the country is witnessing a retail revolution.

A McKinsey report on India (2004) says organized retailing would increase the efficiency and productivity of entire gamut of economic activities, and would help in achieving higher GDP growth. At 6%, the share of employment of retail in India is low, even when compared to Brazil (14%), and Poland (12%). Govt of India's plan of changing the FDI guidelines in this sector speaks of the importance attached to retailing. Recently moves by big corporate houses like Reliance Industries has further fuelled the major investments in retail sector. A strategic alliance, land acquisitions in prime areas give the essence of the mood in this sector.

Objective of the study:

The Indian retailing market is instate of inefficiency and is quite likely that a section of the domestic retailing marketing will be severely due to entry of foreign retail marketing. To keep pace with Indian retail marketing the following factors will taken in to consideration-

Growth of infrastructure in India.
Growth of population
Increase inflow of FDI investment and Funds.
Growth of purchasing power, per capital income and spending money on life style.
Implementation of IT in retail marketing management.

Scope of the study

As the present study is empirical in nature the scope of the study is made limited only to understand the retailing management in India and impact of retail marketing after post Globalization era due to limitation of time and resources only secondary data collected from various reference books and website information.

Feature of the Retailing in India

Retailing can be distinguished in various ways from business as manufacturing in the following way;
Location is a critical factor.
Larger number of retail units and converge of all India geographical area.
Sales at the retail level are in smaller unit.
There is direct and user interaction in retailing.
To provide a platform for sales promotions.

Main drivers of Retailing in India:-

Rising Income: -over the past decade Indian middle class population's income rapidly growth of over 10% per annum.

Change in consumer behavior:-The rural and urban woman today is literates and employed so that family structure are shifted. They want everything under one roof and bigger choice of productions. They spent her income 1.3 times that of a housewife.

Consumerism Cycle: -In past time the distributor gains control over market but today retailers turn into control over market because they recommendations matter and figures of authority.

Establishment of the supply chain:In the last decade the consumer goods sector has been transformed by increased liberalization reduce in various taxes, quota etc. all this has enabled chain retail to enjoy better range depth sourcing options. Most retails have stores 5000-7000 units.

Consumer pull: - In today's demand- led market or consumer orient market. There has been significant evolution in the Indian consumer mainly due to liberalization of the goods and services.

New entrepreneurs:-the growing attractiveness of the retail trade has begun to attract new entrepreneurs with ideas, venture capital, funds etc. The I.C.I.C.I and IL&FS are also provided venture capital to retail business man.

Explosion of media: - there has been an explosion in media like television, mobiles, internet, and website;etc.This media bombardment has exposed the Indian consumer to the more choice, value, services, experience,and convenience.

Foreign retailers looking for entry options:-InIndia retails sector has been increasing day today. So that number of global MNC and retailers interest attracted in Indian retail marketing. While foreign retailers and MNC can not start operation ontheir own mainly because FDI restrictions on the sector. But some global companies joint ventures in India.

Technological impact: -Modern technology is probably the most dynamic change agent in the retailing sector. The computerization of the various operations in a retails store such as inventory management bar coding MIS system etc. as well as a lot of facilities is provided to customers as to use of credit card, Debitcard, and Smart card. And toll free nos for better shopping.

Building chains around brands:-Apparel footwear and consumer durable brands have driven the growth of specially chains and upgraded existing multi brand outlets. Like Reebok. Bata Etc. Thus there is an extension of consumer brand seeking like promise, trust, comfort, image from products to stores.

Expansion of Family-owned Businesses:- The younger generation however is far more aware of the most cost of real estate or indeed of higher margin retailing opportunities moving up to never business opportunities and creating the space for a new model will take top priority.

Awareness in Rural Market:-The rural market is beginning to emerge as an important consumption area, accounting for over one third of the demand for most key consumer durables and non durable products.

Entry of the corporate sector:- In today retailing sector as a rapidly growth opportunity has increased visibly so that Tata's ITC and RPG group the piramals and Rahejas have investment in retailing. This is the only business where onebuys in credit and sells for cash.

Change in scale of Operations:- Indian's largest consumer goods company has dedicated a special term to deal with these emerging power retailers. In the supermarkets directly huge scale purchasing for retail marketing.

Emergence of hubs of retail activity:- In Mumbai, Chennai, Bangalore, and Hyderabad have become major retail hubs. In the Mumbai and Chennai about 17% of foot sales flow through supermarkets as well as consumer durable goods sales come from specially chains system and moll, supermarkets etc.

The Hidden Challenges:-

Retail differentiation:- Thus challenges like retail differentiation, merchandising mix, supply chain management and competition from supplier's brands are the talk of the day. In India, as we are moving to the next phase of retail development, each endeavor to offer experiential shopping. One of the key observations by customers is that it is very difficult to find the uniqueness of retail stores.

Significant losses/damages during shipping:- India lacks a strong supply chain when compared to Europe or the USA. The existing supply chain has too many intermediaries: Typical supply chain looks like:- Manufacturer - National distributor - Regional distributor - Local wholesaler - Retailer - Consumer. This implies that global retail chains will have to build a supply chain network from scratch. This might run foul with the existing supply chain operators. In addition to fragmented supply chain, the trucking and transportation system is antiquated. The concept of container trucks, automated warehousing is yet to take root in India.

Customer insight, allocation and assortment techniques:- Merchandising planning is one of the biggest challenges that any multi store retailer faces. Getting the right mix of product, which is store specific across organization, is a combination of customer insight, allocation and assortment techniques.

Customer experience of supplier's brand:- The private label will continue to compete with brand leaders. So supplier's brand will take their own way because they have an established brand image from last decades and the reasons can be attributed to better customer experience, value vs. price, aspiration, innovation, accessibility of supplier's brand.

Strategies Right Positioning:- At this stage, the communication has to be more of relative nature. The mall developer can create awareness about the offering among the target customers in a number of ways. Various communication tools available to the mall developer for this purpose may include advertising, buzz marketing (WoM), celebrity endorsement, use of print media, press releases and viral marketing. Once the message is being conveyed through these channels, the mall developer must add a personal touch to his message by carrying out a door-to-door campaign in order to reinforce the message.

Effective Visual Communication:- Retailer has to give more emphasis on display visual merchandising, lighting, signage's and specialized props. The visual communication strategy might be planned and also be brand positioned. Theme or lifestyle displays using stylized mannequins and props, which are based on a season or an event, are used to promote collections and have to change to keep touch with the trend. The merchandise presentation ought to be very creative and displays are often on non-standard fixtures and forms to generate interest and add on attitude to the merchandise.

Strong Supply Chain:- Critical components of supply chain planning applications can help manufacturers meet retailers' service levels and maintain profit margins. Retailer has to develop innovative solution for managing the supply chain problems. Innovative solutions like performance management, frequent sales operation management, demand planning, inventory planning, production planning, lean systems and staff should help retailers to get advantage over competitors.

Changing the Perception:- Retailers benefit only if consumers perceive their store brands to have consistent and comparable quality and availability in relation to branded products. Retailer has to provide more assortments for private level brands to compete with supplier's brand. New product development, aggressive retail mix as well as everyday low pricing strategy can be the strategy to get edge over supplier's brand.

Recent trends in Retail sector:-

The way the Indian retail industry developing presents an opportunity no less than a goldmine unearthed for vendors. The unorganized sector a sizable portion of the retail industry are lagging behind in terms of latest practices or trends. In contrast, the organized sector seems to have reached a point of no return. The growth is constant and is expected to continue.

Retail industry is one of the largest industries in the world by number of businesses and number of employees.

Wal-Mart continues to dominate as the World's Biggest Retailer.

Various kinds of retail formats in the organized retail sector are supermarkets, departmental stores, convenient stores, specialty stores, hypermarkets and so on.

It is not just the global players like Wal-Mart are eyeing to capture a pie of this galloping market but also the domestic corporate behemoths like Reliance, Neel Kamal, KK Modi, Aditya Birla group, and Bharti group too. Retailing in India Most of grocery retailers are region centric to suit different segments and taste preferences.

E-Retailing or internet retailing is also emerging as a new trend all over the world. E.g. E.Bay and Rediff are providing a platform to vendors to sell their products online and they do not take the responsibility of delivering the product to buyer.

Rural Retailing- rural retailing is witnessing explorations by companies – ITC's Choupal Sagar, HLL's project Shakthi and Mahamaza are some of the models being tried out.

Tie up of Wal-Mart with Bharti group to open the first store in Amritsar, India can script a new chapter in Indian retail sector.

II. CONCLUSION

In the developed countries like India the retail marketing has developed into a full fledged business where more than fourths of the total retail trade is done by the organized sector. In India is having the most unorganized retail market. But first began opening its economy. Today 25% to 30% of trading by organized sector and retail marketing is the largest source of employment after agriculture and generates more than 10% of country's gross domestic product. In their preparation to face fierce competitive pressure, Indian retailers must come to recognize the value of building their own stores as brands to reinforce 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. The globalization and liberalizations have opened new visitors for the establishment of service generating organizations. Globalization as always favorable to developed trade partners as they have better competitive capacity than the poorer countries like India, so that to state FDI policy immediately in retail sectors. Retail industry is one of the largest industries in the world by number of businesses and number of employees. Various kinds of retail formats in the organized retail sector are supermarkets, departmental stores, convenient stores, specialty stores, hypermarkets and so on. We can conclude with Dr. Abdul Kalam's "**Provision for Urban Amenities in Rural Areas**" with a new vision this could provide a better opportunity to the retail sector. There is a need for '**GLOBAL VISION and LOCAL ACTION**'.

REFERENCES

- [1]. Marketing strategies in Retail sector:- Rabi N. Nisra- Discovery publication house pvt Ltd. New Delhi=2010
- [2]. Levy, Michel; and Weitz, Barton A. Retailing Management .New Delhi, Tata McGraw-Hill Publishing Company Limited, 2002.
- [3]. Mariton, John. Smart Things to Know about Brands and Branding .Mumbai, Indian Books Distributors Limited, 2000.
- [4]. Modern retail management_ J.N. Jain and P.P.Singh, S.K. Bhatia – regal publications New Delhi-2007.
- [5]. www.indiatimes.com www.blonnet.com
- [6]. "Mall Management strategies" www.pearlacademy.com
- [7]. www.iimcal.ac.in/intaglio/downloads/Retails.doc.
- [8]. www.imagesfashionsforum.com/fashion_vision4.htm
- [9]. [www. Googal.com](http://www.Googal.com) / Retail management in India.