



Retail Marketing

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Abstract:- The retail sector of India has come forth as one of the most dynamic and second fastest growing industrial economy with several players entering the market. India having the most organized retail market. This paper provides detailed information about the growth of retailing industry in India. It examines the growing awareness and brand consciousness among people across different socio-economic classes in India and how the urban and semi-urban retail markets are witnessing significant growth. In India the vast middle class and its almost untapped retail industry are the key attractive forces for global retail giants wanting to enter into newer markets, which in turn will help the India Retail Industry to grow faster. The paper includes growth of retail sector in India, industry evolution, retail format in India, recent trends, and opportunities and challenges. This paper concludes with the likely impact of the entry of global players into the Indian retailing industry.

Key words: consumer, buying patterns. Organized retail, retail service factors, customers retention.

I. INTRODUCTION

Retail marketing deals with identifying and meeting human and social needs. Retail marketing is typically seen as the task of creating promotion and delivering goods and services to retail consumers. Liberalized financial and political environment in India has prompted a wave of large number of entrants into the country's rapidly growing retail industry during the past few years. The total concept and idea of shopping has undergone an attention drawing change in terms of format and consumer buying behaviour, ushering in a revolution in shopping in India. The modern retailing has entered into the retail market in India as is observed in the form of bustling shopping centres, multi-stored shopping, entertainment and food all under one roof.

Evolution Of Retailing

- Traditionally retailing in India can be traced to
- The emergence of the neighborhood, Kiranai stores catering to the convenience of the consumers. 1980s experienced slow change as India began to open up economy.

- Textiles sector with companies like Bombay Dyeing, Raymond's, S Kumar's and Grasim first saw the emergence of retail chains
- Later Titan successfully created an organized retailing concept and established a series of showrooms for its premium watches
- The latter half of the 1990s saw a fresh wave of entrants with a shift from Manufacturers to Pure Retailers.
- For e.g. Food World, Subhiksha and Nilgiris in food and FMCG; Planet M and Music World in music; Crossword and Fountainhead in books.
- Post 1995 onwards saw an emergence of shopping centers
- Mainly in urban areas, with facilities like car parking
- Targeted to provide a complete destination experience for all segments of society
- Emergence of hyper and super markets trying to provide customer with Value, Variety and Volume.
- At year end of 2000 the size of the Indian organized retail industry is estimated at Rs. 13,000 crore.

Recent Trends

- Retailing in India is witnessing a huge revamping exercise.
- India is rated the fifth most attractive emerging retail market: a potential goldmine.
- Estimated to be US\$ 200 billion, of which organized retailing (i.e. modern trade) makes up 3 percent or US\$ 6.4 billion.
- Ranked second in a Global Retail Development Index of 30 developing countries drawn up by AT Kearney.
- Multiple drivers leading to a consumption boom:

- Favorable demographics
- Growth in income
- Increasing population of women
- Raising aspirations: Value added goods sales
- Food and apparel retailing key drivers of growth
- Organized retailing in India has been largely an urban
- Phenomenon with affluent classes and growing number of double-income households.
- More successful in cities in the south and west of India. Reasons range from differences in consumer buying behavior to cost of real estate and taxation laws.
- Rural markets emerging as a huge opportunity for retailers reflected in the share of the rural market across most categories of consumption.

Growth Of Retail Sector In India

- ❖ Retail and real estate are the two booming sectors of India in the present times.
- ❖ Retail, one of India's largest industries, has presently emerged as one of the most dynamic and fast paced industries of our times with several players entering the market.
- ❖ Is gradually inching its way toward becoming the next boom industry.
- ❖ As the contemporary retail sector in India is reflected in sprawling shopping centres, multiplex-malls and huge complexes offer shopping, entertainment and food all under one roof .
- ❖ The concept of shopping has altered in terms of format and consumer buying behaviour, ushering in a revolution in shopping in India.
- ❖ This has also contributed to large-scale investments in the real estate sector with major national and global players investing in developing the infrastructure and construction of the retailing business.

The trends that are driving the growth of the retail sector in India are

- Low share of organized retailing
- Falling real estate prices
- Increase in disposable income and customer aspiration
- Increase in expenditure for luxury items.
- ❖ The prospects of the retail sector in India is the increase in the young working population.
- ❖ Increasing working-women population and emerging opportunities in the services sector.

- ❖ These key factors have been the growth drivers of the organized retail sector in India which now boast of retailing almost all the preferences of life - Apparel & Accessories, Appliances, Electronics, Cosmetics and Toiletries, Home & Office Products, Travel and Leisure etc...
- ❖ Retail sector in India is witnessing rejuvenation as traditional markets make way for new formats such as departmental stores, hypermarkets, supermarkets and specialty stores.
- ❖ In india,after agriculture, the retail is the second largest sectore that provides enough employment to India workforce.

Organize retailing top ten players

- Pantaloon
- K raheja group
- Tata group
- Rpg group
- Land mark group
- Pirma group
- Subhiksha
- Bharti – walmart
- Reliance
- Au birla group.

Challenges & Opportunities

- ❖ 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 so much more than mere merchandising. Its about casting customers in a story, reflecting their desires and aspirations, and forging long-lasting relationships.
- ❖ Retail today has changed from selling a product or a service to selling a hope, an aspiration and above all an experience that a consumer would like to repeat.
- ❖ For manufacturers and service providers the emerging opportunities in urban markets seem to lie in capturing and delivering better value to the customers through retail.
- ❖ Chennai CavinKare, LimeLite, Marico, Kaya Skin Clinic and Apollo Hospital, Apollo Pharmacies are examples, to name a few, where manufacturers/service providers combine their own manufactured products and services with those of others to generate value.

❖ manufacturers and service providers face an exploding rural market yet only marginally tapped due to difficulties in rural retailing.

❖ **Challenges Faced by the Retail Industry:**

❖ **International Standards**

Even though India has well over 5 million retail outlets of different sizes and styles, it still has a long way to go before it can truly have a retail industry at par with International standards. This is where Indian companies and International brands have a huge role to play.

❖ **Inefficient supply chain management**

Indian retailing is still dominated by the unorganized sector and there is still a lack of efficient supply chain management. India must concentrate on improving the supply chain management, which in turn would bring down inventory cost, which can then be passed on to the consumer in the form of low pricing.

Lack of Retail space

Most of the retail outlets in India have outlets that are less than 500square feet in area. This is very small by International Standards.

Cultural Diversity

India's huge size and socio economic and cultural diversity means there is no established model or consumption pattern throughout the country. Manufacturers and retailer will have to devise strategies for different sectors and segments which by it would be challenging.

Real estate issues

The enormous growth of the retail industry has created a huge demand for real estate. Property developers are creating

retail real estate at an aggressive pace. With over1,000 hypermarkets and 3,000 supermarkets projected to come up by 2011, India will need additional retail space of compared to today.

Human resource problems

Trained manpower shortage is a challenge facing the organized retail sector in India. The Indian retailers have difficulty in finding trained person and also have to pay more in order to retain them. This again brings down the Indian retailers profit levels.

CONCLUSION

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 terms of numbers of employees and establishments. There is no denying the fact that most of the developed economies are very much relying on their retail sector as a locomotive of growth. The Retail Industry in India has come forth as one of the most dynamic and fast paced industries with several players entering the market. The retail sector is one of the key sectors in the Indian economy hence the majore contribution part of retailing in the Indian economy would ensure the prosperity of the nation in terms of employment creation and deployment of resources. Thus the India Retail Industry is gradually inching its way towards becoming the next boom industry.

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