

Retail Sector In India

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1. Introduction

Retail is a trade in which business purchase goods from manufacturers & Wholesellers in small quantities & sell these goods to ultimate user or consumers the Indian retail industry divided into organized & unorganized sector. Compared of organized sector the Indian retail industry is one of the fastest growing industry specially last few years in retaining mostly India has unorganized however with the change more popular these days & getting org as well.

In Retailing availability of quality retail space wider availability of product & Brand Communication are some of the factors that are driving the retail this sector is also supporting to Create huge employment to understand consumer behavior towards organized & unorganized retail stores & to find the consumers satisfaction level from organized retail stores and unorganized retail stores.

The unorganized retail compared of the local Kirana shop & the other manned general stores these retailers normally do not pay taxes & most of them are no even registered for sale tax, VAT or income tax unorganized retailing is defined as an outlet which is run locally by the owner or the caretaker of a shop who lacks the technical & the accounting standardization. The supply chain & the sources also usually done locally to meet the local needs unorganized merchandising refers to the normally formats of cheap retail the native Kirana retailers the owner manned general stores the convenience store hardware stores the convenience store hardware store at the corner of ones streetsmall medical shops etc. small store (Kirana) has been one of the exists way to generate what is called self employment as it requires a very limited investment in land capital & labor it is generally a family run business there is lack of standardization & the retailers who run this store lack education experience & exposure.

In Indian retail sector has came off age & has gone through major transformation over the last decade with a noticeable shift towards org. retailing at Kearney a us based global management consulting firm has ranked India as the fourth most attractive nation for retail investment among 30 flourishing markets the retail market is expected to reach a whopping Rs.47 lakh core by 2016-2017 asset expands at a compounded annual growth rate of 15%.

The retail market (Including organized&Unorganized retail) was at Rs. 23 lakh core in 2011-12 according to the study organized retail that comprised just percent of the Over of the overall retail market in 2011-12 is expected to grow at a CAGR of 24% & attain 10.2% share of the total retail sector by 2016-17.

2. Retail Classification

Retail industry can be broadly classified into two categories normally-organized&unorganized retail

(A) Organized Retail :-

Organized traders/retailers who are licensed for trading activities & register organized retailing It is a place all the items are segregated & Brought under one roof, unlike the unorganized retail where there are different things are sold in different shops organized retailing comprise mainly of modern retailing with busy shopping malls multi stored mall sand huge complexes that offer a large variety of products in terms of quality value for money & makes shopping at memorable experience etc. to pay taxes to the government experience.



3. Advantage of Organized Retail

1. Improvement on government Revenues :-

Unorganized retailers usually do not pay the taxes to government with more organize retailing there will be a rise in the government revenue a more taxes will be paid

2. Exports will be boosted :-

Once product are part of the organized retail chain they can specially through similar organized retailing

3. Improve Employment :-

Organized retailing will help in providing employment opportunities to many & hence help in solving the problem of unemployment in our country.

4. Help in raise productivity :-

Unnecessary links can be avoided between producer & the consumer with organized retailing whole sellers& retailers can take a back seat & producers can sell their products on a better price and consumer can purchase the same at the lower cost comparatively.

5. Workers in the organized sector enjoy security of employment.
6. They work only a fixed number of hours if they work more they have to be paid overtime by employers.
7. They also get served other benefits form the employers like paid leaves payment during holidays provident fund quarterly
8. The organized retail industry in India is faced with stiff competition from the unorganized sector
9. There is a shortage of quality real state & infrastructure requirements in our country
10. Opposition to foreign affects direct investment from small traders affects retail industry.
11. Shortage of retail space in central & downtown location also hinders the growth of retail industry.

4. Weakness of org retail Sector :-

1. Lack of skilled labor
2. Poor supply chain management
3. Limited consumer insight
4. Lack of adequate basic infrastructure facilities

5. Objectives/aim :-

1. To import need-based training to the unemployed youth to increase their employment in key sectors of our economy
2. To offer full time part time format & non format programmes to upgrade the management skill in small scale business & industry
3. To provide special training for small business development utilizing locally available resources
4. To conduct Vocational to meet the specific need of industry & business
5. To conduct retraining for professionals & executives in industry business and service sector so as to enable them to scope with the fast changing technology & managerial environment.
6. To conduct in service training to workers in the industries of organized& unorganized sectors for the enhancement of productivity & equip them to meet the challenges of changing Technologies.
7. To make identify needs of specific sectors & plan & organize suitable training programmes for them.
8. To develop & publish training materials for regular & establish partnership with industries of requirement& training needs

6. Opportunities for Indian Retail Sector :-

1. There is a huge potential for investment
2. The growth of rate the sector very attractive
3. It is one of the fastest growing sector in India

7. Unorganized retails :-

It consists of unauthorized small shops conventional Kirana shops, general stores corner shops among various

other retail outlets but remain as the radiating force of India retail industry traditional or unorganized retail outlets are normally street markets counter stores kiosks & vendors where the ownership& management rest with one person only this sectors accounts for the two thirds of the market & requires low skills labor these are highly competitive outlets with negligible rental costs [unregistered kiosks or traditional property] cheap workers [work is shared by members of family] & low taxes.



8. Growth of Indian Retails Landscape

Years	Billion Retail Growth
2008	368
2010	421
2012	478
2014	501
2016	548
2018	596
2020	627

9. Advantages

1. Convenient Location :-

The most important advantages of unorganized retailer is convenient store location

2. Lower Investment :-

It's easy to establish as well as it require very nominal investment display furniture low investment indirectly creates an advantage of high return & very less gestation periods

3. Flexibility in operation :-

Traditional retail format in the forms of Kiranawala & provision stores are enjoying the most important advantages of flexibility. As the organization structure is narrow as well as design taking capacity with its owner provides flexibility in terms of the fashion not only this but as there is change in demand trend fashion as expectation of cost.

4. No Requirement of skilled staff :-

As the operation in the organized retailing are of basic nature there is no requirement of specialized staff person can be train within short period time

5. Credit period :-

Unorganized retailer is attracting customer by enhancing their purchasing power through providing credit to regular customer.

10. Disadvantage

1. Non availability of quantitative discount
2. Non availability of new arrival
3. Lack of specialty product
4. No job security
5. No regular Income
6. No fixed working hours
7. Low scale of organization
8. No other benefits like paid holidays medical leave pension etc.
9. In unorganized sector there is no provision for overtimes paid levels
10. Employment is subject to high degree of insecurity
11. Landless & casual labor come under unorganized section
12. Lack of support from government

11. Objective

1. To know the reason why unorganized retail sector in India dominating
2. To know the importance & opportunities & Challenges in unorganized retail sector
3. Attitude of consumers towards unorganized retail V/s Org Retail.

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Unorganized retailing refers to the traditional formats of low cost retailing. **Example :-** Local Kiran shops, owner general Stores convenience store, Hand carrot & payment vendors. Traditional or unorganized retailing continuous to be the backbone of the Indian retail industry, with traditional retailing contributing to over 95% of total retail revenues. The prototypical 'banyan' outlets or the corner store comprise a key part of Indian retail store formats mostly run as small family business. The unorganized retailing comprises of mom and pop' stores or 'Kirana' stores. These are very small shops located near the residential areas, popularly known as Kirana shops. The unique marketing preposition of this store is location advantage. These shop owners in order to retain their customer can even go their customer's house to get orders. Trading hours are flexible and the retailer to consumer ratio is very low due to the presence of several kirana stores in the locality. Credit facility varies from store to store and customer to customer. Customers' reliability and relation with the shopkeeper is enough to avail credit facility. Branding is not a criterion to attract the customers, as customers prefer low-priced products. More than 99% customers are price sensitive and not quality or brand sensitive at the same time they are brand conscious also. Further retailer's suggestions and recommendation regarding any product or service plays a significant role in the customer's purchase decision. More than 99% of retailers function in less than 500 Sq. Ft of area. The pricing was done on ad hoc basis or by seeing the face of customer. More than 99% customers are price sensitive and not quality or brand sensitive at the same time they are brand conscious also. Traditionally, retailers procure merchandise from whole seller in bulk and sell in small quantities to the ultimate customer. All the merchandise was purchased as per the test & fancies of the proprietor.

6. Conclusion

Unorganized retail sector through some tough challenges exist such as inefficient supply chain management, getting approvals from government, adoption of new technologies and E-commerce. Some of the main concerns of the unorganized retail sectors were variety, special offers, home delivery, ambience and price. So finally we can say that there is growth for retail sector though some tough challenges exist. Retail can overcome these challenges by grabbing the opportunities available.