

Indian Journal of Modern Research and Reviews

This Journal is a member of the '*Committee on Publication Ethics*'

Online ISSN: 2584-184X



Research Article

A study on challenges & Issues to organized retailing in India

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DOI: <https://doi.org/10.5281/zenodo.20626883>

Abstract

The Indian Retail Industry is huge. It makes up than 10 per cent of India GDP and provides jobs to around 8 per cent of the people. The Retail Market in India is growing fast. Many companies are joining in. Not all are succeeding. This is because they need to invest a lot of money to compete with companies. The Indian Retail Industry is slowly becoming an industry. Wholesale trading is also growing rapidly. Companies like Metro AG from Germany and Shoprite Holdings from South Africa are already doing well in this area. They have opened stores in Bangalore and Mumbai that sell products in bulk. In India, the Retail Market provides jobs to people. It is the biggest employer after agriculture. However, the retail sector is not organised. Most retail shops in India are small and owned by one person. There are over 12 million outlets in India. The Issues in Retail in India include the need for a lot of money to start and run a business. The Retail Market in India has a lot of potential for growth. The Indian Retail Industry will keep growing. The Retail Market is a part of India economy.

Key Word: Retail Market, Issues in Retail in India.

INTRODUCTION

The retail industry is really big in the United States. It has a lot of stores and a lot of people working in it. The retail industry is also huge around the world. In the United States, the retail industry gives jobs to more than 22 million Americans. It also makes more than \$3 trillion from sales every year. The retail industry is a sector that is worth \$7 trillion.

The retail industry in India is about to see some changes. This is what the Images-KSA India Retail Report 2021 says. The report says that by 2015, India will have over 550 million people who are under the age of 20. This means there are a lot of opportunities for stores that sell things to kids and teenagers. Wholesale trading is another area that can grow fast. Some big companies like Metro AG from Germany and Shoprite Holdings from South Africa have already started selling things in bulk in cities like Bangalore and Mumbai.

In India, there are a lot of people in the class, and the retail industry is still not very developed. This makes India an attractive place for big retail companies from other countries who want to expand. When these companies come to India, they will help the Indian Retail Industry grow faster. The Indian retail industry is expected to grow by 25 per cent every year. By 2016, the modern retail industry in India could be worth \$175-200 billion.

Article History

- ISSN: 2584-184X
- Received: 09 Mar 2024
- Accepted: 27 Apr 2024
- Published: 30 Apr 2024
- MRR:2(4) Apr. 2024: 20-25
- ©2024, All Rights Reserved
- Peer Review Process: Yes
- Plagiarism Checked: Yes

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OBJECTIVE OF THE STUDY

The goal of research is to find answers to questions in a scientific way.

Each research study has a purpose. When we talk about this research, there are goals:

- Find out the problems faced by the retail industry.
- Identify which problems are hurdles to organised retailing in India.
- Remove these hurdles to organised retailing in India.

The main aim of research is to answer questions in a way. The retail sector plays a role worldwide in making consumer goods and services more productive. Now, let's look at retailing in India. The retail industry is the largest employer after agriculture. However, it is highly scattered and mostly made up of independent shops managed by their owners. This research highlights the problems faced by organised retailing in India. The retail industry has an impact on the economy. It provides jobs and helps consumers access goods and services easily. In India, retailing is a sector that needs to be organised. We need to find solutions to the problems it faces. The problems faced by retailing in India need to be addressed. The retail sector in India faces challenges. These challenges need to be overcome for the sector to grow. Organised retailing in India is crucial for its growth. The research will help in understanding the industry in India. It will also help in finding ways to improve it. The retail industry in India has a lot of potential. It can grow if the right steps are taken. The research aims to contribute to the growth of the sector in India. The growth of the sector will benefit the economy. It will also benefit the consumers. The research is an attempt to make an impact on the retail industry in India. The retail sector is a part of the economy. It needs to be developed for the economy to grow.

Retail Industry A Global Opportunity:

Retail is an industry in the United States. It has the most businesses and jobs. There are lots of businesses around the world.

- The retail industry has more than 22 million workers in America.
- It makes over \$3 trillion in sales every year.

Retail is a \$7 trillion business in the U.S.

Wal-Mart is the retailer in the world.

It is also one of the employers with over 1 million workers.

Wal-Mart is a successful retail brand because it uses its size and efficiency to be a market leader.

- Wal-Mart is at the top of Fortune magazine's list of the 500 companies.
- A lot of billionaires from the business are on the Forbes list. 45 out of 497.

Top Retailers Worldwide

Rank	Retailer	Home Country
1	Wal-Mart Stores, Inc.	U.S.A.
2	Carrefour Group	France
3	The Kroger Co.	U.S.A.
4	The Home Depot, Inc.	U.S.A.
5	Metro	Germany

(Source: STORES / Deloitte Touche Tomahatsu)

Big retail companies like Wal-Mart, Carrefour and Tesco offer many types of products and stores to reach different customers. This trend is also happening in India, as all types of stores have room to grow, according to a report. The report says that India will likely see trends. In countries like the UK, France, Germany and Spain, bigger stores like superstores and hypermarkets have been around since the 1980s. In Eastern Europe, this has happened recently. Traditional food stores can now sell non-food items.

Tesco, the grocery store in the UK, is now also the top clothing retailer in the Czech Republic. It is a player in Hungary and one of the fastest-growing clothing retailers in the UK. Tesco and its rival ASDA, which is owned by Wal-Mart, are very successful in selling clothes in Europe alongside food. Tesco is an example of a food retailer that sells a lot of clothing. Tesco's success in clothing is notable, in the UK and other countries.

Retail Industry in India:

INDIA RETAIL REPORT 2021

Indian retail is about to change a lot. The Images-KSA India Retail Report 2021 says Indian organised retail is on the brink of a revolution. The report also says that by 2015, India will have several people under 20. Over 550 million. This means there are opportunities in retailing for kids and teens. Wholesale trading is another area that can grow fast. Companies like Metro AG from Germany and Shoprite Holdings from South Africa have already started selling wholesale in Bangalore and Mumbai. These new stores attract retailers who do not want to deal with many suppliers. The retail industry in India is very big.

It makes up over 10 per cent of India's GDP. Provides around 8 per cent of all jobs. The retail industry in India is growing fast, with new players entering the market. Not all of them have been successful yet. This is because they need to invest a lot of money to compete with companies. The retail industry in India is slowly becoming an industry. India has a young working population with an average age of 24 years. Many families in cities are families. There are also working women and new opportunities in the services sector. All these factors will help the organised retail sector in India grow. The retail sector in India will grow because of people, working women and new families. The organised retail sector will have opportunities because of these changes.

The India Retail Industry is going to get bigger and better. This is because people in India are buying things, and the retail

business is getting more organised. This will help new businessmen to start their retail businesses in India.

In India, there are a lot of people with jobs and money to spend, and the retail industry is not very developed yet. This is very attractive to retail companies from other countries who want to sell their products in new markets. When these big companies come to India, they will help the Indian Retail Industry to grow faster. The Indian retail business is expected to grow by 25 per cent every year. By 2016, the modern retail business in India could be worth a lot of money, around US\$ 175-200 billion.

The Food Retail Industry in India is very big. People spend a lot of money on food. The Mobile phone Retail Industry in India is also very big, it is already a US\$ 16.7 billion business. It is growing very fast, over 20 per cent per year. The future of the Indian Retail Industry looks very good. The market is growing, the government is making it easier for retailers and new technologies are making it easier for them to do business. The India Retail Industry is going to do well.

Major Players of the Retail Industry in India

- ❖ Big Bazaar
- ❖ Lifestyle
- ❖ Pantaloons
- ❖ Landmark
- ❖ Indus Fila
- ❖ Fame Adlabs
- ❖ Inox India
- ❖ PVR Cinemas

Malls Scenario in India:

The Indian consumer market has seen a lot of growth in the number of shopping centres, also known as malls, over the last few years. Many big retailers and brands want to have stores in these malls, including places that sell food, clothes and movie theatres. This has made many real estate developers and companies want to build malls in cities across India. In fact, India is going to have over 220 malls by 2005, which is a big jump from just 3 malls in 2000.

Now people think that the demand for good retail space will be around 40 million square feet in 2006. Before it was the retailers with their fancy stores that were driving the growth of organised retail in India. Now it is the malls that are playing a big role. Things like how much space is available, how many people live in an area, city planning and how well people are doing financially have all helped shape what a mall is in India. For example, a mall in the USA is usually really big. In India, it can be much smaller. By 2005, the total space in malls in cities like Mumbai, Bangalore and Delhi is expected to be over 21 million square feet. Some cities, like Kolkata and Hyderabad, are just starting to get malls. They are growing fast. Smaller cities like Pune and Ahmedabad will also see a lot of growth in the number of malls.

Malls in India need to figure out what makes them special and offer different products at different prices if they want to compete with other malls. This means that some malls will be fancy and expensive while others will be more affordable. If malls can do this and plan carefully, they will be successful.

- Many big companies are investing a lot of money in malls, with over 200 malls being built across the country.
- The total investment in malls is around Rs 12,500 cr, which is eight times more than last year.
- Some of the companies investing in malls include Bharti, ITC and Tata.
- The retail industry in India is expected to be worth Rs 38,447 cr by 2010, which is a lot of money.

Malls are becoming a business in India with many companies, like Reliance, Rahejas and Adani Group putting in a lot of money.

Challenges & Issues to the Retail Industry:

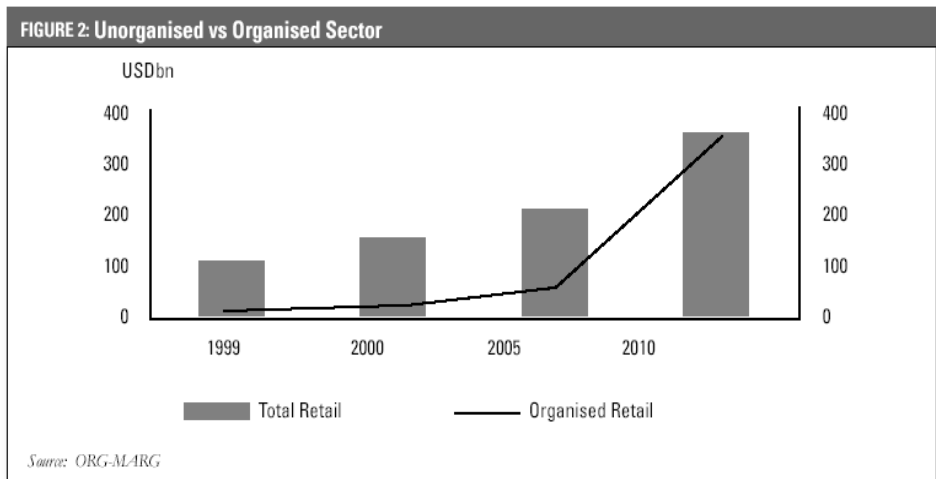
India's retail industry still has a way to go before it can really take off. To get there retailing needs to overcome some obstacles. Here are some of the things that are holding retail back in India:

- The government allows foreign companies to invest in retail in India without needing approval.
- some rules make it hard for companies to buy property and complicated local laws.
- The way taxes are collected helps retail businesses but not big ones.
- Retailing companies in India do not have systems in place to manage supplies and use technology.
- There are no trained people to work in retail jobs.
- People who manage stores often do not have the skills they need to do their jobs well.
- There is no space for stores in city centres, which makes it hard for the retail industry to grow. It is also hard to get rid of tenants because the laws protect them.
- People who are not from India cannot own property unless they are of Indian origin.
- It takes time to change how land is used, and it is getting more complicated.
- When property is sold, the fees are very high. This hurts the retail industry.
- Retailing is a business because prices change quickly, products can become outdated, and profits are small.
- To start a business, you need a lot of licenses. As many as 20 for clothing stores and 30 for food stores. In some countries like the UK, Singapore and the US, you can get all the licenses you need in one place. In India, only Hyderabad has a system like this.
- Many people, including traders and politicians, are against retail companies, and the government needs to make a special plan for the retail industry.

- The government should make it easier for foreign companies to invest in India and change the rules for buying land. The retail industry should be recognised as its own industry and

treated fairly by everyone, including the retail industry itself, and the retail industry needs to be given fair treatment.

INDIAN RETAILING – A CASH MANAGEMENT PERSPECTIVE



One big problem is that retail in India does not have a Foreign Direct Investment (FDI) status. This has stopped investors from putting money into building supply chains, which are needed for growth. Without access to retail practices from around the world, Indian retail has suffered. There are also many taxes, not enough good infrastructure and high costs for property, making it hard for retail to grow. The government and industry are trying to fix these problems. Some will remain and slow down growth. Fitch thinks that while organised retail will become more popular over the decade, it won't grow as fast as in other countries. Organised retail in India is becoming more accepted. Over the past ten years it has started to change how people shop, especially in big cities. Looking at countries it's clear that how well organised retail

does is closely tied to how well the whole economy is doing. This is because retail reaches many people and has to adapt to their needs. Even though things look positive, Indian retail faces challenges (see Table 1) that have slowed it down. You could see the beginnings of organised retail in the 1970s with stores like Nilgiris, Viveks and Nallis.

However, because of the challenges, the industry didn't develop much. These early retailers made shopping for customers, but they didn't do much to improve customer service or how they worked. Most of these stores were only in south India, which people think of as the 'Mecca of Indian Retail'.

Some other challenges to organised retail in India include:

- Lack of infrastructure

- High property costs
- Complex tax system
- access to global best practices
- Slow adoption of retail technologies

STRUCTURAL IMPEDIMENTS.

Lack of roads and transportation is a major problem for organised retail growth. This is because it causes delays and makes it hard to get products to stores on time. Another issue is that there are many middlemen involved in the supply chain. This makes it more expensive and complicated to get products from farms or factories to stores. Also, many food products need refrigeration to stay fresh. This service is often not available, especially in rural areas. As a result, organised retail has not grown much in the food and grocery sector. The supply chain problems and lack of infrastructure really hurt the growth of organised retail in this area. The food and grocery category suffers from these issues hats why organised retail is not as big in this sector. The key problems are the transport infrastructure and the supply chain.

REGIONAL PREFERENCE AND HABITS

India is a country with many cultures and food habits. This mix of cultures and habits leads to a lot of variation in what people like to eat. For example, wheat flour is a product, but people in northern India like it in a different texture compared to people in western or southern India. This makes it very hard to get the products and stock them.

- No changes are made to nouns.
- No extra information is added.
- Simple everyday words are used.
- Sentence lengths are varied.

Retail as an Opportunity for Employment:

The Indian Organised Retail Sector is going to create a lot of jobs in the future. India is going through a change in its economy. This change is still in its stages, but people can feel that things are changing. Now the unorganised retailers are the biggest part of the Indian retail sector, but the organised retailers are growing fast, and they will make up 9 to 10 per cent of the sector by 2010. This sector is going to be the biggest after the farming sector.

More and more people are buying things, and the organised sector is getting bigger, so companies are investing a lot of money in retail. The Indian retail sector is offering a lot of opportunities for growth both in India and in other countries. This will create a lot of jobs. Give people many choices. According to a report by Ernst & Young called 'The Great Indian Retail Story,' the Indian retail sector will create 2 million jobs by 2010.

The retail business already employs around 4 crores people, and 20 crores people depend on it. With big international companies coming to India, people in the sector will get to learn about international standards. This is a thing because it will encourage more schools to teach retail management, which will help find

talented people to work in the sector. The Indian Organised Retail Sector is going to keep growing. It will be very important for the country's economy.

CONCLUSION & RECOMMENDATIONS

The retail sector has played a role in the world by making more consumer goods and services available. It is also the largest industry in the US in terms of the number of employees and establishments. Developed countries rely heavily on their retail sector to drive growth. The Indian Retail Industry is the industry in the country, making up over 10 per cent of the country's GDP and around 8 per cent of the employment. The Retail Industry in India is very dynamic and fast-paced with many new companies entering the market. However not all of them have been successful because they need to make big investments to compete with companies. The India Retail Industry is slowly becoming an industry.

In India, the retail sector is the largest employer after agriculture, but it is made up of many small independent shops. There are over 12 million outlets in India, and organised retail trade is worth around Rs. 12,90,000 core. The country is seeing an increase in retail trade mainly because people have more money to spend. Many big companies, including real estate companies, are getting into the business by building and managing malls and shopping centres. New stores like supermarkets and discount stores are changing the way traditional stores look. The retail revolution is bringing positive changes to people's lives in big cities and small towns. More people can. Write, and they are exposed to more media and products, which is narrowing the gap between people in big cities and small towns.

For the sector to keep growing, India needs to have better and more affordable retail space. This will allow retailers to sell products and services, which will make their businesses more efficient and cost less. India's real estate market is very complex, so the government needs to make some changes to help the retail sector grow. The government needs to make zoning laws clearer, make it easier for people to own land, and provide loans for land. The retail sector in India needs to be recognised as an industry, which will make it easier for retailers to get loans and pay taxes. If the retail sector and tourism sector work together, India could become a shopping destination.

For the sector to keep growing, organised retailing needs to become more widespread. According to KSA Technopak, a consulting firm, the organized retail sector will grow to around Rs. 30,000 crores by 2005, making up 6% of the retail market. The top 6 cities will make up 66% of the retail market. Many international retailers and brands think India is a place to do business, but they would be willing to invest if they thought the country was changing. If the organised retail industry grows, it will create new jobs increase income levels and provide better products and services. People will have a shopping experience and more social activities. The India Retail Industry will keep growing

and becoming more important. The retail sector in India will continue to play a role, in the countrys economy.

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