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RETAILING: Growth and Job Opportunities.

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ABSTRACT

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. . The paper includes growth of retail sector in India, strategies, strength and opportunities of retail stores, 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.

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Introduction

The Retail Industry in India has come forth as one of the most dynamic and fast paced industries with several players entering the market. But all of them have not yet tasted success because of the heavy initial investments that are required to break even with other companies and compete with them. The India Retail Industry is gradually inching its way towards becoming the next boom industry

In the growing market, retail marketing has become one of the major emerging trends in the entire economical cycle. It is the retail market only which provides the consumer a basic platform to encounter with goods and a shop keeper for the first time. Retail market consists of a fixed location like boutique, store, departmental store etc, here in these location consumers meets the shop keeper and purchase goods in return of certain value. Maintaining a certain profit margin, these shop keepers sell goods to their consumers. The basic motive of these shopkeepers is to satisfy the consumers and fulfill their needs and demands. Retail marketing even focuses on satisfying the customers, maintaining a proper profit margin for the owner of the goods. Customer needs are the basic key factors of retail. Retail marketing consists of 5 basic pillars, first is saving the precious time of the customers. Second is setting the right prices of the goods, third is creating a proper connection with the emotions of the customers, fourth pillar is paying the right respect to the customers and lastly solving the problems of the customer is another pillar of retail. Creating customer loyalty is the basic function of retail, as once you create customer loyalty towards your brand it will be easier for you to stay in the market for a longer period of time. Creating customer loyalty is not a very easy task, as it takes years for a brand to create customer loyalty.

Growth of Retail Sector in India:

Retail and real estate are the two booming sectors of India in the present times. And if industry experts are to be believed, the prospects of both the sectors are mutually dependent on each other. 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. Accounting for over 10 per cent of the country's GDP and around eight per cent of the employment retailing in India is gradually inching its way toward becoming the next boom industry

India is being seen as a potential goldmine for retail investors from over the world and latest research has rated India as the top destination for retailers for an attractive emerging retail market. India's vast middle class and its almost untapped retail industry are key attractions for global retail giants wanting to enter newer markets. Even though India has well over 5 million retail outlets, the country sorely lacks anything that can resemble a retailing industry in the modern

sense of the term. This presents international retailing specialists with a great opportunity. The organized retail sector is expected to grow stronger than GDP growth in the next five years driven by changing lifestyles, burgeoning income and favorable demographic outline.

Industry Evolution:

- Traditionally retailing in India can be traced to
- The emergence of the neighborhood Kiranaï stores catering to the convenience of the consumers
- Era of government support for rural retail: Indigenous franchise model of store chains run by Khadi & Village Industries Commission
- 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 Manufactures 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 3 V's - Value, Variety and Volume
- Expanding target consumer segment: The Sachet revolution - example of reaching to the bottom of the pyramid.
- At year end of 2000 the size of the Indian organized retail industry is estimated at Rs. 13,000 crore

Retailing Format in India Malls:

The largest form of organized retailing today. Located mainly in metro cities, in proximity to urban outskirts. Ranges from 60,000 sq ft to 7,00,000 sq ft and above. They lend an ideal shopping experience with an amalgamation of product, service and entertainment, all under a common roof. Examples include Shoppers Stop, Piramyd, and Pantaloon. Specialty Stores:

Chains such as the Bangalore based Kids Kemp, the Mumbai books retailer Crossword, RPG's Music World and the Times Group's music chain Planet M, are focusing on specific market segments and have established themselves strongly in their sectors.

Discount Stores:

As the name suggests, discount stores or factory

outlets, offer discounts on the MRP through selling in bulk reaching economies of scale or excess stock left over at the season. The product category can range from a variety of perishable/ non-perishable goods.

Department

Large stores ranging from 20000-50000 sq. ft, catering to a variety of consumer needs. Further classified into localized departments such as clothing, toys, home, groceries, etc.

Departmental Stores are expected to take over the apparel business from exclusive brand showrooms. Among these, the biggest success is K Raheja's Shoppers Stop, which started in Mumbai and now has more than seven large stores (over 30,000 sq. ft) across India and even has its own in store brand for clothes called Stop.

Hyper

Large self-service outlets, catering to varied shopper needs are termed as Supermarkets. These are located in or near residential high streets. These stores today contribute to 30% of all food & grocery organized retail sales. Super Markets can further be classified in to mini supermarkets typically 1,000 sq ft to 2,000 sq ft and large supermarkets ranging from of 3,500 sq ft to 5,000 sq ft. having a strong focus on food & grocery and personal sales.

Convenience

These are relatively small stores 400-2,000 sq. feet located near residential areas. They stock a limited range of high-turnover convenience products and are usually open for extended periods during the day, seven days a week. Prices are slightly higher due to the convenience premium

MBOs:

Multi Brand outlets, also known as Category Killers, offer several brands across a single product category. These usually do well in busy market places and Metros

Career and Job Prospects:

India is one of the top ten emerging retail markets all over the globe. There are approximately 4.3 million retail outlets spread over the nation, which require about 3.25 million retail personnel a present. With such a huge potential retail management offers limitless job opportunities in supply chains, exporting houses and departmental stores. Manufacturing companies also recruit retail managers to reach out to the customers directly. Banking, finance and insurance companies also need professional retail managers to bring their products directly to the customer. IT and IT enabled services companies particularly in the field of telecommunication also require large numbers of retail managers considering the recent boom in this sector. Besides these education and health care industry also absorb a large number of retail managers.

Jobs in the retail sector can bring handsome remuneration and good opportunity to move up the career ladder fast. With the tremendous growth of

economy, retail management has emerged as one of the fastest growing career in the country. The enormous expansion in the retail sector during the past few years has thrown up a big demand for trained professionals in the field. It is an industry looking for people at all levels, from the school pass out with basic skills, to the well qualified supply chain and retail management professionals. One can take up a job depending on their interest and aptitude, since retail industry is an array of activities starting from marketing to branding.

This makes retail profession one of the most demanding career of the era.

The working time and atmosphere all depends up on the company one works for. One could start his career as a management trainee, and with hard work and right attitude, could reach the manager posts of different departments. Advertising agencies, Airlines, insurance companies, banks etc are some other areas where one can find jobs, apart from retail shops. One can even start their own business and be an entrepreneur.

Jobs in India's Retail Sector

Today, there are approximately 22 million people working in India's retail sector. Experts believe that the current retail boom in India will produce an additional 8-10 million more jobs by 2011 and 13 million by 2012.

With rapidly expanding departmental stores and huge shopping malls, plenty of job opportunities are opening all over India. An estimated growth rate in retail sector in India has been about 30-40% with establishment of more than 200 shopping malls. It is estimated that the retail sector will create over 13 million jobs throughout the country by 2012. More than 60% of these jobs will be available in the rural areas. Retail Industry, one of the fastest changing and vibrant industries in the world, has contributed to the economic growth of many countries. There has never been a better time for a career in India's retail industry. It is also auspicious to hear that about 60 per cent of these job vacancies will be in the rural India. The trend will help a lot to check migration of educated manpower from rural areas to the metro cities. As major companies that are already operating in the sector, including Future Group, Reliance Industries and Retail Solution Group are targeting to multiply its workforce to ten folds, there are about a dozen of world's renowned retail groups are preparing to take.

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

India Retail Industry is the largest among all the industries, accounting for over 10 per cent of the country GDP and around 8 per cent of the employment. The Retail Industry in India has come forth as one of the most dynamic and fast paced industries with several players entering the market. But all of them have not yet tasted success because of the heavy initial investments that are required to break even with other companies and compete with them. The India Retail Industry is gradually inching its way towards becoming the next boom industry.

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