

**TITLE: EMERGING TRENDS IN RETAILING
AND ITS ECONOMIC IMPLICATIONS (2012)**

**UNIVERSITY GRANT COMMISSION
MINOR RESEARCH**

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**Executive summary of Minor Research Project
On
Emerging Trends in Retailing and its economic
Implications
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Retailing has been defined as business activity involving sale of goods and services to consumers for their personal family or household use. Although retailing has been around since times immemorial, it was in the 20th century that significant changes occurred in the retail sector, especially in the developed countries. Retailing has become more organized and chain stores using sophisticated information technology and communication to manage their operations are coming up at the expense of Independent shops.

The emergence of new formats of retailing has attracted the attention of government functionaries, company managers, economic analysis and public at large. Review of literature provided theoretical background to the study, and brought clarity and focus to set Research objectives identification for the collection of primary data, were interviews conducted and data collected through the questionnaires filled by respondents. There were certain set of common questions asked to managers, sales officers and consumers in order to cross check the answers. Marketing managers were interviewed from Kirana General Stores to mall and Super Markets. 100 sales officers and 150 consumers also interviewed from various outlet. Secondary Data has been referred to get in depth and support information about the retail change prevailing in different retail industries. Analysis done on collected data and findings are as under.

FINDING SUGGESTIONS AND CONCLUSION

Today Indian Economy is growing at an Impressive rate. It is growing on strong fundamentals, Which are likely to be well sustained Indian retail sector is now no more traditional Bazaar only, but the mix combination of traditional and modern markets. Present retailers think globally and work locally, because now shopping is not just satisfying consumer need, but it is the part and partial of India and global development. Aided by a spectacular performance of industry and services, The Indian Economy grew 8.6 percent during February 2010. This strong performance, coupled with upward Revisions For July-December 2010 Led to overall GDP growth of 7.4 percent in 2009-10. This was higher than the central statistical Organization's (CSO) Estimate of 7.2 percent.

As per the current scenario of a Vibrant Economy India is the 2nd fastest growing economy in the world. The 2nd largest economy in PPP terms. 8% economy growth is expected to exceed that of china by 2015. It is also assumed that India will become 3rd biggest economy in the world after china and US by 2032. The present study was undertaken, to find out changing scenario of Retail Marketing in Mumbai city. The responses of the respondents are tabulated in the study, based on which major findings are discussed here.

Findings

Mumbai the commercial capital of India, with the busiest international airport and seaport is the largest city-market in the country. It is also acknowledged as India's most cosmopolitan city. Having a large segment of highly westernized people. The city has a strong Economic base. The real-estate Market in the city is the mix of Organized, semi-organized and unorganized formats. All leading departmental

stores have a presence in Mumbai market e.g. Pyramids Pantaloons, shopper's shop, Lifestyle, Global or Westside. The city is also witnessing a growth in specialty stores.

Retail market in Mumbai Can be classified as:-

- 1) Traditional Prime areas: Fort and Crawford markets
- 2) Top-end retail activity
- 3) Centre's in south Mumbai Breach candy, Peddar Rood, Warden Road, kemps Corner.
- 4) Suburban high-end retail activity Centers: Bandra, Juhu, Andheri
- 5) Emerging Markets: Regional shopping Malls.
- 6) Mall development in Mumbai

The opening of the "Crossroads" Mall at Haji-Ali in 1999 revolutionized the concept of retailing in Mumbai. Since then a large number of malls have been announced and still a large number are being planned. The large numbers of malls are come up in Western Suburbs of Mumbai, because of growing population with sufficient disposable income and a Complementary lifestyle.

With new commercial (office) space and developments moving towards Central Mumbai, Bandra-Kurla complex and Andheri region, space and connectivity with western express highway retail activity. Developed more in western Mumbai. The present Study is related to identifying the economic impact of new Practices in retailing and Overall Market. The responses of the respondents are tabulated in the previous chapter based on which Major findings are discussed here.

From the Marketing officer:

As per the responses of marketing officers in the Mall, It is found that new Sales promotion officers are target Oriented. They use various strategies to increase

more footfalls in the Mall. Their consumer target class varies as per the area and type of outlets. Mumbai is a dynamic Cosmopolitan city with people from culturally and economically diverse backgrounds staying together in harmony. The Impact of any new trends or concept is felt more in metro cities. In this case it was the concepts of nuclear urban Families (which are growing at an alarming rate), due income, media invasion, impact of malls, technology which were studied in context to consumer behavior. What is the roll of mall and other modern markets is explained in detail in the previous chapters. Mall provides various facilities to the Consumer for their best shopping experience. That is the strength of malls. The list of loyal Customer is increasing day by day. More and more middle and higher middle class peoples are visiting these outlets and lower middle class people are also now attracted for their shopping from these outlets because of “VARIOUS PULL FACTORS” such as game zone, daily grocery, festival shopping, Fashion etc.

Media exposure is used Maximum by mail, through various types of mean of advertisement. They reach to all types of customer for Selling through huge Hoarding; leaf let, TV, Poster etc. It is proved in the study that heavy spending on promotion creates desire awareness regarding mall. Mall owner and sales promotion officer’s project future markets, as mall will be a matter of daily visit of customers and will create more employment. Franchising will play a key role in fuelling the growth of organized retail. Currently India’s largest Business groups are K. Raheja Corporation, which runs Hypermarket chairs, shopping stop, Crossword, Estee Lauder, mother care, Airport Retailing, Time zone etc. Landmark group runs Lifestyles international, max, spar, Home Centre, Splash etc. Tata group runs Trent Ltd, Westside, Landmark, Westland, Star Bazaar, Fashion yatra, Trent, Infiniti and Titan. Aditya Birala group runs Madura garments, Allensolly, Louis Philippe, Van Heusen, Planet fashion, Esprit, Peter England etc.

Reliance Retail Limited runs Marks & Spencer, vision express office depot, Diesel Paul & shark etc. Bharti Enterprises runs Easy day market. Future group has developed a rich portfolio of diversified businesses. Core group companies will tie-up with various groups of these retailing majors in India.

According to Amitabh Taneja chief convener, India retail forum the business of retail is at such a nascent stage today and has so much future potential that the rewards of growing the market are immeasurably higher than what we could have achieved from an immense increase in today's market share. He also said, "all the stakeholders in the industry need to unite behind the critical issues that will lead to the overall growth of the retail markets.

From the Sales Officers:

They are the one who interact first with the customers, so they are very important in any store. It is found that in India and specially in Mumbai, sales officers are working on different outlets, some of them are not fully qualified for this job because they are salary oriented and not very much attached to that store as it is a big store where hundreds of similar workers working. They are not used CCTV Camera Surveillance. They open up with the customer and colleague because they are from such a family background, where they don't get exposure to act as a leader and take the decisions. Most of them are under the age of 18 yrs. and maximum between the age group of 21 yrs. – 30 yrs. As some of them are studying while working in the mall, very few are highly educated, taking job experience. They are given in-house training as per their post, which is based on practical work. Many are graduates in retailing or trained by External Agency to be qualified for the work.

It is found that they are unable to study consumer's behavior. They just stand near the rack and stare at the customer, but can't convince them or can cope up with

them. Specially in FMCG products. While in speciality section like electronics, beauty products and luxuries sales officers are able to interact, explain and convince the customer.

According to some sales officer's English speaking is a barrier for interaction with customer. They are comfortable with Hindi or local language. They said, "Customers do not like our interference in their shopping. Some high profile customers treat us as low labour class with a suspicious look. While some seek our service in selection of certain product." One sales boy said, "I feel very inferior while working here, because I am from lower class of society who can't afford to buy and use this products. I can only touch, see and sale this branded goods. I want to be the purchaser and not the seller." This comparison thought will not let him have satisfaction of his work but he will get the knowledge about the retail Industry at basic level. I feel children working in malls and markets are also the learners and they can be a 'future consumer' purchasing the goods in the Mall.

Many of them are not happy with their job because it is very tiring, standing for a long time quietly. They were complaining about their health problems like leg and back-pain, cold and headache due to A.C. They are willing to change their job if they get more salary in other similar industry.

And finally sales persons in mall are not very sharp to observe the customer. They are not aware about their self-presentation and effective communication skills. They absorb in this job because today's youth gives first priority to the 'High Profile Jobs'. Willingness to work as sales person is less. They are forced to work under family pressure. Actually they should be willing with interest to work in such outlets, then only they can be effective sales persons.

From the Customers:

Media and technology invasion have converted consumer in to aware consumer. The specific findings in detail have been elaborately along with data analysis and graphs and diagrams in the chapter. It is found that consumer's visiting mall were from different elars of the society. Most of them visit market place once in week for various type of purchases. They prefer nearby retailer for that. And once in a month. They visit mall or depart mental store. Consumer buying behavior varying from person to person due to various factors which are explain in the previous chapter. Mostly every consumer's want's to bay product with good quality and less price they like bargaining and free gift or gift voucher's scheme, that is why they look for advertisement leaflet's coming in newspaper giving offer prize regularly and specially during festivals. Wednesday sabse sasta din in Big Bazaar is highly appreciated by Consumer. Shopping in malls. Gives them Prestige, ease , enjoyment knowledge , more choice , quality family Entertainment, etc they many of them bay more than their actual budget.

Consumer's likes display and outlook in mall. It is very effective and eye catchy. On every special occasion and festivals mall given special look to the mall by appropriate decoration. Customer specially visit to see that and special window shopping done on those day's other wife also customers prefer to visit mall for time pass' kitty partying at mall. This is a modern trend in 'women's friend circle' becasre they dine, purchase and gossip in the mall Most of them visit a mall in group or with family for shopping so that they don't need help of sales person. But their experience is that soles person's are not very helping, some of them are unnecessarily interfering and disturbing the customer. Specially stocks updating during 'business hours' disturbs the consumer. Long queue for payment is tiring and waste of time. Every section should have separate billing counter.

There is a group of customer who now fed up with mall shopping. Because there is no personal touch. Like small retailer. The prices are high in some good. Purchase in mall results into unnecessary and unwanted sopping. Kirana general stores give you home delivery in your budget which saves time.

It is found that various factors favour the mall culture which is explained in the chapter, Obstruction promotion of a mall culture are like risk of over budget, overcrowded during weekends and holidays, many outlets are far off location, consumer have personal relations with local Baniyas, look of bargaining and awareness, some brands at all malls, misunderstanding about the rules, traditional mindset of consumers, middle class hesitation only window shopping Expired good found and unnecessary indication by security metal detector which cause insult of the consumer without reason etc.

Kiranas with centime to contribute significantly to the retail oil. They are absolutely unique in their ability to maintain individual customer relationship. They keep their hands on their stocks and maintain the lowest possible operating cost base. As per 94.7% respondent, malls will develop new retail system in India' which will lead India to stand globally. According to them growth of mall culture is favorable to Indian economy.

Suggestion

Although organized retailing is growing at an appreciable rate, several challenges are being faced by the industry

- The Industry need to evolve in a way where every player has a room to sustain and grow.
- Role of the FDI policy is limited to the single brand entry It will boost infrastructure and increase employment

- Due to high rental cost. The operating cost of the retail is still very high. The industry should negotiate with the developers so that he can reduce the rate of product.
- As compared to developed countries India has the largest “young” population in terms of its share size and they are major driver of consumption. They should be mold in a right direction.
- More awareness about retailing as a career option in future should be spread in youth through education.
- Increased credit friendliness gives spending power to young but other side they are getting more addicted towards the high lifestyle and are pushed towards crime, which should be stopped by the government.
- Retailing needs to take a broader view of their role in today’s world, to meet their short and long term business performance goals, as much as to create a sustainably conducive environment for business and social benefit.
- Many mall are far from city, private bus service for only visitors of mall can be made available and also drop at home with their shopping.
- Retailer can assist municipal planning and development by playing role in maintaining their neighborhood, preserving the environment as good citizen.
- Indian government should take fast decision for various business policies.
- Sensitizing all the stakeholders which hold for the benefits of organized retail is must and thus repositioning retail sector as a catalyst for economic growth and its contribution to employment generation should be known by all
- Retailer’s can adopt rural villages for development
- More professional training should be provided to the sales officers and other staff in modern outlet
- India should also organize state wise shopping festival like Dubai festival.

- The war for talent hunt employers is on.
- The retail prize in India is very attractive indeed. Profits and visibility for the retailer, employment and enhanced quality of life for the employee, career opportunities for the next generation and additional taxes for the government.
- Consumer wants something in mall when attractive theme to go in
- Consumers don't like any barriers to enter and get a sweaty, smelly security guard demanding to feel private parts and look into laptop bags are unnecessary. Lack of convenient parking is another big barrier.
- Sales assistants should be polite, pleasant, well dressed, free of body odor, and happy.
- The only way to do this is to train, motivate, pay and treat them well. Otherwise they should create a self-service environment. This will cut consumers payroll and price.
- The trial room and toilets should be clean.
- A shopping bag or a trolley should be near the entrance.
- Customer never like to have that particular product is not available, no exchange, no refund etc.
- Everyone likes to got gifts is and offer's so malls should look in it.
- Managers of mall should have time to quick problem resolution.

Conclusion

Retailing is very vast subject to study, but very interesting and important for as of us to be aware about global changes takes place in our Economy and social life style. India is running very fast towards the development and growth. There are lot of opportunity in our country. Development is always good for any country but it

should be in right direction. We should not follow western culture blindly. Indian cultural values should be always give priority before making any new policy. It should be always's a sustainable development for our future generation. Our old economic thinker's say's that "It you think good for your self and other's then that will automatically result good in return."