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RETAIL BUSINESS : OPPORTUNITIES AND CHALLENGES



B. S. Rupanwar

INTRODUCTION

The retail business has played a phenomenal role throughout the world in increasing productivity of consumer goods and services. There is no denying the fact that most of the developed economies are very much relying on their retail business sector as a locomotive of growth. The Indian retail business sector is the largest among all the business sectors, accounting for over 10% as the one half GDP and around 8% employment.

The Indian retail business is the largest business in the country. It is one of the fastest growing business in India. Though the retail business in India was mostly unorganised, however with the change of tastes and preferences of the consumers, the retail business is getting more popular and getting organised as well with growing market demand.

The retail business is expected to grow at a pace of 25-30% annually.

REVIEW OF LITERATURE:

1) Mrs. Savita Kumari :- Research link 101 vol XI,

ABSTRACT

Retailing includes all the activities involved in selling goods and services directly to the final consumer for personal, non business use. A retailer is any person or organisation that offers something for sale to final consumer. The retailers make the final and important link between the producer and the consumer. It also undertakes a number of functions and provides benefits both to the consumers as well as to the producers.

KEYWORDS : Retail Business , final consumer , Opportunities and Challenges .

Short Profile

B. S. Rupanwar is working as a Head at Department of Commerce in Kokan Dnyanpeeth, Karjat College of Asc. Karjat, Raigad. He has completed B.com., M.com., M.Phil., Ph.D. He has teaching experience of 25 Years.

August 2010 concludes the retail sector has played a phenomenal role throughout the world in increasing productivity of consumer goods and services. 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 Indian retail industry is the largest among all the industries, accounting for over 10% as the ½ GDP and around 8 %

employment. The Indian retail industry is gradually inching its way towards becoming the next boom industry.

2) Michael Vaz and Vinayak Paralikar :- Concluded that the retailing includes all the activities involved in selling goods and services directly to the final consumer for personal, non business use. Retailers can position themselves as on any one of the four levels of service. It includes self service, self selection, limited service and full service.

Head of Commerce Department , Kokan Dnyanpeeth, Karjat College of Asc. Karjat, Raigad.

OBJECTIVES :

- 1) To study the retail business in India.
- 2) To study the opportunities and challenges in Indian retail business.

METHODOLOGY :

The theoretical information is collected from secondary source some of the discussions are made with the various retail businessmen with the help of business opportunities & challenges are judged.

Opportunities :

1) Minimum Entry Rules :-

The Indian retail business is the minimum competitive. This indicates that there are significantly minimum entry difficulties for the new business trying to set up base in India in the terms of competitive landscape.

2) Foreign Direct Investment Norms :

The Indian Government has liberalised the rules for foreign direct investment in retail sector and even permitted free equity participation upto 51% in retail business.

3) Wide Retail Market :

In India has large population near 1.2 Billion, therefore India has a wide scope in retail market. It provides growth & potential to Indian retail business.

4) Better quality of raw materials :

The quality of raw material is easily available at low cost in India. Therefore the Indian retail business is easily growing up.

5) The market share of organised retail business in India is just over 4% of total retail sector so that there is huge opportunities in retail business in India.

6) Changing consumer behavior :

As the standard of living and rise in income the Indian consumer has preferred

branded and quality products so the demand for organised retail business is increasing.

Challenges to Retail Business

1) Tax structure :

The Indian tax structure is difficult to the small retail business. In India has different types of taxes.

2) Inadequate Infrastructure facilities :

In India, the cities are highly unorganised, so the infrastructure facilities are not available for organising the retail business.

3) High prices of real estate :

In India, the huge population are demanding more real estate so the price of real estate are very high.

4) Income level of consumer :

In India there is a more difference in income of consumers. Some consumers belong to high income and some consumers income are very low in below the poverty line. So the estimation of demand and planning for business is very difficult to retailer.

5) Minimum trained Employee :

Indian retail business is facing the shortage of skilled employee mainly of middle level of management. Due to very few courses are available in India for giving retail sector training and the most educated class of India favours BPO, IT and financial sector.

6) Big Intermediation Chain :

Distribution system in India is long intermediation chain. Therefore the cost of the product is increasing.

7) Foreign Direct Investment norms :

The government has leading some restrictions of Foreign Direct Investment. So the foreign investors have a limited exposure to involved in the retail business.

8) Shortage of Funds :

The retail business sector has not yet the industry status in India. So that the financial institutions are not providing the adequate financial assistance to the retail business.

CONCLUSION :

The retail business sector is playing a very important role in increasing productivity of consumer goods and services. There is no objection to the fact that most of the developed economies are very much relying on their retail sector as a locomotive of growth. The retail business sector in India is very large. Therefore, in India has very much opportunities in retail business sector. The Indian Government has framing a suitable FDI norms so the foreign investors are invest their funds in retail sectors. In India retail business is becoming the next boom sector.

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