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RETAIL MARKETING IN INDIA

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ABSTRACT

In India during the last one decade there have been a paradigm shifts in retailing practices and shopping patterns across different geographies and customer segments. Several research studies reveal that there is a great deal of convergence of global teen values like consumerism, openness to new ideas and cultures, behavior variables, flexibility, mobility and enjoyment of life. The consumers desire, expectation, psyche have transformed from mela culture to mall culture. This paper highlights the organized retail market in India.

Key Words: Retailing, Consumerism, Retailing practices.

INTRODUCTION

Retail market in India is receiving a global recognition and attention. It is witnessing a significant change in its growth and investment pattern. Retailers have a major impact on the lives of the customers. Retailing is an important part of any economy and it ultimately bridges the gulf between manufacturers and customers. The functions of retail marketing in India are changing swiftly due to the rapid changing environment in which the retailers operate. In the present modern era consumer needs and wants are witnessing a sea change, plethora of competitors, and ever changing technology poses major challenges on the retailer to survive in the national and international market. It is the need of the hour for the Indian retailers to understand how to keep abreast of these changes to not only attract but also retain customers.

REVIEW OF LITERATURE

Supriya Udaykumar Mogale and Dr.C.S.Dalvi (2019) pointed out that the retail sector in India is witnessing an exponential growth not only in metropolitan and major cities but also in tier II and tier III cities. They cited that changing demographic profiles, increasing income, urbanization, and changing tastes and preferences of customers affect retail market growth. Nagalakshmi M.V.N. et al (2025) underscored the fastest growing Indian retail industry worldwide due to urbanisation, surging disposable income, and evolving consumer tastes and preference. They suggested that user friendly POS systems, digital payment, effective inventory management empower the retailers to compete effectively. Rushi Dave and Dr. Dinesh Patel (2025) highlighted that digital marketing provided innovative ideas to reach consumers, brand visibility and improved sales. Increased usage of smart phones, affordable internet access, and emerging e-commerce platforms caused digital market growth in India. Suvarna Vijayakumar Nimbagal, Prashantha Chittaranjan underlined that the majority of the retail sector development is due to demographic, social, political and commercial environment. K.Bhaskar and N.Harshitha (2017) cited that rapid changes in consumer tastes and preferences, retail frauds, lack of proper infrastructure and distribution channels, and cost of business operation increases the challenges faced by retail industry.

OBJECTIVES OF THE STUDY

The main objectives of the study are given below:

- To understand the present Indian retail scenario
- To analyse organized retailing in India and its driving forces
- To comprehend the role of information technology in retailing
- To study in detail e-tailing in India

RESEARCH METHODOLOGY

The study is fully based on the secondary data which is collected from books, journals, magazines, newspapers and websites.

PRESENT INDIAN RETAIL SCENARIO

In India retail is the largest industry, accounting for more than 10% of the country's GDP and provides employment opportunity. In the current scenario the retail market has undergone a sea change due to the following factors:

- Growing middle class customers
- Increasing trend in the per capita spending
- Growing double and in some cases multi income households
- People are getting wide exposure to world class tastes and preferences through widespread communication networks
- Rising workforce with global travel
- Increasing usage of credit and debit cards
- Ability of the present youth to study and work simultaneously
- Comfortability of the younger population to do transactions on online platforms

ORGANIZED RETAILING IN INDIA

The organized retail industry in India in the present era is transformed into a well developed hub. The Indian retail market has dual aspects namely small number of large retailers and large number of small retailers. India is witnessing the emergence of large number of organized retailers opening shops in the following various formats:

- Hyper or super markets (eg, Nilgiris, Jio mart, Spencers)
- Department Stores (Shoppers Stop, Lifestyle, Smart Bazaar)
- Specialty chains (Levis, Bata, Arrow)
- Upscale multi brand (The Collective, The White Crow, Tata CLIQ Luxury)

DRIVING FORCES FOR ORGANIZED RETAILING IN INDIA

The following are the primary factors which are necessary for successful retail industry:

- In the present mechanical work life schedule customers are busy and have less free time to shop in a leisurely manner. Since their shopping options increase in number, size and variety, they are becoming more demanding. They expect retailers to blend shopping, eating and playing into the retail equation. Retailers must learn and at the same time implement the strategy as to how to sell diversely to multiple genders and generations. This understanding will yield more sales and greater loyalty.
- In the present marketing conditions, mass advertising will not yield a fruitful result. Instead a strong public relations campaign has becoming a more effective method to get the customer attention.
- Advanced education is very much essential for the retailers to survive and grow in the present competitive scenario. Attending seminar, conference, workshops, meeting and have discussions with other retailers will add to the competitive edge. This will enable them to be aware of latest marketing trends, sales skills and new business strategies within the changing industry.
- Visual marketing has become increasingly important to drive more sales. More than 80% of the buying decisions are made at the point of purchase. Therefore it is extremely important for the retailers to

learn how to focus on the needs of the customers and to view their business through their customers' eyes.

- The next will be the workplace challenge. Now a days it is very difficult for the retailers to get the workforce as IT sector and other high paying professions lure applicants who would have taken retail positions.
- To exist in the retail market, the retailer must begin to plan for the evolution and shifts in the industry. Strategic thinking and long-term planning are the key elements for the success of the retail industry.
- Constant economic growth leads to surge in the disposable income of India. Population alone does not determine the market volume, but the relative size of the different income segments has a major impact on the retail market. Indian middle class and elite customers will provide a demand for the niche and branded retail products.
- Improved logistics and infrastructure development enables faster movement of goods, especially perishable goods from one part of the country to another. This leads to more efficient retail operations and large number of retailers have benefitted.

ROLE OF INFORMATION TECHNOLOGY IN RETAILING

Information Technology (IT) is playing a vital role in retailing. It provides accurate sales data and high-quality information about customers and other stakeholders which is very much essential to survive in the market for the long run. Retailers are now wireless, seamless and cashless and they can be able to get any information they want and need within a fraction of second. The significant role played by information technology in retail market is discussed below:

- Investment in IT along with organizational changes enhances retail logistics, decreasing delivery lead times leads to reduced inventory holdings.
- It is considered as an important tool in building and maintaining customer relationship.
- IT is being used to learn and understand the taste, likes, needs, preferences, expectations and buying habits of individual customers. Information technology helps the retailer to tailor their offers to meet the needs of the ultimate customer.
- Now a days retailers are using sophisticated software tools and apps which helps them to develop mathematical models to understand the effectiveness of their marketing efforts. These models also help them in deciding about retail mix elements and derive optimum profitable solutions.
- The use of technology improves the shopping experience by providing convenience, speed, better service, and value to the customer.
- It helps retailers to aid customers with product information and selection without many costs.
- The use of information technology makes the shopping experience with more fun and ease.
- It also helps to protect customers' privacy.

E-TAILING IN INDIA

LPG (Liberalisation, Privatisation and Globalisation) policy of the Government of India which was introduced by then Finance Minister Dr. Manmohan Singh in 1991 exposes the Indian customers to an infinite domestic and foreign goods and services. E-tailing is a boon to those customers who lack time and opportunity to visit a physical store. E-tailers should concentrate on customer needs, exploit the richness of internet to create unique retail experience, leveraging customer relationship, branding the total experience and above all converting browsers into buyers. Indian e-tailers offer unique and numerous advantages to the customers that no other form of retailing can match. The advantages of e-tailing are enumerated below:

- In this method of retailing, customers can be able to get access to wide range of products which may not be available to the place where they reside.
- It offers a delivery channel of convenience.

- E-tailing eradicates the brick and mortar retailing operations. It takes the advantage of the technology boom.
- E-tailing extends the Indian retail market to the global level transcending the physical and cultural barriers. It augments the potential customer base.
- E-tailers need not maintain expensive showroom and it has a major favourable impact on the profitability of the concern.
- A highly predictable and reliable delivery system is creating more customer confidence. Online buying sites furnish the maximum possible product information to customers. It also gives an alternative search if the product desired is not available for sale.
- People can adopt alternative mode of payment like cash on delivery and e-cash.
- E-tailers can change the online placement of the product on the basis of the previous transactions in order to increase the visibility of goods that the user is more likely to buy, based on the previous encounter at the time of purchase. This allows a contextual design of placement, to ensure conversion of a visit to the website into a sale.

CONCLUSION

The growth in organized retailing in recent years can be gauged by the rise of shopping malls as well as the rising number of modern retail formats. In the next five years, India should have retail entities strong enough to compete with the best in the world. The emergence of innovative online retail platform are finding increasingly greater acceptance with the Indian customers. The future for retail industry is promising; the market is growing with no boundary. The Indian government policies are becoming more favourable and emerging technologies are facilitating smooth retail operations. The entire wheel of retailing is influenced by the power of the customers. Retailing thus may be understood as the last and final step in the distribution of merchandise effectively and efficiently for the consumption by the end consumers.

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