

A Study on Identify the Challenges and Opportunities Available in the Retail Sector

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Abstract-

The purpose of the current article is to examine the current state of Indian retail and the potential problems that surround it. Because of its capacity to increase demand in the market, create jobs, and generate money, retail is one of the most frequently discussed academic topics. This study is based on primary data and data collected from different retail stores situated in Haryana, Chandigarh, and Delhi from 393 organized retail store employees. The importance of retail is growing daily as a result of ever-increasing urbanization, rising earning potential, aggressive marketing, and changes in the standard of living. After agriculture, the field that creates the most jobs is retail. Retail refers to the sale of products and services to final consumers.

Keywords: Retail, FDI (foreign direct investment), Challenges and Opportunities in Retail Sector

I. INTRODUCTION

The retail industry comprises both the organized and the unorganized sectors. Organized retailers who are registered for sales tax, income tax, etc. engage in organized retailing, which is defined as their business activities.

These comprise both the privately held large retailers and the retail chains and hypermarkets supported by corporations. Unorganized retailing, on the other hand, refers to the traditional formats of low-cost retailing, for example, the local Kirana shops, owner-operated general stores, paan/beedi shops, convenience stores, hand carts, pavement vendors, etc. The last important unexplored market for globalized retail is currently India. Since economic liberation began in 1991, India's middle class has grown significantly, as has its purchasing power. However, over time, unlike other significant growing economies, India.

The Indian retail industry has learned a lot about the market after 2021. The industry experienced an 8.5% fall in FY 2021, but it recovered in 2022 to reach \$836 billion, with conventional retail contributing 81.5% of that total. However, the COVID-19 disruptions sped increased the adoption of digital technology and e-commerce. As consumers continue to shop online, firms from all sectors are now focusing on growing their online presence and direct sales.

Objectives:

1. To study the various challenges in front of the retail sector.
2. To study the various opportunities available in the retail sector.

Objective- 1

- To study the various challenges in front of the retail sector.

Hypothesis

H₀₁- There are no significant challenges faced by organized retailers after foreign direct investment in the retail sector.

Sr. No.	Statements	Gender	N	Mean	SD	t-statistics		Statistically Accept/Reject
						t	Sig.	
1.	Foreign companies in the retail sector face a scarcity of skilled workforce.	Male	289	3.74	1.261	1.031	.027	Rejected
		Female	104	3.58	1.391			
2.	There is a price war between different retail organizations.	Male	289	3.64	1.339	.655	.454	Accepted
		Female	104	3.54	1.365			
3.	Location and high Rental value is the biggest challenge for retailers.	Male	289	3.81	1.235	.389	.599	Accepted
		Female	104	3.75	1.275			
4.	Taxation policies, rules & and regulations are complexes for foreign country retailers.	Male	289	3.72	1.262	.431	.790	Accepted
		Female	104	3.65	1.268			
5.	FDI in Indian retail will indirectly or directly do Distortion of Culture.	Male	289	3.57	1.257	.984	.237	Accepted
		Female	104	3.42	1.334			
6.	FDI faces regulatory challenges, which hinder its smooth implementation in the retail sector.	Male	289	4.28	.916	-.937	.616	Accepted
		Female	104	4.38	.916			

Source- Compiled from primary data (SPSS Output), Table 1.1

- The analysis shows that in Table 1.1, “foreign companies in the retail sector face a scarcity of skilled workforce” (Mean=3.74, SD=1.261) as per male employees of the organized retail sector. After that “there is a price war between different retail organizations “(Mean=3.64, SD=1.339). Followed by “location and high Rental value is the biggest challenge for retailers” (Mean= 3.81, SD= 1.235). Subsequently “Taxation policies, rules & and regulations are complexes for foreign country retailers” (Mean= 3.72, SD= 1.262). Consequently “FDI in Indian retail will indirectly or directly do Distortion of Culture” (Mean= 3.57, SD= 1.257). Subsequently “FDI faces regulatory challenges, which hinder its smooth implementation in the retail sector” (Mean= 4.28, SD= .916). On the other hand, foreign companies in the retail sector face a scarcity of skilled workforce” (Mean=3.58, SD=1.261) as per female employees of the organized retail sector. After that “there is a price war between different retail organizations “(Mean=3.54, SD=1.365). Followed by “location and high Rental value is the biggest challenge for retailers” (Mean= 3.75, SD= 1.275). Subsequently “Taxation policies, rules & and regulations are complexes for foreign country retailers” (Mean= 3.65, SD= 1.268).

Consequently “FDI in Indian retail will indirectly or directly do Distortion of Culture” (Mean= 3.42, SD= 1.334). Subsequently “FDI faces regulatory challenges, which hinder its smooth implementation in the retail sector” (Mean= 4.38, SD= .916).

- The Output of t-statistics for the retail sector on the first statement “Foreign companies in the retail sector face a scarcity of skilled workforce” resulted in a t-value of 1.031 and a significant value of .027 which is smaller than 0.05 which rejects the null hypothesis this implies that there is a statistically significant difference between the viewpoint of male and female employees on retails sector in India, the second statement “There is a price war between different retail organizations” resulted in t- value .655 and significant value is .454 which is larger than 0.05 accepting the null hypothesis, this implies that there is no statistically significant difference between the viewpoint of male and female employees on retails sector in India, the third statement “Location and high Rental value is the biggest challenge for retailers “resulted in t- value .389 and a significant value of .599 which is larger than 0.05 accepting the null hypothesis, this implies that there is no statistically significant difference between the viewpoint of male and female employees on retails sector in India, the fourth statement “Taxation policies, rules & and regulations are complexes for foreign country retailers” resulted in t- value .431 and a significant value of .790 which is larger than 0.05 accepting the null hypothesis, this implies that there is no statistically significant difference between the viewpoint of male and female employees on retails sector in India, fifth statement “FDI in Indian retail will indirectly or directly do Distortion of Culture” resulted in t- value .984 and a significant value of .237 which is larger than 0.05 accepting the null hypothesis, this implies that there is no statistically significant difference between the viewpoint of male and female employees on retails sector in India, sixth statement “FDI faces regulatory challenges, which hinder its smooth implementation in the retail sector” resulted in t- value -.937 and a significant value of .616 which is larger than 0.05 accepting the null hypothesis, this implies that there is no statistically significant difference between the viewpoint of male and female employees on retails sector in India. This is larger than 0.05 accepting the null hypothesis, this implies that there is no statistically significant difference between the viewpoint of male and female employees on the retail sector in India.
- Statically, there is a difference between the viewpoints of male and female employees towards “foreign companies in the retail sector face a scarcity of skilled workforce” (p=.027), hence null hypothesis is rejected.

S. No	Challenge Factor	Mean Ratings
1.	Foreign companies in the retail sector face a scarcity of skilled workforce.	3.69
2.	There is a price war between different retail organizations.	3.61
3.	Location and high Rental value is the biggest challenge for retailers.	3.79

4.	Taxation policies, rules & and regulations are complexes for foreign country retailers.	3.70
5.	FDI in Indian retail will indirectly or directly do Distortion of Culture.	3.53
6.	FDI faces regulatory challenges, which hinder its smooth implementation in the retail sector.	4.30

Table 1.2 Mean rating of challenges faced by Indian organized retailers

As per Table 1.2, the biggest challenge faced by the Indian organized retail sector is that “FDI faces regulatory challenges, which hinder its smooth implementation in the retail sector”. Other challenges factors are considered moderate for the Indian organized retail sector.

Objective- 2

- To study the various opportunities available in the retail sector.

Hypothesis

H₀₁ - The retail sector in India does not offer substantial opportunities for growth and development.

Sr. No.	Statements	Gender	N	Mean	SD	t-statistics		Statistically Accept/Reject
						t	Sig.	
1.	FDI opens up a new avenue for Franchising.	Male	289	3.64	1.294	.404	.026	Rejected
		Female	104	3.58	1.492			
2.	FDI brings opportunities for the retail sector in India to access foreign capital and investment.	Male	289	3.65	1.304	.100	.228	Accepted
		Female	104	3.63	1.421			
3.	Foreign companies invest huge amounts in research and development, and through this, they explore more things.	Male	289	3.14	1.183	.118	.280	Accepted
		Female	104	3.13	1.275			
4.	FDI promotes the development of supply chains and logistics infrastructure in the retail sector.	Male	289	3.71	1.193	-.513	.948	Accepted
		Female	104	3.78	1.182			
5.	Foreign stores retain customers for the long term by creating loyalty among customers by providing after-sale services.	Male	289	3.26	1.222	-3.298	.163	Accepted
		Female	104	3.69	1.107			
6.	Indian Retail Industry is the largest industry in terms of	Male	289	3.68	1.243	-.706	.426	Accepted
		Female	104	3.78	1.190			

the number of employees and establishments.							
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Source- Compiled from primary data (SPSS Output), Table 1.3

- The analysis shows that in Table 1.3, “FDI opens up a new avenue for Franchising” (Mean=3.64, SD= 1.294) as per male employees of the organized retail sector. Followed by “FDI brings opportunities for the retail sector in India to access foreign capital and investment” (Mean=3.65, SD= 1.304). Subsequently “Foreign companies invest huge amounts in research and development, and through this, they explore more things” (Mean=3.14, SD=1.183). Afterward “FDI promotes the development of supply chains and logistics infrastructure in the retail sector” (Mean=3.71, SD=1.193). Followed by “Foreign stores retain customers for the long term by creating loyalty among customers by providing after-sale services” (Mean=3.26, SD=1.222). After that “Indian Retail Industry is the largest industry in terms of the number of employees and establishments” (Mean=3.68, SD=1.243). On the other hand,” FDI opens up a new avenue for Franchising” (Mean=3.58, SD=1.492) as per female employees of the organized retail sector. Followed by “FDI brings opportunities for the retail sector in India to access foreign capital and investment” (Mean=3.63, SD= 1.421). Subsequently “Foreign companies invest huge amounts in research and development, and through this, they explore more things” (Mean=3.13, SD=1.275). Afterward “FDI promotes the development of supply chains and logistics infrastructure in the retail sector” (Mean=3.78, SD=1.182). Followed by “Foreign stores retain customers for the long term by creating loyalty among customers by providing after-sale services” (Mean=3.69, SD=1.107). After that “Indian Retail Industry is the largest industry in terms of the number of employees and establishments” (Mean=3.78, SD=1.190).
- The Output of t-statistics for the retail sector on the first statement “FDI opens up a new avenue for Franchising” resulted in a t-value of .404 and a significant value of .026 which is smaller than 0.05 which rejects the null hypothesis this implies that there is a statistically significant difference between the viewpoint of male and female employees on retails sector in India, the second statement “ FDI brings opportunities for the retail sector in India to access foreign capital and investment” resulted in a t-value of .100 and a significant value of .228 which is larger than 0.05 accepting the null hypothesis, this implies that there is no statistically significant difference between the viewpoint of male and female employees on retails sector in India, the third statement “Foreign companies invest huge amounts in research and development, and through this, they explore more things” resulted in a t-value of .118 and a significant value of .280 which is larger than 0.05 accepting the null hypothesis, this implies that there is no statistically significant difference between the viewpoint of male and female employees on retails sector in India, the fourth statement “FDI promotes the development of supply chains and logistics infrastructure in the retail sector” resulted in a t- value of -.513 and a significant value of .948 which is larger than 0.05 accepting the null hypothesis, this implies that there is no statistically significant difference between the viewpoint of male and female employees

on retails sector in India, the fifth statement “Foreign stores retain customers for the long term by creating loyalty among customers by providing after-sale services” resulted in a t-value of -3.298 and a significant value of .163 which is larger than 0.05 accepting the null hypothesis, this implies that there is no statistically significant difference between the viewpoint of male and female employees on retails sector in India, the sixth statement “Indian Retail Industry is the largest industry in terms of the number of employees and establishments” resulted in a t-value of -.706 and a significant value of .426 which is larger than 0.05 accepting the null hypothesis, this implies that there is no statistically significant difference between the viewpoint of male and female employees on retails sector in India.

- Statically, there is a difference between the viewpoints of male and female employees towards “FDI opens up a new avenue for Franchising.” ($p=.026$), hence null hypothesis is rejected.

CONCLUSION

The above research concluded based upon table 1.1 as per the first statement “Foreign companies in the retail sector face a scarcity of skilled workforce” resulted in a t-value of 1.031 and a significant value of .027 which is smaller than 0.05 which rejects the null hypothesis this implies that there is a statistically significant difference between the viewpoint of male and female employees on retails sector in India. As per Table, 1.2 retailers in India face the biggest challenge which is based on the above calculated mean rating from “FDI faces regulatory challenges, which hinder its smooth implementation in the retail sector”, and moderate challenges from “FDI in Indian retail will indirectly or directly do Distortion of Culture”, “Taxation policies, rules & regulations are complexes for foreign country retailers”, “Location and high Rental value is the biggest challenge for retailers”, “There is a price war between different retail organizations”, and “Foreign companies in the retail sector face a scarcity of skilled workforce”. With reference to table no. 1.3 per the first statement “FDI opens up a new avenue for Franchising” resulted in a t-value of .404 and a significant value of .026 which is smaller than 0.05 and rejects the null hypothesis this implies that there is a statistically significant difference between the viewpoint of male and female employees on retails sector in India.

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