

TRANSFORMATION IN RETAIL SECTOR OF INDIA WITH SPECIAL REFERENCE TO SUPERMARKETS

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ABSTRACT

This study is conducted to understand transformation in the retail sector in India with special reference to Supermarkets. The data is collected to available secondary sources. According to the data India is the Fifth largest market destination for retail globally. Due to time constraint data is collected only from secondary sources and is analyzed by the researcher. The researcher aims to find out various indicators for transformation in the retail shop sector. The study is limited to India. The major factor and significant impact have been examined during the study. Various case studies have been examined during the study to understand the aspects of transformation in supermarkets in India.

KEYWORDS: Indian retail industry, Supermarkets, Supermarkets in India, transformation in retail sector, Dmart.

INTRODUCTION

Retailing is where goods are brought in bulk from the wholesalers and sold to the end consumers. Grocery, clothing, footwear, food and non-food items, drug items, footwear and other consumer durables come under the retail sector. In this study focus is kept on the growth of supermarkets in India. Previously India was only having self-owned retail shops, corner shops or convenience stores. From the last two decades things have changed tremendously.

India has grown with an ample number of supermarkets, hypermarkets and departmental stores due to urbanization, international exposure, improved disposable income and many other reasons. Retail industry of India consists of both organized and unorganized sectors, if we talk about the retail shops of household items which are generally sold in supermarkets. Big bazaar, currently Smart bazaar founded in 2001 is one of the earliest supermarkets in India. After that many supermarkets/hypermarkets were introduced in India. Dmart- 2002, Reliance retail- 2006, Hypercity- 2006, More store 2007. Currently India is the third largest market of grocery retail i.e., of 656 billion.

20 years ago, i.e., in 2003 retail industry of India mostly consisted of sole proprietorship. All the household items such as grocery, dairy products, clothing-textiles and other consumer durables were sold at separate retail shops. Delhi's Super Bazaar was the first supermarket launched in India in 1966. Due to lack of management and corruption it was closed down in 2002.

M.M. ZIMMERMAN defines "A supermarket is a departmentalized retail establishment having four basic departments as- household departments, self-service grocery, meat produce, dairy products plus others

doing a maximum business. It may be entirely owner-operated or have some of the departments leased out on a concession basis.”

Basically, supermarkets are a place where numerous daily durables are available under one roof, selling at reasonable prices, with no credit facilities. There are billing counters available where customers can go with their shopping carts/baskets once they are done with the shopping and can pay for it through cash, card or other internet/mobile banking. They employ very less staff so to buy daily households' people don't need any assistance, since no salesmen are there.

Many brands are available at a single place for the same goods, so that customers can make a choice out of it. Supermarkets are growing in India like anything. Many regions have their own supermarkets existing in that particular area only. E.g., “Nilgiris” is pioneer of the organized retail market in the south Indian states viz. Tamil Nadu, Karnataka and Kerala.

REVIEW OF LITERATURE

1. **Pawar, A., & Sangvikar, B. V. (2019)** In the research paper stated that, having full ownership of space for stores, keeping lower prices, eliminating intermediaries, low-cost spending on promotional means, emphasizing on FMCG products, providing better value for money, more possible offers and discounts, having simple store plans, also operating in developing areas are few factors which made Dmart grow so momentarily.
2. **Kumbar, S., & Jayadatta, S. A. (2020)** Stated that, these supermarket/hypermarket stores contribute to 30% of all food & grocery organized retail sales. Study revealed that a greater number of customer's visit D-Mart once in a month, and DMart can become more towards customer's benefits by giving offers and discounts to their customers so they can visit D-Mart more frequently.
3. **Sushma, R. (2013)** clearly stated that the retailing format in India consists of Malls, departmental stores, discount stores, Multi brand outlets, Convenience stores, hypermarkets, supermarkets and online retail. The Indian Retail Industry is the largest among all the industries, which is almost 10% of the country's GDP and around 8 per cent of the employment. In the past there was a lack of international exposure and only few Indian companies explored the retail platform on a larger scale. And presently India is geared to become a major player in the retail industry throughout the globe.
4. **Thoufeeq. (2019).** This is the specific study on the MORE supermarket. The study stated that more provided expensive staple goods, which is a decent place for family shopping. Currently they have 540+ supermarkets throughout India.
5. **Anjan Kumar . B. & .Satyanarayana Rao. A.V (2018).** The Indian retail sector has been through multiple variations in its evolution stage. Many innovative technologies are getting introduced,

which is improving capacity and growth of the market, along with which traditional shops especially the grocery stores are also sustaining in their businesses.

OBJECTIVES

1. To understand drastic changes in the retail industry with reference to supermarkets.
2. To examine transformation indicators by dint of case studies of supermarket brands.

RESEARCH METHODOLOGY

Data is collected from secondary sources such as newspapers, articles, research papers and websites. The data collected is qualitative and quantitative which is interpreted in findings of the study. Descriptive research method is used to do this study. The study is limited to secondary data only, hence for further research data can be collected through primary sources.

FINDINGS OF THE STUDY

From collected data it is found out that, retail sector has changed drastically in the last 2 decades. Even if traditional stores are there, many new ideas in the retail sector have been turning up like supermarkets, Hypermarkets, department stores, Grocery stores, Convenience stores and online grocery shopping too. Supermarkets are one of the most growing types of retail shops. To understand this transformation a few cases of supermarkets have been discussed below, where business models of various supermarkets are elaborated in brief, which makes us understand how the unorganized retail sector of India is moving towards a more organized one with reference to supermarkets. Case studies to understand the growth of supermarkets in India:

1. BIG BAZAAR

Big bazaar which is one of the topmost hypermarket chains in India started offering a wide range of products at a single place, whether it be toys, clothes, food, any other household essentials. Along with it they offered high quality products at reasonable prices and also at discounted prices. Offers, discounts, and sales were frequently provided by them. One of the main reasons behind the growth of big bazaars is that they always aimed to open stores in semi-urban and developing areas. Also, they facilitated online shopping through their own mobile app and social media platforms. Currently Big bazaar is taken over by Reliance industries and it has been rebranded as Smart Bazaar Stores.

2. MORE STORE

The “MORE” supermarket sells day to day items, FMCG and other consumer durables under one roof. It is owned by Aditya Birla Retail Ltd. They deal in clothing and apparel, fruits and vegetables, food items, home decor and essential kitchen durables.

3. HYPERCITY

It is a product by Raheja group of companies. It is one of the biggest hypermarkets of India which sells a variety of products under one roof. It consists of Food, Furniture, Sports, Toys, fashion. Hypercity stores are more like malls. Currently they have 20 stores throughout India.

4. DMART

Dmart is currently the fastest growing supermarket brand in India. They have sectioned itself in three categories: General Merchandise, Food and Non-food items. Their motive is to provide lowest-priced products at a single store to the customers. They also have their own brands such as, Dmart, Dmart premia, Dutch Harbour, Dmart minimax, D Homes. Also Prices at dmart are always less than the competitors.

Reasons behind success of dmart are-

1. They never lease a property in any mall, instead they own the properties.
2. They have shifted the unorganized retail sector of India into a much specified and organized one.
3. Consumers are offered almost all the products at a minimum 3% discount. in some cases, it is as much as 10% off on MRP.
4. Since we don't need someone to buy us things in supermarkets, employee cost is the least in Dmart.

D'Mart has brought drastic change in the supermarket sector with its own techniques and marketing strategies. Looking at dmart really makes us believe that the retail sector of India has transformed like anything in the last two decades.

Along with these Big Basket, JioMart, Spencer's, Reliance fresh, Foodworld, Easyday, Vishal Mega mart, Nature's Basket is some of the top supermarkets and hypermarkets in India.

CONCLUSION

As stated in the objectives few case studies have been discussed above, which clearly gives a picture of today's supermarkets in India. India is continuously growing as a most established retail destination in the world. Along with reasonable prices, convenience and ambience are also the indicators on which supermarkets are focusing. Grocery and food are the most prominent and promising opportunities of the supermarkets and hypermarkets sector.

The reasons behind the drastic transformation of Indian retail, especially the supermarkets, are that people are getting a convenient experience of shopping for all household items at the same time and place.

Also, working women are increasingly lacking the time to go for daily shopping of household items and grocery, disposable income of people is increasing, also due to continuous improvement in urbanization and hence it is giving a powerful push to the supermarkets. According to the data analyzed and literature

reviewed by the researcher, it is clearly indicating that the supermarket industry of India will be growing more in future.

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