

COMPARATIVE ANALYSIS OF RETAIL SECTOR OF INDIA AND AUSTRALIA

Ms. Shweta Tyagi, prof. Dr. Gurinder Singh and Ms. Tripti Agarwal

Amity International Business School,
Amity University, Noida, India

ABSTRACT

The economy of Australia and India is booming in the retail sector. All major business decisions affecting the world across are taken and dictated by this economy. The total number of retail businesses are around 140 000 in Australia which accounts for nearly 4.1% GDP and employment of 10.7%. the retail industry contribution from india is more then 13% of GDP in 2011.The retail industry has skilled quotes of labor productiveness increase during the last two many years comparable, on average, to that of the rest of the Australian economic system.

KEY WORDS

Retail, India and Australia, Departmental Stores, Marketplace

1. INTRODUCTION

1.1 Overview

The economy of Australia and India is booming in the retail sector. All major business decisions affecting the world across are taken and dictated by this economy. The total number of retail businesses are around 140 000 in Australia which accounts for nearly 4.1% GDP and employment of 10.7%. The retail industry contribution from India is more then 13% of GDP in 2011. [1]

The unorganized and organized retail industry of india can be found in more then nearly 6 million stores and outlets. The industry of retail sector contains great diversity in relate to size, format, competition, region and nature of goods.

Each present day trading conditions and longer term trends are challenging. Retail income increase has trended down over the last half of decade as consumers keep more of their growing incomes and their spending is more and more directed toward more than a few non-retail offerings. The retail industry has met many aggressive demanding situations within the past. on line retailing and the access of recent revolutionary global outlets are simply the modern-day. The intensified opposition is ideal for clients, however is hard for the enterprise which, as a whole, does no longer compare favorably in phrases of productivity with many remote places nations. And the productiveness gap appears to have widened over the years. Australia also seems to lag some of similar nations in its improvement of on line retailing.

The retail industry has skilled quotes of labor productiveness increase during the last two many years comparable, on average, to that of the rest of the Australian economic system. Notwithstanding this tremendously sound overall performance in the rate of productiveness

boom, the level of productivity inside the retail enterprise stays underneath that of most comparable nations in Europe and North the United States. Australia's retail industry labor productiveness in 2007, in phrases of output in keeping with hours labored, became decrease than most OECD international locations. [2] On line shopping. However the project of alternate is rarely different retail improvements, more often than not remote places adjustments adapted to local conditions, have caused the character of Australian retail changing dramatically over many decades.[4] The pressure from on line retailing is not unique to Australia both — those competitive forces are being felt round the world.

India has certainly one of the largest numbers of retail outlets inside the world with five. five stores in keeping with one thousand population. prepared retail simplest debts for much less than four% of the overall area & it's far anticipated to capture 15 – 25% marketplace proportion via 2012. One area of the sector's young people stay in India. Extra than 50% of the Indian populace is below 25 years of age.

2.REVIEW OF LITERATURE

The study shows about the retail sector of INDIA and AUSTRALA and their comparison between them including how they helped in boosting economy. [6]Numerous articles and publications were written through many researchers on Indian retail industry with distinctive focuses; a number of their key findings have been highlighted down here to have an usual concept.

2.1 Previous Studies

Das (2000) found out that the Indian state of affairs is alternatively paradoxical. At \$one hundred eighty billion, the Indian retail business contributes 10-12% of the GDP higher than the a few western economies, where it averages eight%.[8]It revealed that India have the world's thickest density of outlets at five. Five% for every 1000 human beings among 12million retail shops, India's consistent with capita retail space is dismissal 2 sq.ft in line with person.

Poviah and Shirali (2001) were of the standpoint that purchasing shops are classic self service 4000- 20000 squareft. shops with buying carts, as popularized in India by way of loopy boys film, with common cognizance on normal groceries, family items and personal care merchandise. Tesco and Nilgiris.[3] India is namely a groceries marketplace and here, shopping department shops have now not been capable of devour into the enterprise of kriyana shops. whilst the housewife might choose up her shampoo at a shopping center, she maintains to use her neighborhood cart pusher for every day wishes which include sparkling veggies. In truth, so far prepared Indian retailing has enveloped simplest the center phase of Maslow's pyramid. [5]

Malliswari, M. (2007) indicated that Indian customer is now sowing the seeds for an exciting retail transformation that he already started out bringing in larger interest from worldwide manufacturers/ formats. With the arrival of these gamers, the race is on to please the Indian purchaser and it's time for the Indian patron sits lower back and enjoys the hospitality to be integrated like a king.[7]

Paromita Goswami (2007) performed a study on how college students in city regions shopped for apparels. The factors investigated for the look at had been logo aware and needed variety and best first-rate for their apparel purchase.[20]Sfurthermore, mother and father influence their buy behavior the maximum, followed by using peer store approval, friends' have an impact on and peer product have an effect on.

Dr. Biradar et.al. (2008) of their article mentioned that the prepared retail region is registering high-quality growth fueled by using the unleashed spending energy of latest age clients who've widespread disposable profits and willingness to have new purchasing enjoy.[15] it's miles emphasized that India's pinnacle stores are in large part life-style, garb and garb stores followed via grocery stores. S. Koktanur (2010), attempted to find out the different factors driving clients in the direction of buying department stores and patron shopping for reaction for promotional equipment. They found four fundamental factors that pressure the clients closer to the shopping malls.

It's miles worth pausing up-to-date note that the NRF foundation gives a service updated U.S. outlets referred updated "Retail competencies facilities." working with shopping center developers, neighborhood, country, and authorities organizations, colleges and colleges, network organizations, and neighborhood up to date, NRF foundation mounted multiple Retail capabilities facilities (RSC) across the united states of America.[9]

The Retail abilities facilities companions carry their understanding and sources up-to-date address the opportunities and demanding situations of the ever-growing retail enterprise and help up-to-date community and match up-to-date with certified and trained applicants. The retail quarter has an exceptional document on education and upskilling its body of workers.[14] In 2008, 5,000 retail apprenticeships had been completed and sixty three% of all individuals in the quarter were given schooling equivalent to fourteen operating days.

Many studies have been done before related to retail sectors of different countries but there are very less studies on the analysis of India and Australia retail sector and their comparative analysis. This report shows the difference factors on retail sector of India and Australia.

3.RESEARCH METHODOLOGY

3.1 Introduction

Research: research is an in-depth study of the project and it is done to establish facts, reaffirming previous studies, exploring new theories and experimenting new ideas. Research itself says searching again and again. I choose to study on the self-service checkouts machines in retail stores which is a new technology among Indian consumers and what are the impacts if we use the technology in India.

3.2 Data Source

3.2.1 Primary Source:

Primary data is the first-hand information which is done through surveys, filling up the questionnaires, in-depth interviews, random face to face communication etc.

3.2.2 Secondary Sources:

Secondary data information is those which have been gathered by another person and which as of now have been gone through measurable procedure. Secondary data has been taken from newspaper, magazines, and internet and companies links. It includes data from sources like internet where journals, several articles and various research papers are studied on the topic.

3.3 Research Approach

The descriptive research method is used in collecting the data from secondary sources and previous studies. Comparing information regarding the use and implementation of self-checkouts

from multiple sources of information provides a more complete, holistic, and comparable picture of the effects and use of self-checkouts in the supermarket industry. The information is compared regarding the implementation and use of self-service checkouts from different sources of data and information which is providing a more holistic, comparable and complete picture of the use and effects of self-service checkouts in the retail outlets.

3.4 Research Objective

1. The purpose of this research is to make people aware about the self-service checkouts technology, its usage and pros and cons.
2. The next objective is find to know about the effects of this technology on the customers and employees.
3. The third objective of the study is to why should we adopt this technology.
4. The ultimate objective is studying regarding Indian market in terms of acceptance of new technology and increasing demand for the retail stores.

3.5 Limitations of the Study

1. The data can be general and vague which really can't help companies to take decisions
2. The data can be out of date and old.
3. The study cannot be useful for one company specifically as it is a secondary research.
4. Shortage of time is the biggest limitation to make this study more effective and comprehensive.
5. provided is restricted due to time consideration.

4. DATA FINDINGS AND ANALYSIS

4.1 Indian Retail Scenario

Retailing formats in India

- Supermarkets (Foodworld, Spencer's)
- Hypermarkets (Big Bazaar, Trent)
- Department Stores (Shoppers Stop, LifeStyle)
- Specialty Chains (Spar)
- Discount Chains (Subhiksha)
- Cash 'N' Carry (Metro)
- Petro Convenience (In & Out, Shell)
- Traditional Format Retailers
- Kiranas: Traditional Mom and Pop Stores
- Kiosks
- Street Markets
- Exclusive /Multiple Brand Outlets

Below is the list of top 15 Retailers in the world and their respective market share in all over the world.

4.2 Trends in Indian retail industry

- Multiple drivers leading to a consumption boom:
 - Favorable demographics
 - Growth in income
 - Increasing population of women
 - Raising aspirations: Value added goods sales

- Food and apparel retailing key drivers of growth
- Organized retailing in India has been largely an urban phenomenon with affluent classes and growing number of double-income households.
- More successful in cities in the south and west of India. Reasons range from differences in consumer buying behavior to cost of real estate and taxation laws.
- Rural markets emerging as a huge opportunity for retailers reflected in the share of the rural market across most categories of consumption.
- ITC is experimenting with retailing through its e-Choupal and Choupal Sagar – rural hypermarkets.
- HLL is using its Project Shakti initiative – leveraging women self-help groups – to explore the rural market.
- Mahamaza is leveraging technology and network marketing concepts to act as an aggregator and serve the rural markets.
- IT is a tool that has been used by retailers ranging from Amazon.com to eBay to radically change buying behavior across the globe.
- ‘e-tailing’ slowly making its presence felt.

- Companies using their own web portal or tie-ups with horizontal players like Rediff.com and Indiatimes.com to offer products on the web.

- Geographic migration
- Modern retail has entered India.
- Players from different part of world entering into India
- Top 10 retailers of India with their sales figure.

4.3 Forces Governing Indian Retailing

1. Consumer Pull: Rising income, Booming economy and greater purchasing power of the Indian customer and the tremendous growth of the middle class in the post-liberalization era.
2. Growing urbanization leading to a variety of customer needs.
3. Significant increase in the number of brands in the Indian market leading to a larger option set for the Indian customer.

4. Media boom leading to an increased level of awareness levels and exposure to the international trends and concepts.
5. Changing demographics propelling the growth of retail industry.
6. Psychographic changes in the Indian consumer behavior
7. Shopping is becoming an outing or a way of family entertainment that means that families now spend greater time in shops.
8. Below graph show the retail industry growth of 2010 and forecasting growth by 2010.

4.4 Problems Faced By Indian Retailers

- The organized retail industry in India is faced with stiff Competition from the unorganized sector
- There is a shortage of quality in real estate and infrastructure requirements in our country.
- Opposition to Foreign Direct Investment from small traders affects retail industry.
- Shortage of retail space in central and downtown locations also hinders the growth of retail industry.
- The organized retail industry is facing lot of opposition from traders, politicians and the government has to formulate a separate policy for the industry.
- Retail majors are under serious pressure to improve their **supply chain systems and distribution channels** and reach the levels of quality and service desired by the consumers.
- Peoples are not willing to pay online.
- VAT and multiple taxation issues.
- Numerous license permit and registrations requirements.

4.5 Australia Retail Scenario

There was sizable remark concerning the present day hard surroundings for the retail enterprise. a focal point on recent sales overall performance, however, risks detracting from consideration of essential longer term trends. has additionally positioned further downward stress at the charges of imported items.[10]

The increase rate of retail income has usually trended down over the last decades, because of long-term or structural adjustments inside the financial system and purchaser behaviour. these modifications are lessening the significance of spending on retail items in customer budgets. the percentage of retail spending in normal customer spending fell from over 35 in line with cent inside the early Eighties to simply under 30 according to cent currently.[12]

More currently, the appreciation of the Australian dollar . even as this trend spells a mission for some stores, customers are higher off — they may be shopping for more retail goods, however at quite lower fees, and are able to use the additional last income to meet different choices, which include for consumer offerings or financial savings.

5.CONCLUSION

Normal forecast from different researches have said that retail increase will develop 15 to twenty percentage over the subsequent five years, based on sturdy basics of macroeconomic conditions of India and its younger population growing disposable earning and rapid urbanization. Key

fulfillment aspect for foreign retail buyers are the more youthful populace of India's who are beneath the age of 25, a huge potential market is ready to explore and the internet accessibility is likewise a key element in which from rural to urban metropolis every person has the clean get entry to to the net. As many as 121 million Indians have net get admission to, and extra than half of of them get admission to the web via their cellular telephones. The range of transactions made online has been growing: inside the beyond 12 months, the cost of on line enterprise in India turned into envisioned to be really worth about USD \$10 billion.[11] With nearly 900 million mobile subscribers, and two hundred million more expected subsequent yr, market watchers anticipate mcommerce to skyrocket. (Interbrand, 2013). with the aid of the current fifty one% Stake in FDI in retail sector has been welcome by way of many corporates and foremost agencies already started out exploring the possibilities of tie-up with Indian corporations. for example Carrefour and Metro institution, both running wholesale facilities without partners; U.k.'s Tesco, with a minority stake in big name Bazaar supermarkets; and Walmart, a partner in India's Bharti organisations countrywide chain of wholesalers now have the option of exploring many partnerships. it is win-win state of affairs for the Indian retail giants once they collaborate with overseas corporations, they can percentage their revel in thru amplify technology and their sourcing abilities. note few of the pinnacle organizations which are tie-up with every different or making plans to expand in India his taken from extraordinary supply in a nut shell are mentioned.[13]

This provides less incentive for employers to expand schooling techniques in an effort to make a contribution to stepped forward employee productivity performance and perhaps explains a number of the attitudinal issues of some employees. — The retail sector within the destiny would require a extra exceptionally professional group of workers along with employees with properly IT abilities who have knowledge of website interface technology to guide the flow into on line retailing.

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AUTHORS

Ms Shweta Tyagi is a faculty cum senior manager with Amity University for the last 6 years. Before that she has worked with the biggest clothing giant Zara India. She has done enterprise management from DMS, IIT Delhi and has written several research papers in scopus indexed journals. She is net qualified & have completed her graduation from Delhi University.

