

An Overview of Retail Industry Realm in Rajasthan

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Abstract – Rajasthan is a mineral-rich region, with a diverse economy that is primarily driven by agriculture, mining and tourism. The mines of the state produce gold, silver, sandstone, calcareous, marble, rock phosphate, lignite and copper. It is the second largest cement producer and accounts for one 10% of Indian salt. 'Indian markets are an opportunity no international or national investors can ignore, but India is a hard place to do business,' says Walmart at a meeting to explore more shops in India and even major cities of Rajasthan, such as Jaipur, Jodhpur and Ajmer etc.

Key Words – Retail Sector, Organized Retail, Unorganized Retail, Retail format, Rajasthan Retail Industry

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INTRODUCTION

Indian Retail Market is the world's fifth-largest retail destination as a most lucrative and promising investment market. The Indian market is very complicated because of the wide geographical distribution and the different customers that each region likes unpredictable. In the last five years, the Indian retail industry saw a massive growth. The Indian retail sector is now rising significantly in organised retailing. In Rajasthan, the similar drift is evident with growing customer payments and changing their shopping behaviour. Rajasthan Area Wise is India's biggest region. Some of the major cities in the State are Jaipur, Udaipur, Kota, Ajmer. Punjab, Haryana and Uttar are situated on the north and northeast of the island, Uttar Pradesh and Madhya Pradesh on the east and south-east, and Gujarat on the south-west.

In the areas of organic and contracted agricultural operations, as well as infrastructural growth in agriculture, Rajasthan offers tremendous opportunities. Rajasthan is the largest rape, bajra and mustard production company. It is the second largest olive and spice producer in India and the third largest soya and coarse grain producer in India. Silver, silver, gold, copper, marble, sandstone, rock phosphate and lignite are the leading producers of Rajasthan. The country is India's largest cement producer. It has 21 major cement plants, having a total capacity of 55 million tonnes per annum (MTPA). Rajasthan is also India's second-largest milk manufacturer and largest wool manufacturer. Rajasthan is the largest producer of cut and polished diamonds in the world and has reserves of various

precious and semi-precious stones. In 2014-2015, state tourism arrivals were 34.59 million. The largest centre for gemstone cutting and polishing in the world, is in Jaipur. The luxurious tourism segment offers historic palaces, particularly those of Jaipur and Udaipur, opportunities to develop. In 2004-05 Rajasthan 's Gross State Domestic Product (GSDP) grew by 12.83 percent to 2014-15 at a compound annual growth rate (CAGR). From April 2000 to September 2015 the State attracted a USD 1.28 billion cumulative foreign direct investment (FDI). The State possesses enormous potential for generation of electricity through renewable energy and wind energy. Rajasthan Renewable Energy Corporation Ltd. has successfully supported ventures in the fields of solar power and biomass. Rajasthan had a total installed capacity to produce 17,783.89 megawatts (MW) in January 2016. There is over 200,000 students enrolled in state technical institutions. This is accompanied by the construction of a number of IT parks with special facilities. The political climate for the setting up of industrial units has been favourable. Investment approvals are being issued through a single window clearance system for state-owned investments and a Bureau of Investment Promotion (BIP) has been formed to concentrate on over US\$ 2.2 million in investments. According to a survey by the World Bank and KPMG, Rajasthan was sixth among Indian countries in a ranking based on the simple way ahead of doing business and introducing reforms. The advent, in textile sectors like Bombay Dyeing, Raymond's, S Kumar's and Grasim, of retail chains was the first to see the Titan premium watchmaker who built a series of graceful showrooms effectively

on a structured shopping concept at Rajasthan. At the end of the 90s the manufacturer was searching for an alternative distribution route. There were no serious proposals for retailers to get into production. These entrants were in various fields like-Food World, Subhiksha and Nilgiris in food and FMCG;According to Singh (2012) rural retailing is an important segment of retail industry and it is only lately that companies are making investments in this area.**ITC launched Chaupal Sagar**, the first rural mall, with a variety of products and offering farmer's tools to adapt to new technologies and methods of farming and selling their produce. **The DCM Shriram Group has opened a Hariyali Bazaar**, offering farm-related services and plans to increase their product line to a full-fledged grocery store.**Godrej Group has opened Adhaar**, a one-stop shop for farmers, focusing on farm related products. **Escorts and Tata Chemicals** are also in the process of setting up agri-stores targeting rural market.

Traditional and unorganised retailers are the dominant controls of the retail sector in Rajasthan. These innovations have emerged and developed in rural and semi-urban areas with population growth in state. In traditional 'kirana,' or 'baniya ki dukan,' you can still see the influence of small family-run, independent, 'mother and pop' store in smaller towns and urban spots, offering a wide variety of items. These shop sizes are exclusively classical. Many of these stores also belong to family-owned companies after a century. These retailers are active since generations and are mainly run by family and also, in some cases, the services of 1- 2 hired people who rely on turnover are part and parcel of the business, and are known as Dukan Wala bhaiya (Dukan Wala bhaiyah).

Established Retail formats in Rajasthan

These forms of retail are more structured and more run than conventional retailers. You can follow a fixed inventory pattern and also promote a selection of products. Some of them are discussed here as given below:

Kiosks: A kiosks is a small free standing pavilion or stall often open on one or more sides and used for information. Generally a Kiosk is placed in a shopping centre, a bus stand or near by the prospective customers.

Kirana Shop & Independent Stores: This is one of India's most important and successful retail formats. There are often owner running low-cost systems, with reliable property and labour costs. A major benefit enjoyed by the Kirana shops is the familiarity of customers from generation to generation.

Departmental Stores: The major stores sell mostly non-food items, such as clothes and household footwear. They stock several brands in various product categories, although some rely on their own

labels. Below is the list of Indian and Foreign retailers in different districts of Rajasthan who have their shops.

MAJOR INVESTORS IN RAJASTHAN

Reliance is one of the biggest players in Rajasthan retail industry. More than 50 Reliance Fresh stores and Reliance Mart have been started in last 5years or less.

AV Birla Group has a strong presence in Indian apparel retailing. The brands like Louis Phillipe, Allen Solly, Van Heusen, Peter England are quite popular. It's also investing in other segments of retail.

Future Group, led by its founder and Group CEO, Sh. Kishore Biyani, is one of India's leading business houses with multiple businesses spanning across the consumption space. The brands like Big Bazaar, Future Bazaar, and Pantaloon are popular in Rajasthan.

MAJOR REASONS FOR GROWTH OF RETAILINDUSTRIES IN RAJASTHAN

Retail growth in Rajasthan is due to several factors like complex demography: approximately 60 per cent of the Indian population is under the age of 30. Also one of the growth drivers is the double income and increase in purchasing power in most families. The growth of the retail industry in Rajasthan is due to numerous factors. Several incentives / concessions are available to support the industrial enterprises of this sector: Single brand retail with prior government is permitted under the RIPS 2010.51% FDI. Approval, approved Franchise Agreement and international companies may sign a domestic players licence agreement. Well-planned and congestion-free public districts with vast highways, parks, water and sanatoriums have a good urban infrastructure. The central government's state-based Jawaharlal Nehru National Urban Renewal Mission (JNNURM) aims to improve basic infrastructure facilities in the Rajasthan urban areas. 13 projects were approved under JNNURM in Jaipur, Ajmer and Pushkar. In addition, the Asian Development Bank (ADB) has approved the Rajasthan Urban Infrastructure Development Project (RUIDP). Ajmer, Bikaner, Jaipur, Jodhpur, Kota and Udaipur are all towns covered by the initiative. Water supply, sewerage, irrigation, roads and solid waste management are main areas for growth under these projects. The Rajasthan Government is also planning a Jaipur urban transport Metro Rail network. The districts have excellent colleges, including public and convent schools affiliated with the CBSE, ICSE, and IB councils. Some of them are institutions of national repute such as MGD Girls school, St. Xavier 's school and Mayo college. In addition there are numerous conventional and new age courses available at undergraduates and

postgraduate colleges and technical colleges. The state school facilities include 49,210 primary, 55,980 primary and 15,504 secondary and 8,189 secondary schools. IIT Jodhpur, the IIM Udaipur, and the BITS Pilani are just a few examples.

The state-wide availability of modern health facilities. Districts and city centres, including Fortis, Narayana Hrudalaya, Eternal Heart Care Centre, and the MahatmaGandhi Medical College & Hospital, are now offering many specialist and super-specialty hospitals. A variety of steps have already been taken to enhance state healthcare facilities like the 'Jeevan Raksha Scheme' Chief Minister and 'Rajasthan Health System Improvement Programme,' the World Bank. Banks, supermarkets, brand stores, department stores and shopping centres are commonplace in both private and public sectors. The districts in Rajasthan offer multiplexes, restaurants, cafes, theatres, galleries, fitness centres, spas, bars, pubs and nightclubs for a range of leisure activities. Many cultural centres in Rajasthan such as Jawahar Kala Kendra and Radha Krishan Cultural and Convention centre in Jaipur, Bharatiya Lok Kala Mandal and Seera Mandir, and Desert Cultural centre in Jaisalmer add state life to theatre, museum exhibitions. The cosmopolitan districts of Rajasthan offer an exciting mix of rich cultural and modern conveniences for a happy and healthy life. Even Rajasthan offers different adventures like camel safari, horsesafari, jeep safari and elephant safari.

SCOPE OF RETAIL MARKET & INDUSTRIES IN RAJASTHAN

The Kishore Biyani Future Group will run the general public distribution system and ration shops in Rajasthan, the first such tie-up of this sort. The partnership will broaden significantly the product portfolio of the rationing shops and allow Rajasthan government to deliver a wide range of household products at lower rates. Annapurna bhandhar is the first such tie-up of its sort. India's largest distributor, on the other hand, will be able to sell their private label goods at a 5,000 outlets across the country and, if it is successful, will be able to copy this model in other states too. Annapurna Bhandar has an enlarged product range and will market the own food brand, FMCG items and other household goods for the future, the prices of which are decided by the state government. KB Fair Price, a stretched down discount store, and Biyani could take inspiration from this store to launch Bhandard. Future Group currently operates KB Fair Price. The developer said that the first week of the month will be improved by the PDS stores, as people visit these shops to stock up on the monthly supply quota. After customers made monthly transactions in the first days of the month, business would then taper off with little action at those outlets.

RECOMMENDATIONS FOR REGULATORY INITIATIVES FOR BOOSTING ORGANISED RETAIL IN STATE

Simplifying, making transparent and time-consuming the introduction of a fast approvals process, an enticing investment climate and relevant regulations to make a new entity should be. It is appropriate to follow the single window clearance scheme. Quick administrative procedures, shop building land, sufficient electricity, built infrastructure and early exemptions and concessions will make Rajasthan an attractive organised retail investor destination. Establishing a Retailer-Farmer Direct Communication Network A retailer-seller network will allow retailers to boost their market conditions. It will also ensure farmers are linked more effectively to the urban economy; otherwise, the farmer relies primarily on the local authorities, which have not undergone any major modernisation. This will help to solve the key issue that retailers have, due to the involvement of the rent-seeking officials and their intermediaries, to be able to get in direct touch with farmers. The act of APMC must be eliminated. This platform would lead to: (a) retail and supplier compliance; (b) fair treatment among the suppliers; (c) prompt payment; and (d) logistics growth cooperation.

The design and distribution of licences on the basis of the concept retail outlets and the population under a single municipality should be an appropriate licencing programme. In order to discourage any malpractice in relation to crony capitalism, licencing can be distributed by auction. You may ask the participant to present the game plan in compliance with urban commercial planning before the Regulatory Authority to acquire a permit. The incumbent may also request a similar application to the regulator in the event of an expansion / joint venture. In case of breach of the terms and conditions of licences, there should be penalties including withdrawals of licences. A regulator needs to supervise the functioning and restrictions of the new retail outfaces for supply procurement, the taxation system facing them, and the facilities insufficient, etc. Regulations should be drawn up under the following headings: retailer choice of locations and modus operandi, oversight of the market practises of retailers, hours of operation, Special tax laws / differential tax structure for large retail outlets to encourage coordinated retail, and to raise State revenues. The Indian retail industry has finally started moving towards modernisation after years of unorganised retailing and scattered 'kirana' shops. The modernization movement is driven by new marketing models such as department stores, hypermarkets, supermarkets and specialty shops. Rajasthan has a retail model that quickly captures customer minds and is projected to increase the organised retail sector in the next five years.

However, the market needs vary from one area to the next and from one city to another. Consumer decision-making relies on the actions of customers. Consumers are also observed because the behaviour or predicted behaviours of those choices are greatly influenced.

CONCLUSION

Retailing encompasses any practise involved in the sale to end users of products or services for personal, non-company use. Any company that sells its goods for the customer's personal, family or home use is in the retail industry. Consumers benefit from retailing by conducting marketing functions that enable consumers to access a wide range of goods and services. Retail helps create valuable locations, times and possessions. The service of a retailer helps also to boost the reputation of a product. International direct investment was observed not as issue but as guidance to both consumers and retailers. It was recommended. Retailing provides diverse avenues for jobs, investment and income opportunities. Many hypermarkets / compact hypermarkets have open parking facilities in front of their shops, which appear less during the holidays or other vacations. Retailers thus support the presence of more parking space. Some hypermarkets / compact hypermarkets were located in the city outskirts. So retailers claim that their hypermarket/ compact hypermarket catchment area is convenient since customers should be located in the main location. Retailers also acknowledge that hypermarket / compact hypermarket interior and exterior design, size and design play important roles in attracting customers. Even the large problem facing retailers in Rajasthan is high real estate rental costs. In the growth of organised retail, tax policies levied by government at different levels. There were several issues with inventory and distribution that were found by retailers. There are no reliable distribution networks, the lack of a warehouse in the same town and shopping lifts were listed as the major problems. The retailers have decided that the prices for goods belonging to the lower and the lower middle class are detrimental in terms of psychology for the consumers. In these shops they assume prices of 290 items are high so they can't even enter the hypermarket / compact hypermarket, or hesitate to enter. It was noticed that some of the latest information technology used by bar code readers, ERP, RFID and QR code in hypermarket and compact hypermarket were. And retailers were highly favoured in the Rajasthan retail sector to implement new innovations, such as digital kiosks, chat trolleys and body scanners. For the organised retailers, maintaining staff is the biggest issue. The turnover rate of workers has been found to be high and there are not enough and needed staff available. The findings showed that a range of allied services were available in hypermarkets / compact hypermarkets, but retailers still preferred to start services such as ATMs, Photoshop, eating area, pet care, mail and

laundromatological services or to lend space. Hypermarkets / compact hypermarkets were more likely to face unorganised retail competitions followed by other organised retail formats. Retailers were very pleased with their current business but would like to increase their inventory and expand their outlet. An overall analysis on the Rajasthan retail sector and its major cities shows that consumers and retailers enjoy this structured retail format and are highly satisfied. And this reaction indicates that Rajasthan has great potential if more change and inventions are implemented than organised retail.

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