

FOSTERING ENTREPRENEURSHIP: A STUDY ON RETAIL STARTUPS IN BANGALORE

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Abstract

The retail industry plays a pivotal role in the global economy, and its entrepreneurial ecosystem has garnered significant attention in recent years. This research aims to provide a comprehensive analysis of the entrepreneurial ecosystem within the retail sector, shedding light on its key components, dynamics, and impact on innovation and economic growth. The study encompasses a wide range of stakeholders within the retail ecosystem, including established retailers, start-ups, investors, technology providers, and regulatory bodies.

Key findings from this research reveal the intricate interplay between traditional and innovative retail players, demonstrating how established retailers adapt to disruptive technologies and new market entrants. Moreover, it explores the regulatory environment and its influence on entrepreneurship and innovation in the industry. The entrepreneurial ecosystem of the retail industry is found to be dynamic and rapidly evolving, driven by factors such as changing consumer preferences, advancements in technology, and shifts in supply chain management. The study underscores the importance of collaboration and knowledge sharing among ecosystem participants, as well as the need for agile business strategies to thrive in this competitive landscape.

KEYWORDS: Retail industry, Ecosystem, Startup, Government schemes, Research study, Digitalization, Customer centric approach.

Introduction

Retailing in India is one of the pillars of its economy and accounts for about 10 percent of its GDP. The Indian retail market is estimated to be worth \$1.3 trillion as of 2022. India is one of the fastest growing retail markets in the world, with 1.4 billion people.

As of 2003, India's retailing industry was essentially owner-staffed small shops. In 2010, larger format convenience stores and supermarkets accounted for about 4 percent of the industry, and these were present only in large urban centers. India's retail and logistics industry employs about 40 million Indians (3.3% of Indian population). In November 2011, India's central government announced retail reforms for both multi-brand stores and single-brand stores. These market reforms paved the way for retail innovation and competition with multi-brand retailers such as Walmart, Carrefour and Tesco, as well single brand majors such as IKEA, Nike, and Apple. The announcement sparked intense activism, both in opposition and in support of the reforms. In December 2011, under pressure from the opposition, the Indian government placed the retail reforms on hold till it reached a consensus.

In January 2012, India approved reforms for single-brand stores welcoming anyone in the world to innovate in the Indian retail market with 100% ownership, but imposed the requirement that the single brand retailer source 30 percent of its goods from India. The Indian government continues the hold on retail reforms for multi-brand stores. In June 2012, IKEA announced it had applied for permission to invest \$1.9 billion in India and set up 25 retail stores. An analyst from Fitch Group stated that the 30 percent requirement was likely to significantly delay if not prevent most single brand majors from Europe, USA and Japan from opening stores and creating associated jobs in India.

On 14 September 2012, the government of India announced the opening of FDI in multi-brand retail, subject to approvals by individual states. On 20 September 2012, the Government of India formally notified the FDI reforms for single and multi brand retail, thereby making it effective under Indian law.

IN BANGALORE

The retail industry in Bangalore is one of the largest and most vibrant in India. The city is home to a wide range of retail businesses, from traditional markets to modern shopping malls and e-commerce companies. The retail industry in Bangalore is a major contributor to the city's economy. It employs millions of people and generates billions of dollars in revenue each year. The industry is also a major source of tax revenue for the state government.

The retail industry in Bangalore is growing rapidly. This growth is being driven by a number of factors, including the city's growing population, rising incomes, and increasing urbanization.

SECTOR IN RETAIL MARKET OF INDIA

The Indian retail market is divided into two main sectors:

- a) Organized sector and
- b) Unorganized sector.

Organized retail: The organized retail sector includes large chain stores, supermarkets, and malls. This sector is growing rapidly, driven by factors such as the increasing urbanization of the Indian population, the rising disposable incomes of Indian consumers, and the growing popularity of online shopping.

The organized retail sector in India is growing rapidly. This is being driven by a number of factors, including the increasing urbanization of the Indian population, the rising disposable incomes of Indian consumers, and the growing popularity of online shopping.

Unorganized retail: The unorganized retail sector includes small, independent retailers, such as kirana stores and street vendors. This sector is still the largest sector, but it is gradually shrinking. This is due to factors such as the growing competition from the organized retail sector, the rising costs of doing business, and the increasing demand

for convenience from consumers.

The unorganized retail sector in India is still the largest sector, but it is gradually shrinking. This is due to a number of factors, including the growing competition from the organized retail sector, the rising costs of doing business, and the increasing demand for convenience from consumers.

The retail sector in India is playing an important role in the country's economic development. It is creating jobs, generating revenue, and contributing to the growth of the GDP. The sector is also playing an important role in the development of the country's infrastructure and in the improvement of the quality of life of Indian consumers.

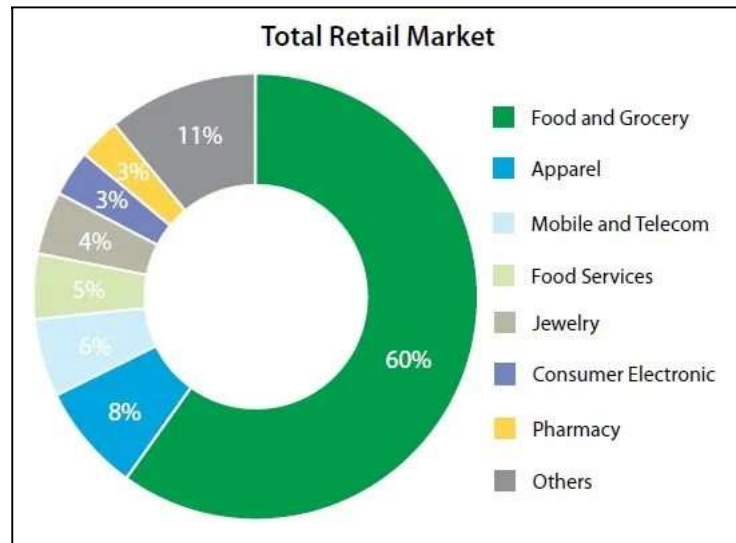


Fig 1.1: Key Sectors of Retail Market in India

TRENDS OF RETAIL MARKET IN INDIA

The change of technologies and consumer behavior has led to emerging trends in the field of retail industries, such as:

1. **Shift from Unorganized to Organized Retailing:** Retailing in India is thoroughly unorganized. There is no supply chain management perspective. The key factors that drive the growth of organized retailing in India are higher disposable incomes, rising urbanization, growing consumerism, nuclear family structure, growing number of educated and employed women population.
2. **Competition:** Competition is increasing between different types of retailers. Discount stores, departmental stores, supermarkets, etc. all compete for the same customers. The small independent retailers survive by providing personal services to the customers.
3. **New Form of Retailing:** Modern malls made their entry into India in the late 1990s, with the establishment of Crossroads in Mumbai and Ansal Plaza in Delhi. India's first true shopping mall, 'Crossroads'—complete with food courts, recreation facilities and large car parking space—was inaugurated as late as 1999 in Mumbai.

4. **Technology:** Technology today has become a competitive tool. It is the technology that helps the organized retailer to score over the unorganized players, giving both cost and service advantages. Technology has also made possible the growth of non-store retailing.
5. **Consumer Buying Behaviour:** In India, there are no uniform trends with respect to consumer buying behavior. There are visible differences in the shopping pattern of consumers across income segments.
6. **Entertainment:** Modern retail formats provide a place for people to assemble, and a means of entertainment, by providing facilities such as food courts, mini theater, children's play spaces and coffee shops. These facilities help the customers enjoy shopping.

RESEARCH OBJECTIVES

- To identify the key players and stakeholders in the retail ecosystem.
- To analyze the challenges and opportunities faced by retail shops in Bangalore.
- To investigate the impact of government schemes on the growth and sustainability of retail businesses.
- To explore the role of technology and digitalization in modernizing retail operations.
- To investigate the role of local authorities and municipalities in supporting retail growth.
- To recommend policy improvements and strategies for enhancing the effectiveness of government schemes in the retail sector.

SCOPE OF THE STUDY

- The study is on Venkateshwara Ltd.
- The study is done on the geographical area of Wilson Garden, Bangalore.
- It focuses on the retail industry.
- The relationships between the different stakeholders in the ecosystem.
- The key trends and challenges facing the retail ecosystem.
- The impact of the retail ecosystem on the economy and society.

SIGNIFICANCE OF THE STUDY

The retail industry is a vital part of the global economy, and it is also a very complex and dynamic industry. The retail ecosystem is made up of a wide range of stakeholders, including retailers, suppliers, logistics providers, payment gateways, financial institutions, and the government.

Some of the important significance are:

- To understand the complex and interconnected relationships between the different stakeholders in the retail industry.
- To identify opportunities for innovation and collaboration.
- To assess the impact of the retail industry on the economy and society..

- To understand how the retail industry is changing and how it can adapt to these changes.
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LIMITATION OF THE STUDY

- Lack of availability of data.
- Rapid change of consumer preference and government regulations.
- Findings from a study conducted in one region of India may not be applicable to other regions due to variations in consumer behavior and regulatory environments.
- Data collected at one point in time may not reflect the current state of the ecosystem. Longitudinal studies may be needed to address this limitation.
- Retailers may be hesitant to share information about their strategies, pricing, or market positioning, making it difficult to gather insights into competitive dynamics.

RESEARCH METHODOLOGY

The form of methodology adopted is descriptive methodology. Descriptive research design. Descriptive research is a type of research that describes a population, situation, or phenomenon that is being studied. It focuses on answering the how, what, when, and where questions of a research problem, rather than the why. Hence, I have chosen a descriptive research method for the study.

Sources of Data:

***Primary data** is a type of data that is collected by researchers directly from main sources through interviews, surveys, experiments, etc. Primary data are usually collected from the source where the data originally originates from. The primary sources that are collected in this study are in the form of the opinion, experience of the retail outlet owners. It is qualitative information provided by him.

***Secondary data** is the data that has already been collected through primary sources and made readily available for researchers to use for their own research. It is a type of data that has already been collected in the past. The secondary data in this study are collected through sources such as reference books, articles, research papers, and websites.

This research mainly uses the secondary data to obtain information about the role of retail industry in the economy of India, the support system available for the same through government, the opportunities and challenges faced by it in the current market.

REVIEW OF LITERATURE

Indian retail industry 2023: Growth, challenges and opportunities, Times of India.

The market after 2021 has been an eye-opening time for the Indian retail sector. The industry saw a decline of 8.5% in FY 2021, but it recovered in 2022 to reach \$836 billion with 81.5% contribution from traditional retail. However, the COVID-19 disruptions led to a rapid increase in e-commerce and digital adoption. Now, brands across segments are concentrating on increased online presence and direct sales as customers continue to shop online. Retailers can use AR/VR technology to provide immersive shopping experiences focusing on in-person interactions, enhancing the relationship between the brand and the consumer.

The rise and growth of the Indian retail industry, Baqar Nagvi

Origins of retailing in India can be traced back to the emergence of kirana and mom & pop stores, but with the Indian economy getting liberalized in early 1990s, many indigenous franchise stores popped up. Many domestic players like Raymond, Bombay Dyeing etc. started to forward integration from manufacturing to retailing thereby catering to a larger

base of customers. The expectation from a modern retail store has transformed completely, as consumers are no longer visiting these stores just to buy the products, but to experience a journey from a soothing entry to a satisfying exit.

Strategies and Ecosystem View for Industrial Sustainability, Re-engineering Manufacturing for Sustainability (pp.565-570)

Industrial sustainability is a rapidly developing field of research. Numerous industrial examples show that it is possible to decouple economic performance and environmental degradation using the waste and energy hierarchies, but they are not applied systematically. This paper reviews approaches and strategies for industrial sustainability which has been synthesised by the authors into an improvement hierarchy (action framework).

RESEARCH PAPERS

An Insight to the Structure of the North East Indian Retail Sector, Bhabesh Hazarika.

Retail trade plays a major role in all economies all over the world. The performance of the sector has important implications towards the economic development of a country. Towards the end of 2008-09, while the world economy shrank, the Indian economy was not much hampered due to its strong consumer demand. Modern retailing has entered into the retail market in India and is observed in the form of bustling shopping centers, multi-storied malls and huge complexes offering shopping, entertainment, and food under one roof. Apart from changing business environments and use of information technology, people are becoming more enthusiasts for brands, online shopping, etc., leading to a considerable growth of the retail sector in India.

Recent Development in Indian Retail Market, Lala Lajpatrai College of Commerce and Economics for National Conference on 29th September, 2018.

The Indian Retail Industry is the fifth largest in the world. Consisting of organized and unorganized sectors, the Indian retail industry is one of the fastest growing industries in India, especially over the last few years. According to the 10th Annual Global Retail Development Index (GRDI) of A.T. Kearney, India is having a very strong growth fundamental base that's why it's the perfect time to enter into the Indian Retail Market.

A Study of Growth of the Retail Sector in India, Dr. B. Vidya

India has emerged as the hottest retail destination. Most of the organized retailing in India has started recently and is concentrating mainly in metropolitan cities. The growth of the Indian organized retail market is mainly due to the change in the consumer behavior. This change has come in the consumer due to the increased income, changing lifestyles and pattern of demography which are favorable.

Study on the Rise and Growth of Indian Retail Industry, Integral University, Lucknow

The scenario of the Indian retail sector is very dynamic and varied. With the outstanding growth in this sector, India has become an attractive destination for the foreign players. This rapid growth has shown the way to invasion of organized retail selling in both urban and rural areas. The recent years have witnessed rapid transformation and substantial effects of profits in Indian retail stores across various categories.

A Study on Retailing in India: Growth and Challenges, Supriya Udaykumar Mogale.

The Indian retail market is one of the top five retail markets in the world by economic value and also it is considered as one of the fastest growing retail markets in the world. There is a rapid development of retailing which leads to shifting of customers from unorganized to organized sectors and it is mainly because of changing behavior and preferences of consumers.

Retail Industry in India: Overview of Retail Sector, Gurjit Singh

The retail stores are not a new entity, they have been in this world from the early 50's and in India they have been showing their presence in various forms like departmental stores, super markets, Discount Stores, Hyper-mart, Shopping Malls etc.

Ecosystems of Industry 4.0 - Combining Technology and Human Powers, Eunika Mercier-Laurent, Cristina Rosaria Monsone

It aims in renewing processes using available technologies and impacts the whole industry ecosystems including people, information processing and business models. While most research works focus on technology, the industrial systems objectives are economic with recent environmental concern. This paper provides an overview of Industry 4.0 and discusses the importance of including knowledge, people and considers impacts. It focus on the role of digital twins in transforming industrial ecosystems, presented in the context of ecosystems and discuss the role of Knowledge Innovation, environmental impact and the place of the humans.

ECOSYSTEM OF RETAIL INDUSTRY

An ecosystem of a company refers to the complex network of entities, organizations, individuals, and factors that interact with and influence the operations and success of that company. It's a broader context in which the company exists and operates. The components of a company's ecosystem can vary depending on the industry, location, and other specific factors.

Some common elements are:

- Customers.
- Suppliers.
- Competitors.
- Regulatory Bodies and Government.
- Investors and Shareholders,
- Employees.
- Technology and Innovation.
- Financial Institutions.
- Local Communities.
- Environmental Factors.

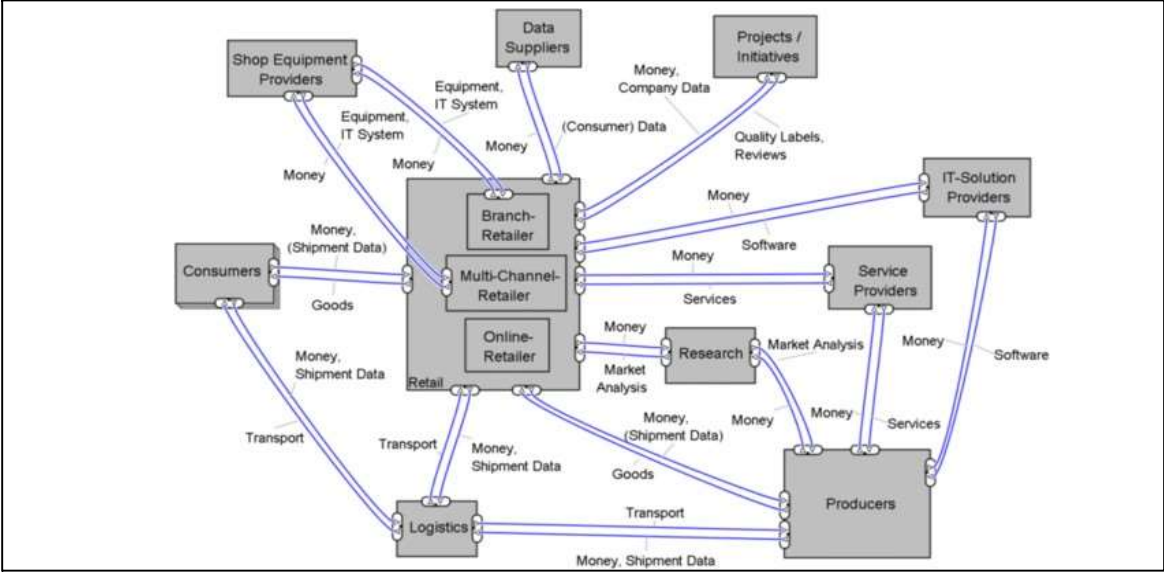


Fig. 4.1: Ecosystem of retail Industry.

CUSTOMERS IN RETAIL INDUSTRY

The customer is the most important piece of the puzzle in a retail business, and not without reason. Providing the best customer experience is how you can gain loyal customers. Loyal customers are, without a doubt, the backbone on which retail businesses survive.

Retail customer service is about providing customers with relevant (and timely) assistance, to help them solve their problems and to meet their needs and expectations. There are various types of retail environments to which retail customer service applies, including physical premises like supermarkets, newsagents and chemists, as well as countless online retail spaces, apps and websites. It also applies to sales environments where phone lines alone are used to interact with customers, such as warehouses, catalogs or wholesalers.

Exemplary retail customer service involves resourcefulness, initiative and strong people skills – as highlighted in our article on transferable skills – as you’re often required to think on your feet to maintain high levels of customer service. What’s perhaps most important, however, is providing a seamless experience – caring for your customer before, during and after the sale to ensure their expectations are always met at all times, without exceptions.

Importance of Customer:

- **Providing revenue:** Customers are the source of revenue for retailers. Without customers, retailers would not be able to exist.
- **Driving innovation:** Customers are constantly demanding new and innovative products and services. This drives retailers to innovate and develop new offerings to meet the needs of their customers.
- **Providing feedback:** Customers provide feedback to retailers on their products, services, and overall shopping experience. This feedback helps retailers to improve their offerings and become more competitive.
- **Promoting brands:** Customers promote their favorite brands to their friends and family. This word-of-mouth marketing can be very effective in attracting new customers to retailers.

SUPPLIERS IN RETAIL INDUSTRY

A supplier is a person or business that provides a product or service to another entity. The role of a supplier in a business is to provide high-quality products from a manufacturer at a good price to a distributor or retailer for resale. A supplier in a business is someone who acts as an intermediary between the manufacturer and retailer, ensuring that communication is forthcoming and stock is of sufficient quality.

Suppliers have a hugely important role at every stage of the product life cycle. From sourcing raw materials to helping ramp up production, and to finding better options for raw materials as the market starts becoming saturated, companies need to work closely with their suppliers to get the best out of their products.

Some of the key roles of Suppliers:

- **Provide products and services:** Suppliers provide retailers with the products and services that they need to sell to their customers. This includes a wide range of products, from food and clothing to electronics and furniture.
- **Help retailers to innovate:** Suppliers can help retailers to innovate and develop new products and services. For example, suppliers can provide retailers with new technologies or materials that can be used to develop new products.
- **Support retailers' marketing and sales efforts:** Suppliers can support retailers' marketing and sales efforts by providing them with promotional materials, training, and other resources.
- **Help retailers to manage their inventory:** Suppliers can help retailers to manage their inventory by providing them with real-time data on inventory levels and sales trends.
- **Provide financial support:** Suppliers can provide financial support to retailers by offering them credit terms or discounts.

RETAIL COMPETITION

Retail competition, if appropriately structured, may introduce some features that mitigate the negative environmental effects of wholesale competition, whereas others worsen the problem. There are also some positive effects, such as:

- **Drive innovation:** Competitors are constantly looking for ways to differentiate themselves from each other. This leads to innovation in products, services, and marketing strategies. For example, the competition between Amazon and Walmart has led to innovations in areas such as e-commerce, logistics, and customer service.
- **Keep prices competitive:** Competitors keep prices competitive by offering discounts and promotions. This benefits consumers by giving them more choices and lower prices. For example, the competition between grocery stores often leads to lower prices for milk, eggs, and other staple items.
- **Offer consumers more choices:** Competitors offer consumers more choices in terms of products, services, and prices. This allows consumers to find the best deals and products to meet their needs. For example, consumers can choose to shop at a discount store like Walmart or a high-end store like Nordstrom, depending on their budget and preferences.
- **Improve the quality of products and services:** Competitors are constantly trying to improve their products and services in order to attract and retain customers. This leads to a higher overall quality of products and

services for consumers.

- **Promote innovation in the supply chain:** Competitors are also looking for ways to improve their supply chains in order to reduce costs and improve efficiency. This leads to innovation in areas such as transportation, warehousing, and inventory management.
- **Create jobs:** The retail industry is a major source of jobs in many economies. Competition helps to create new jobs as retailers expand their operations and open stores.

ROLE OF GOVERNMENT

The government's role in the retail industry is important because the retail sector is a major contributor to the economy. The retail sector employs millions of people and generates billions of dollars in revenue each year. The government's support for the retail industry helps to promote the growth and development of the sector, and to create jobs.

They play a significant role in the retail industry through various policies, regulations, and support mechanisms. Its involvement is essential to ensure fair competition, consumer protection, and the overall growth and stability of the retail sector. The government's support for the retail industry is essential for the growth and development of the sector. The government's programs and services help retailers to overcome challenges, create jobs, and provide consumers with a wide range of products and services.

Key roles that governments play in the retail industry:

- **Creating and enforcing regulations:** The government creates and enforces regulations that govern the retail industry. These regulations are designed to protect consumers and promote fair competition. For example, the government regulates the pricing of goods and services, the advertising of products, and the safety of products.
- **Providing infrastructure:** The government provides infrastructure that is essential for the retail industry to operate, such as roads, bridges, and telecommunications networks. This infrastructure helps to reduce the cost of doing business and makes it easier for retailers to reach their customers.
- **Foreign Direct Investment (FDI):** Government policies regarding FDI can influence the entry of foreign retailers into the domestic market. Some governments encourage FDI to stimulate competition and innovation, while others may restrict it to protect local businesses.
- **Supporting innovation:** The government supports innovation in the retail industry through research and development funding, tax breaks, and other initiatives. This support helps retailers to develop new products and services, and to improve their operations.
- **Promoting the retail sector:** Government promotes the retail sector through marketing campaigns and trade missions. This helps to raise awareness of the retail sector.
- **Regulation and Licensing:** Governments establish regulations governing retail operations, including licensing requirements, health and safety standards, zoning laws, and business permits. These regulations help maintain order and compliance.
- **Taxation:** Governments levy taxes on retail businesses, including sales tax, value-added tax (VAT), and

income tax. Tax policies impact pricing strategies, profit margins, and overall financial health within the retail sector.

- **Trade and Tariffs:** International trade policies and tariffs can affect the retail industry, particularly for businesses involved in the import and export of goods. Government trade agreements and restrictions impact the availability and cost of products.
- **Competition Policy:** Governments promote healthy competition by enforcing antitrust and competition laws. These regulations prevent monopolies, price-fixing, and other anti-competitive practices that could harm consumers.
- **Consumer Education:** Government agencies may run consumer education programs to inform the public about their rights, responsible shopping practices, and how to make informed choices.
- **Market Research and Data:** Governments often conduct or commission market research and data collection to better understand market trends, consumer behavior, and economic conditions within the retail industry.

Schemes provided by government for Retail Industry

Governments around the world often introduce various schemes and initiatives to support and promote the retail industry. These schemes aim to boost economic growth, create jobs, enhance competitiveness, and provide financial assistance to retailers. While the specific schemes may vary by country and region. The Indian government provides a number of schemes and initiatives to support the retail industry. These schemes are designed to help retailers across a range of areas, including financing, infrastructure development, skills training, and technology adoption.

Some key government schemes are:

- **Credit Guarantee Fund Scheme for Micro and Small Enterprises (CGTMSE):** This scheme provides credit guarantees to banks and financial institutions for loans to micro and small enterprises (MSEs), including retailers. The scheme covers up to 75% of the loan amount, making it easier for retailers to access finance.
- **Pradhan Mantri Mudra Yojana (PMMY):** This scheme provides loans to MSEs for business development. The scheme offers loans of up to INR 10 lakh, with no collateral required.
- **Scheme for Infrastructure Development for Retail Trade (SIDRT):** This scheme provides financial assistance to retailers for the development of infrastructure, such as stores, warehouses, and transportation facilities.
- **National Skill Development Mission (NSDM):** This mission aims to skill 400 million people in India by 2022. The NSDM offers a number of skilling programs for the retail industry, such as the Retail Sector Skill Council (RSSC) program.
- **Rebate of State and Central Taxes and Levies (RoSCTL):** This scheme provides rebates on state and central taxes and levies on exports. The scheme is designed to make Indian exports more competitive in the global market.
- **E-commerce Network (eCom):** This scheme aims to develop a network of e-commerce hubs across India

to help retailers sell their products online.

- **Open Network for Digital Commerce (ONDC):** This government-backed initiative aims to create an open network for digital commerce in India. The ONDC will allow retailers to sell their products on multiple ecommerce platforms without having to sign up with each platform individually.

In addition to these schemes, the Indian government also provides a number of other initiatives to support the retail industry, such as the Pradhan Mantri Jan Dhan Yojana (PMJDY), the Goods and Services Tax (GST), and the Digital India program.

The Indian government's support for the retail industry is helping to promote the growth and development of the sector. The schemes and initiatives are providing retailers with the resources they need to start, grow, and succeed.

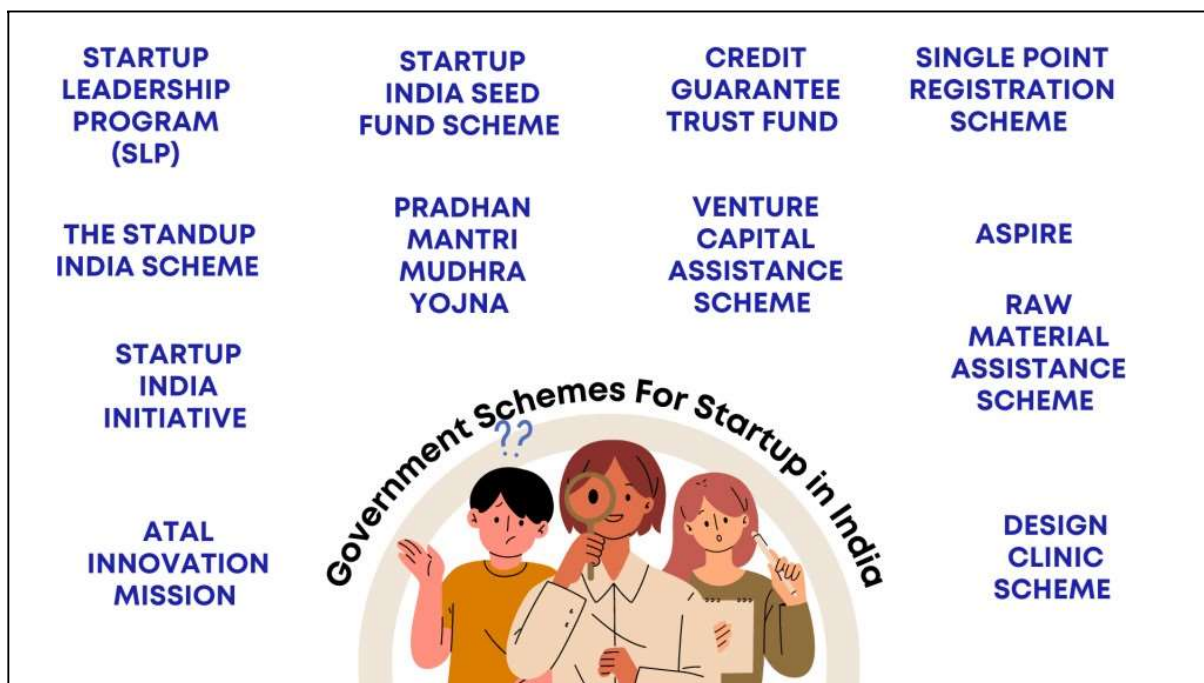


Fig 4.2: Government schemes for startup in India

It was unable to utilize the opportunity to access other schemes due to various barriers, such as:

- **Lack of awareness:** Many retail businesses are simply not aware of the government schemes that are available to them. This is due to a number of factors, such as the lack of publicity given to these schemes and the complexity of the application process.
- **Complex application process:** The application process for government schemes can be complex and time-consuming. This can be a barrier for retail businesses, especially small businesses that do not have the resources to dedicate to the application process.
- **Eligibility criteria:** Many government schemes have strict eligibility criteria. This can exclude many retail

businesses from accessing these schemes.

- **Lack of transparency:** There is a lack of transparency in the way that government schemes are administered. This can make it difficult for retail businesses to understand how to apply for these schemes and what the chances of success are.
- **Corruption:** Corruption is a problem in many countries, and it can also be a barrier for retail businesses to access government schemes.

DIGITALIZATION IN RETAIL INDUSTRY

Digital transformation in retail is the process of leveraging digital technologies to create new or modify existing business processes, customer experiences, and organizational structures. The goal of digital transformation in the retail industry is to provide customers with an enhanced shopping experience while also increasing profitability for retailers. To achieve this goal, businesses must adopt a range of digital tools such as e-commerce platforms, mobile applications, AI and Machine Learning, analytics software, cloud computing services, and more.

The retail industry is a \$7 trillion global market with 1.8 billion people employed. Additionally, there are 3.2 billion consumers worldwide who shop online. The current times are different from the one-size-fits-all era of communications and promotions. Personalization in communications and marketing tactics is necessary to retain customers and bring in new ones. Retailers can now use data and insights to increase the frequency of purchase of their existing customers and target high-value customers of traditional retailers. The demand for digital transformation in the retail industry has increased because it has the potential to directly drive revenue and growth for the retailers.



Fig 4.3: Digital transformation in the retail industry.

Key Impacts of Digitalization on Retail Industry

- **E-commerce:** E-commerce is one of the most significant impacts of digitalization on the retail industry. E-commerce allows retailers to sell their products to a global audience 24/7. It also allows consumers to shop from the comfort of their own homes and compare prices from different retailers easily.
- **Mobile commerce:** Mobile commerce (m-commerce) is another important impact of digitalization on the retail industry. M-commerce allows consumers to shop using their smartphones and tablets. This has made it easier and more convenient for consumers to shop on the go.
- **Artificial intelligence (AI):** AI is being used by retailers in a variety of ways, such as to personalize product recommendations, improve inventory management, and detect fraud. AI is also being used to develop new retail technologies, such as virtual assistants and chatbots.
- **Virtual reality (VR) and augmented reality (AR):** VR and AR are being used by retailers to create more immersive shopping experiences. For example, VR can be used to allow customers to virtually tour a store or try on clothes before they buy them. AR can be used to provide customers with additional information about products or to help them visualize how a product would look in their home.
- **Machine learning (ML):** ML is being used by retailers to analyze customer data and identify trends. This information can then be used to improve product selection, marketing campaigns, and store operations.
- **Increased Convenience:** Consumers can shop from the comfort of their homes or on the go through mobile devices. This convenience has led to higher online sales and changed shopping habits.
- **Omnichannel Retailing:** Retailers have adopted omnichannel strategies, seamlessly integrating online and offline channels. Consumers can research online and make purchases in physical stores, or vice versa.
- **Personalization:** Digitalization enables retailers to gather and analyze customer data to offer personalized shopping experiences. This includes product recommendations, tailored promotions, and personalized marketing.
- **Digital Payments:** Digitalization has led to the proliferation of digital payment options, making transactions faster and more secure. Mobile payments, contactless cards, and online payment gateways are now commonplace.
- **Mobile Shopping Apps:** Retailers have developed mobile apps that offer convenient shopping experiences, loyalty programs, and exclusive discounts, enhancing customer engagement.

Overall, digitalization is having a major impact on the retail industry. It is changing the way that retailers operate, the way that consumers shop, and the types of products and services that are available. Retailers who are able to embrace digitalization and adapt to the changing landscape will be better positioned to succeed in the future.

FINDINGS

This chapter comprises the findings whose basis are derived from the analysis and interpretation undertaken in the previous chapters. The following are the findings that are generalized of the role of retail industry in economic development of the nation and the importance of an ecosystem for retail industry.

- The retail ecosystem is highly interconnected. The retail ecosystem is made up of a variety of stakeholders, including retailers, suppliers, logistics providers, payment gateways, financial institutions, and government agencies. These stakeholders are all interconnected and interdependent. For example, retailers rely on suppliers to provide them with products, and logistics providers to deliver these products to customers.
- The success of individual retailers depends on the success of the ecosystem as a whole. The success of individual retailers depends on the success of the retail ecosystem as a whole. For example, if consumers have a negative experience with one retailer, it can reflect poorly on the entire retail industry.
- Digitalization is having a major impact on the retail ecosystem. Digitalization is transforming the retail industry in a number of ways. For example, e-commerce is growing rapidly, and mobile commerce is becoming increasingly popular. Digitalization is also enabling retailers to develop new products and services, and to improve their operations in a number of ways.
- Retailers who are able to embrace digitalization and adapt to the changing landscape will be better positioned to succeed in the future. Retailers who are able to embrace digitalization and adapt to the changing landscape will be better positioned to succeed in the future. For example, retailers who are able to effectively sell their products online will be able to reach a wider audience and increase their sales.
- The retail industry consists of a diverse range of players, including large chains, independent stores, e-commerce platforms, and marketplaces. The structure may vary by region and product category.
- Findings suggest that successful retailers prioritize a consumer-centric approach, using data analytics and personalization to understand and cater to individual preferences.
- The study identifies distinct consumer segments with varying preferences and behaviors. Retailers are tailoring their strategies to target these segments effectively.
- Findings indicate a growing emphasis on sustainability within the retail ecosystem. Retailers are adopting eco-friendly practices, promoting transparency, and responding to consumer demand for ethically sourced products.

SUGGESTIONS

- ➔ Embrace digitalization. The retail industry is rapidly digitizing, and retailers who are able to embrace digitalization and adapt to the changing landscape will be better positioned to succeed in the future. Retailers should invest in digital technologies, such as e-commerce platforms, mobile apps, and social media marketing, to reach a wider audience and improve their operations.
- ➔ Collaborate with other stakeholders. The retail ecosystem is highly interconnected, and retailers can benefit from collaborating with other stakeholders, such as suppliers, logistics providers, and payment gateways. This collaboration can help retailers to improve their efficiency, reduce costs, and offer new products and services to their customers.

- ➔ Invest in skills development. The retail industry is facing a shortage of skilled workers. Retailers should invest in skills development programs for their employees to help them develop the skills they need to succeed in the digital age.
- ➔ Take advantage of government schemes. The government offers a number of schemes and initiatives to support the retail industry. Retailers should take advantage of these schemes to improve their businesses and become competitive.
- ➔ Invest in research and development: Retailers need to invest in research and development to develop new products and services and to improve their operations.
- ➔ Develop a strong brand identity: Retailers need to develop a strong brand identity that differentiates them from their competitors.
- ➔ Be omnichannel: Retailers need to be omnichannel and offer a seamless shopping experience across all channels, including online, offline, and mobile.

Specific suggestions for government schemes that can help the retail industry

- ➔ Provide financial assistance to retailers to help them adopt digital technologies. This could be done through grants, loans, or tax breaks.
- ➔ Invest in infrastructure development to support the retail industry. This could include building new roads and bridges, and improving transportation networks.
- ➔ Provide training programs to help retail workers develop the skills they need to succeed in the digital age. This could be done through government agencies or in partnership with the retail industry.
- ➔ Reduce the regulatory burden on retailers. This could be done by simplifying regulations and reducing the amount of paperwork that retailers need to comply with.

The government can take a number of steps to address these barriers and make it easier for retail businesses to gain access to government schemes. These steps include:

- ➔ Raising awareness of government schemes. The government can raise awareness of government schemes through public awareness campaigns and by working with industry associations.
- ➔ Simplifying the application process. The government can simplify the application process for government schemes by making it more user-friendly and reducing the amount of paperwork required.
- ➔ Relaxing the eligibility criteria. The government can relax the eligibility criteria for government schemes to make them more accessible to retail businesses.
- ➔ Increasing transparency. The government can increase transparency in the way that government schemes are

administered by providing more information about the application process and the criteria for success.

CONCLUSION

The study of the ecosystem and government schemes for the retail industry is a complex and evolving field. The industry is made up of a variety of stakeholders, each with its own interests and goals. Government schemes can play a significant role in supporting the retail industry, but they must be carefully designed and implemented to avoid unintended consequences.

One of the key findings of the study is that the retail ecosystem is highly interconnected. The success of individual retailers depends on the success of the ecosystem as a whole. This means that it is important for government schemes to take into account the needs of all stakeholders in the ecosystem, not just retailers.

E-commerce is growing rapidly, and mobile commerce is becoming increasingly popular. Digitalization is also enabling retailers to develop new products and services, and to improve their operations in a number of ways.

Government schemes need to be adapted to reflect the changing retail landscape. For example, government schemes should support retailers in their efforts to digitize their businesses. Government schemes should also support retailers in their efforts to compete with e-commerce retailers.

It is important to note that government schemes cannot solve all of the challenges facing the retail industry. Retailers also need to be proactive and take steps to adapt to the changing landscape. For example, retailers need to invest in digital technologies and develop new products and services to meet the changing needs of consumers.

Overall, the study of the ecosystem and government schemes for the retail industry is a complex and important field of research. Government schemes can play a significant role in supporting the retail industry, but they must be carefully designed and implemented to avoid unintended consequences. Retailers also need to be proactive and take steps to adapt to the changing landscape.

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