Challenges Faced by Organized Retail Outlets – A Study

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ABSTRACT

Indian retail industry is one of the pillars of Indian economy and accounts for 14 to 15 percent of GDP and 15 percent of employment. Indian retail is growing at fastest speed as compared to other countries with more than 2.25 billion people. Indian retail luxury market is the 12th largest in the world. So many Indian and foreign companies are showing interest in Indian Retail. Over 6000 shopping malls operating and over 800 malls are under construction in India. This is benefiting Indian retailers, foreign retailers and consumers as well. But still Indian retail industry is not developed to avail the available opportunities. There are so many challenges faced by the retail outlets. Major portion of Indian retail industry is driven by big giants like Bharti, Reliance, Future Group, Tata, Birla etc. The study will include understanding the major and minor challenges faced by the retailers like competition, less skilled human resource, government policies, tax, kiryana stores etc. A research is conducted to investigate the major and minor challenges faced by the retail outlets. A structured interview schedule was used to collect the primary data from 40 managers of Kanyakumari District to know their perception about different challenges faced by retail outlets.

Keywords: Challenges, Organised Retail Outlets, Unorganized retailers, and GDP.

INTRODUCTION:

India is the second fastest growing economy in the world. It is third largest economy in the world in terms of GDP and fourth largest economy in terms of Purchasing Power Parity. India presents a huge opportunity to the world at age, to use as a hub. Standing on the threshold of a retail revolution and witnessing a fast changing retail landscape, India is all set to experience the phenomenon of global village. India is the “promised land” for global brands and Indian retailers A “Vibrant economy”. India tops in the list of emerging market for global retailer and India’s retail sector is expanding and modernizing rapidly in line with India’s economic growth. The future is promising; the market is growing, government policies are becoming more favourable and emerging technologies are facilitating operations. Retailing in India is gradually inching its way toward becoming the next boom industry. The whole concept of shopping has altered in terms of format and consumer buying behaviour, ushering in a revolution in shopping in India. Modern retail has entered India as seen in sprawling shopping centres, multi-storied malls and huge complexes offer shopping, entertainment and food all under one roof. The Indian retailing sector is at an inflexion point where the growth of organized retailing and growth in the consumption by the Indian population is going to take a higher growth trajectory. The Indian population is witnessing a significant change in its demographics. A large young working population with median age of 24 years, nuclear families in urban areas, along with increasing working-women population and emerging opportunities in the services sector are going to be the key growth drivers of the retail sector in India. Indian retail has been a traditionally unorganized sector, dominated by counter-stores and street vendors.
retail employs a large sector of the population, most of these people are uneducated, unskilled individuals that regard retail as the preferred career alternative to agriculture. They never had the means nor will to develop the sector or expand their business. Retail never enjoyed the support of the Indian consumer. A miserly population that barely had the means to make end meet never treated shopping as a form of leisure. While individual retailers saw small gains, lack of infrastructure, an unattractive Indian consumer and absence of regulation never provided the scale that retail giants could capitalize on.

Retailing in India is evolving rapidly, with consumer spending growing by unprecedented rates and with increasing no of global players investing in this sector. Organized retail in India is undergoing a metamorphosis and is expected to scale up to meet global standards over the next five years. India’s retail market has experienced enormous growth over the past decade. The most significant period of growth for the sector was between year 2000 & 2006, when the sector revenues increased by about 93.5% translating to an average annual growth of 13.3%.The sectors growth was partly a reflection of the impressive Indian economic growth and overall rise in income level of consumers.

CHALLENGES FACED BY RETAIL OUTLETS:

There are so many challenges faced by Indian Retail Industry like unorganized display, parking problem, credit card issues, few promotional activities , long billing queues, less number of trial rooms, Competition, less skilled human resource, government policies , tax structure, unorganized retail sector etc. Indian retail Industry needs more substantial investment from leading Indian and foreign players. Following are the challenges faced by the Indian retail outlets:

Lack of Technology Adoption:
The availability, feasibility and adoption of technology is the major challenge faced by the Indian retail outlets. Technology is being used for the day to day functioning the retail out lets like billing and payments, prevention of shrinkage, keeping record of stock, supply chain management. But the scope of technology is wider. Other software can be used like RFID for understanding customer preference, CRM for customer relationship management and ERP tools for other activities of the outlets. Indian retail outlets need to adopt technology and use different high end software for managing the functioning of retail outlets.

Lack of Infrastructure and Logistics:
Lack of infrastructure and logistics is another challenge faced by organized retail industry. Inefficient infrastructure and logistics is resulting in inefficient processes. This is the major hindrance of the retailers as non-efficient distribution channel is very difficult to handle and results in huge losses. Infrastructure does not have strong base in India. Organization and Globalization are compelling companies to develop infrastructure facilities transportation including railway system has to be more efficient. Highway has to meet global standards. Airport capacities and power supply has to be enhanced. Warehouse facilities and timely distribution are other areas of challenge. To fully utilize India's potential in retail sector, these major obstacles have to be removed.

Scarcity of Skilled Workforce:
The Indian organized retail players spend more than 7 percent of the sales towards personnel cost. Huge cost is incurred in training of the employees. The retail industry faces attrition rate as high as 50percent which is very high as compared to the other sectors. Industry has to pay more in order to retain the trained man power. Store operations accounts for 70-80% of the total man power of the organized retail sector. Unfortunately, there are very few specific courses for retail industry. Graduates and Post graduates from the other streams are hired and are trained in retail sector.

Frauds in Retail:
Retail shrinkage is one of the primary challenges that companies would have to face. Retail shrinkage is the difference between the value of the stock as per the books and the actual stock available in the outlet. Frauds, including vendor frauds, theft, shoplifting and inaccuracy in supervision and administration are the challenges that are difficult to handle. This is so even after the use of security techniques such as CCTV and POS system. As the size of sector increases, this would increase the number of thefts, frauds and discrepancies in the system.
Inefficient Supply Chain Management:
Delivering the right goods at right time at right place is very important. In India, there is lack of efficient Supply Chain Management. In India supply chain management should be improved and more technology needs to be used to make the supply chain management effective and reduce the inventory cost. Savings can be used to provide extra discounts and benefits to the customers and more money can be spent on customer retention.

Price War:
There is price war between different retail organizations. Every organization is trying to provide goods at low cost and offers various lucrative promotional schemes. In such situation, it is difficult to attain customer loyalty and companies keep marginal profit to provide the goods at competitive prices.

Cultural Diversity:
India's huge size and socio economic and cultural diversity means there is no established mode or consumption pattern throughout the country. The manufacturers and retailers will have to devise strategies for different sectors and segments which by it would be challenging.

Complexity in Tax Structure:
In India tax structure is very complex. This tax structure complexity is another major challenge for Indian retail outlets. The sale tax varies from state to state while organized player have to face multiple point control and system. In many locations, retailers have to face a multi point octroi with the introduction of Value Added Tax (VAT) in 2005. Certain anomalies in the existing sale tax system causing disruption in the supply chain are, however, likely to get corrected over a period of time.

Escalating land and rental prices:
Huge growth of retail industry has created a huge demand for the real estate. This is leading to increase in property prices. Starting a new store needs huge investment in purchasing a land. This huge investment is also a challenge for the retail outlets. Rental prices are also increasing, leading to increase in the overall costing.

Competition from Unorganized Retail:
Competition from the unorganized retail sector is the major challenge for the organized retail outlets. Unorganized retail sector includes mom-and- pop kiryana stores. These are low cost structures normally operated by the owners and has almost negligible real estate cost, labour cost and they have to pay no or very less taxes and are very near to the residential area or generally in the residential areas. They also have started offers and discounts to attain customers’ loyalty and providing free home delivery facilities. Kiryana stores also providing credit to the regular customers. So this is the major challenge for the retail outlets.

Online selling companies:
These days so many online marketing companies are coming up. These companies are providing goods to the customer at their door step and at lesser prices when compared with retail outlets. Online companies are providing so many lucrative offers to the customers. So this is also a major challenge for the retail outlets.

Power Supply Problem in India:
Big organized retail outlets requires high volume of electricity for lighting, air-conditioning, escalators, cold storing, billing system, lifts etc. In fact in the absence of power organized retail outlets can’t survive. There is a huge problem of electricity in India. Long power cuts are very often in India. Because of inadequate power supply retail outlets need to invest huge money on generators for power backups. Tariff for consumption of power supply is also very high for retail outlets. This leads to increase in the costing of the retail outlets.

High Cost of Operation:
Retail outlets have to incur very high cost of operation. This is on account of high labour cost, training cost of human resource, social security to employees, high real estate cost and rentals, air conditioning, power backups cost, high maintenance cost, high electricity tariffs, high taxes, investment in supply chain and logistics, investment in technology, high investment in equipments and fixtures to give modern look to the store, CCTV's cost etc. So retail outlets have to provide goods to the customers at lower prices. This is a big challenge for the retail outlet.
Government Opposition to FDI:
Government opposition to FDI is the other major challenge for organized retail. Retail is one of the few sectors where FDI is restricted. In the era of Globalization and liberalization the time is not far when the retail sector has to face competition from international retailers. FDI in retail will allow the foreign retailers to operate their functioning in India which will lead to high competition and resulting in to low price of good in Indian market. This will make Indian economy stronger.

Understanding Customer:
These days it is very difficult to understand the customer behaviour. So many factors plays an important role in effecting the customer behaviour and loyalty such as product quality, service quality, customer satisfaction, promotions, offers provided by other players in the market. To attain the customer loyalty so much of efforts are required to understand the customer behaviour and regular market survey is required.

Ever-increasing customer demand:
Ever increasing demand of the customers is also a challenge to the retail outlets. These days because of Globalization awareness among the customers is increasing. Customers’ psychology is changing and becoming more demanding. They want to pay less for more and more. Because of high operating cost it is very difficult to meet the customer demand. So this is also a great challenge for the retail outlets of India.

LITERATURE REVIEW:
The following are the important review related with the present study:
Rahul Singh and Jeet Singh (2015) in their article entitled “A Study on the Challenges Arising in the Organised Retailing in India”, this study focuses on the challenges and suggests certain measures to reduce these challenges. The study presents the perception of organized retailers in the Moradabad city regarding the challenges faced for retailers and customers when servicing. The paper concludes that the day is not far away when the fast growth of organized retailing can be possible in India.
S. K. Sharma, Raunak S. Chandak (2015) in their article titled “Challenges Affecting The Unorganized Retail Sector”, studied the Challenges Affecting the Unorganized Retail Sector According to findings the major challenge to organized retail outlets are unorganized retail stores, inefficient supply chain management, getting government approvals, adoption of technology and E-commerce are the challenges faced by the unorganized retailers. Prafulla Sudame, Brijesh Sivathanu (2013) in their article titled “Challenges Affecting the Organized Retail Sector” have analysed the challenges impacting the retail sector and to study the different formats of retailing. The study used primary data in which 30 unorganized retailers respondents were targeted to understand the challenges faced by the retail sector.
Kusuma et al. (2014) in their article entitled “A Study on Organized Retailing and its Challenges and Retail Customer Services,” provide information about the growth of retailing in India. In addition, focuses on the challenges faced by organized retail sector in India. It also emphasizes on major players of retailers in India and customer services provided by the retailers. This paper also deals with various retail formats and the opportunities for the growth of retail industry India and provides some suggestions to overcome the challenges. Prafulla Sudame and Brijesh sivathanu (2013) in their article entitled “Challenges Affecting the Organized Retail Sector”, provide the status of the retail sector in India and the detailed information about the challenges faced by the retail sector in India. This includes the opportunities of retail stores, the retail format in India, and the recent trends in retail. This research paper surveyed the retail managers understanding to the challenges affecting the retail sector. It concludes with providing the detailed opportunities available for the retail sector.
Pawan Kumar (2013) in his article entitles “Organized Retail Sector: Future, Challenges and Opportunities in India”, intends the emergence of organized retailing in India. In this era of globalization, as the economy changes rapidly, retail sector also transforms from traditional to organized retailing. Due to changing scenario of world's economy, retail sector attracts the attention of scholars make some efforts relating to study of opportunities and challenges. Since efforts have been made in this paper to highlights the present status, challenges and opportunities of the retail sector in India.
Pugalanthi (2013) in his article entitled “Retail Market in India,” discusses the important aspect of the current economic scenario in India is the emergence of organized retail. There has been considerable growth in organized retailing business in recent years and it is poised for much faster growth in the future. Major industrial houses have entered this area and have announced very ambitious future expansion plans. Transnational corporations are also seeking to come to India and set up retail chains in collaboration with big
Indian companies. However, opinions are divided on the impact of the growth of organized retail in the country. This paper attempts at providing a retailing scenario in India and scope for future research in this area. Rahman T (2012) in his article titled “Organized Retail Industry in India – Opportunities and Challenges” has analysed the opportunities and challenges faced by organized retail players in India. It was found that organized retailers see competition from unorganized sector as their biggest challenge, followed by competition between organized retailers and the inefficiency of distribution channels, internal logistical problem and retail shrinkage. Wadhwa S S (2012) in her article titled “Growth and Challenges of Retail Industry in India: An Analysis” has studied the Growth and Challenges of Retail Industry India in different aspects. Suggested that retail industry will depend on external factors like government regulations and policies and real estate prices, besides the activities of retailers. The demands of the customer also show impact on retail industry. Vidushi Handa and Navneet Grover (2012) in their article entitled “Retail Sector in India: Issues & Challenges”, provides detailed information about the growth of retailing industry in India. This paper examines the growing awareness and brand consciousness among people across different socio-economic classes in India. In addition, how the urban and semi-urban retail markets are witnessing significant growth. This paper also explores the role of the Government of India in the industries growth and the need for further reforms. This research includes the growth of retail sector in India, strategies, strength, and opportunities of retail stores, the retail format in India, recent trends, and opportunities and challenges. This paper concludes as the likely impact of the entry of global players into the Indian retailing industry. It also highlights the challenges faced by the industry in near future.

**OBJECTIVE OF THE STUDY:**

Indian retail industry is booming these days but is not able to achieve the desired growth. The objective of the study is to explore major and minor challenges faced by the Indian retail outlets.

**HYPOTHESIS OF THE STUDY:**

The following are the null hypothesis framed by the researchers to analyse the association between demographic variables and challenging factors of organized retailers.

**Ho:** There is no significance association between education of the organised retailers and challenges of Competition from Unorganized Retail.

**Ho:** There is no significance association between education of the organised retailers and challenges of Understanding customer

**Ho:** There is no significance association between education of the organised retailers and challenges of Ever-increasing customer demand.

**Ho:** There is no significance association between education of the organised retailers and challenges of High Cost of Operation.

**Ho:** There is no significance association between education of the organised retailers and challenges of Lack of Infrastructure and Logistics.

**Ho:** There is no significance association between age of the organised retailers and challenges of Competition from Unorganized Retail.

**Ho:** There is no significance association between age of the organised retailers and challenges of Understanding customer

**Ho:** There is no significance association between age of the organised retailers and challenges of Ever-increasing customer demand.

**Ho:** There is no significance association between age of the organised retailers and challenges of High Cost of Operation.

**Ho:** There is no significance association between age of the organised retailers and challenges of Lack of Infrastructure and Logistics.

**SCOPE OF THE STUDY:**

1) The study provides suggestions to the organized retailers about the problems. 2) The study helps the researcher to know the challenges faced by the organized retailers. 3) This study provides suggestions on improving the standard, the quality and to face the challenges of the organized retailers.
SOURCES OF DATA:
The primary data were collected using a structured interview schedule. The secondary data was collected from various sources like thesis, books, magazines, journals and web portals.

SAMPLE SELECTION & RESEARCH DESIGN:
A descriptive research design was adopted for the study. The data is obtained from the organised retailers. The survey is carried out in the organized retail outlets in Kanyakumari District of Tamil Nadu and a sample of 40 each from four taluks of Kanyakumari District of Tamil Nadu. Researchers used purposive sampling method to choose the sample from population.

ANALYSIS AND INTERPRETATION OF THE STUDY:
At present the Retail industry in India is accelerating. Though India is still not at an equal pace with other Asian counterparts, Indian is geared to become a major player in the Retail Market. The fact that most of the developed nations are saturated and the developing ones still not prepared, India secures a great position in the international market. Also with a highly diverse demography, India provides immense scope for companies bringing in different products targeting different consumers. However, organized retailers are facing lot of challenges in India. It is analysed by the researchers are as follows:

Demographic Profile of the Respondents:
Demographic profile is playing important role to analyse the challenges faced by the organized retailers. Table 1 shows the demographic profile of the respondents:

| Sl. No. | Demographic Factor       | Classification   | Respondents (N=40) | N  | %     |
|--------|--------------------------|------------------|--------------------|----|-------|
| 1      | Age                      | Below 30 years   | 03                 | 07.50 |
|        |                          | 30 – 40 years    | 10                 | 25.00 |
|        |                          | 40 – 50 years    | 15                 | 37.50 |
|        |                          | Above 50 years   | 12                 | 30.00 |
|        |                          | **Total**        | **40**             |     | **100** |
| 2      | Marital Status           | Married          | 35                 | 87.50 |
|        |                          | Un-Married       | 05                 | 12.50 |
|        |                          | **Total**        | **40**             |     | **100** |
| 3      | Nature of Family         | Joint Family     | 10                 | 25.00 |
|        |                          | Nuclear Family   | 30                 | 75.00 |
|        |                          | **Total**        | **40**             |     | **100** |
| 4      | Gender                   | Male             | 32                 | 80.00 |
|        |                          | Female           | 08                 | 20.00 |
|        |                          | **Total**        | **40**             |     | **100** |
| 5      | Education                | School Level     | 02                 | 05.00 |
|        |                          | U.G Degree       | 13                 | 32.50 |
|        |                          | P.G. Degree      | 16                 | 40.00 |
|        |                          | Professional Course | 09    | 22.50 |
|        |                          | **Total**        | **40**             |     | **100** |

Source: Primary data
It is clear from the Table 1 that, 15 retailers (37.50 percent) are lies between the age group of 40 – 50 years, 12 retailers (30 percent) are lies in the age group of above 50 years, 10 retailers (25 percent) are lies between the age group of 30 – 40 years and only three retailers (7.50 percent) are lies in the age group of below 30 years. 35 retailers (87.50 percent) are married and only five retailers (12.50 percent) are un-married. 30 retailers (75 percent) are live with nuclear family and only 10 retailers (25 percent) are live with joint-family. 32 retailers (80 percent) are male and only eight retailers (20 percent) are fe-male. 16 retailers (40 percent) have completed Post Graduate Degree, 13 retailers (32.50 percent) have completed
Under Graduate Degree, 9 retailers (22.50 percent) have completed Professional courses and only two retailers (5 percent) have their educational qualification is school studies.

**Challenges Faced by Organized Retailers:**
Organized retailers are facing lot of problems. It is analysed is as follows:

| Sl. No. | Challenges Faced By Retailers                          | Mean Score | Rank |
|---------|--------------------------------------------------------|------------|------|
| 1       | Lack of Technology Adoption                           | 3.30       | XI   |
| 2       | Lack of Infrastructure and Logistics                  | 3.84       | VI   |
| 3       | Scarcity of Skilled Workforce                         | 3.64       | VIII |
| 4       | Frauds in Retail                                      | 3.56       | IX   |
| 5       | Inefficient Supply Chain Management                   | 3.89       | III  |
| 6       | Price War                                             | 3.67       | VII  |
| 7       | Cultural Diversity                                    | 3.01       | XIV  |
| 8       | Complexity in Tax Structure                           | 2.28       | XV   |
| 9       | Escalating land and rental prices                     | 3.56       | IX   |
| 10      | Competition from Unorganized Retail                   | 3.98       | I    |
| 11      | E-Retailing                                           | 3.22       | XIII |
| 12      | Power Supply Problem in India                         | 3.27       | XII  |
| 13      | High Cost of Operation                                | 3.87       | V    |
| 14      | Government Opposition to FDI                          | 2.01       | XVI  |
| 15      | Understanding customer                                | 3.90       | II   |
| 16      | Ever-increasing customer demand                       | 3.88       | IV   |

**Source:** Primary & Calculated data

It is clear from Table 2 that, Competition from Unorganized Retail (mean score 3.98) Understanding customer (mean score 3.90), Inefficient Supply Chain Management (mean score 3.89), Ever-increasing customer demand (mean score 3.88), High Cost of Operation (mean score 3.87) and Lack of Infrastructure and Logistics (mean score 3.84) are the major problems faced by the organized retailers.

**Analysis of Hypothesis:**
The following are the hypothesis framed by the researchers to analyse the association between qualitative and quantities factors of challenges faced by the organized retailers.

**Ho:** There is no significance association between education of the organised retailers and challenges of Competition from Unorganized Retail.

**Ho:** There is no significance association between education of the organised retailers and challenges of Understanding customer

**Ho:** There is no significance association between education of the organised retailers and challenges of Ever-increasing customer demand.

**Ho:** There is no significance association between education of the organised retailers and challenges of High Cost of Operation.

**Ho:** There is no significance association between education of the organised retailers and challenges of Lack of Infrastructure and Logistics.

**Ho:** There is no significance association between age of the organised retailers and challenges of Competition from Unorganized Retail.

**Ho:** There is no significance association between age of the organised retailers and challenges of Understanding customer

**Ho:** There is no significance association between age of the organised retailers and challenges of Ever-increasing customer demand.

**Ho:** There is no significance association between age of the organised retailers and challenges of High Cost of Operation.

**Ho:** There is no significance association between age of the organised retailers and Lack of Infrastructure and Logistics.
### Table 3: Analysis of Hypothesis

| S N | Null Hypothesis                                                                                                                                  | Calculated Value | Table Value | Degrees of freedom | Level of Significance | Result   |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------|--------------------|-----------------------|----------|
| 1   | There is no significance association between education of the organised retailers and challenges of competition from unorganized Retail unit. | 28.52            | 21.0        | 12                 | 0.050                 | Rejected |
| 2   | There is no significance association between education of the organised retailers and challenges of understanding customer.                         | 22.45            | 21.0        | 12                 | 0.050                 | Rejected |
| 3   | There is no significance association between education of the organised retailers and challenges of ever-increasing customer demand.              | 18.30            | 21.0        | 12                 | 0.050                 | Accepted |
| 4   | There is no significance association between education of the organised retailers and challenges of High Cost of Operation.                      | 20.28            | 21.0        | 12                 | 0.050                 | Accepted |
| 5   | There is no significance association between education of the organised retailers and challenges of lack of infrastructure and logistics.         | 25.34            | 21.0        | 12                 | 0.050                 | Rejected |
| 6   | There is no significance association between age of the organised retailers and challenges of competition from unorganized Retail.                 | 29.54            | 21.0        | 12                 | 0.050                 | Rejected |
| 7   | There is no significance association between age of the organised retailers and challenges of understanding customer.                            | 34.89            | 21.0        | 12                 | 0.050                 | Rejected |
| 8   | There is no significance association between age of the organised retailers and challenges of ever-increasing customer demand.                   | 56.22            | 21.0        | 12                 | 0.050                 | Rejected |
| 9   | There is no significance association between age of the organised retailers and challenges of High Cost of Operation.                          | 70.23            | 21.0        | 12                 | 0.050                 | Rejected |
| 10  | There is no significance association between age of the organised retailers and challenges of Lack of Infrastructure and Logistics.            | 30.12            | 21.0        | 12                 | 0.050                 | Rejected |

**Source:** Primary & Calculated data

It is clear from Table 3 that, the calculated value (28.52) of Chi-square ($\chi^2$) is greater than the Table Value (21.00). Hence the hypothesis is wrong. We, therefore, conclude that there is significance association between education of the organised retailers and challenges of competition from unorganized Retail unit.

The calculated value (22.45) of Chi-square ($\chi^2$) is greater than the table value (21.00). Hence the hypothesis is wrong. We, therefore, conclude that there is no significance association between education of the organised retailers and challenges of understanding customer.

The calculated value (18.30) of Chi-square ($\chi^2$) is greater than the table value (21.00). Hence the hypothesis is true. We, therefore, conclude that there is no significance association between education of the organised retailers and challenges of ever-increasing customer demand.

The calculated value (20.28) of Chi-square ($\chi^2$) is greater than the table value (21.00). Hence the hypothesis is true. We, therefore, conclude that there is no significance association between education of the organised retailers and challenges of High Cost of Operation.

The calculated value (25.34) of Chi-square ($\chi^2$) is greater than the table value (21.00). Hence the hypothesis is true. We, therefore, conclude that there is no significance association between education of the organised retailers and challenges of lack of infrastructure and logistics.
MANAGERIAL IMPLICATIONS:

Customer is the king of any business and Customers’ preference plays very important role in success of retail business. So the retailers’ in order to survive or exist in the market have to understand their customers taste and preference. Customers taste and preference is changing day-by-day due to high disposable income and life style choices, exposure to western lifestyle etc., so the has to take certain steps to understand their customers like feedback mechanism, after sales service, informing about new arrivals etc.

Shortage of skilled Manpower is one of the biggest challenges faced by organised retailers. In order to overcome this challenge retailer should select right person for right job by giving proper training and beginning of specialized training centre and specialized course in retail.

Success of retailers depends not only on customer but also on relationship with supplier. So the retailers should adopt certain measures to satisfy suppliers’ expectations like maintaining personal contacts, prompt payment, placing regular order, supply of market intelligence etc.

Proper infrastructure like road, electricity, warehouse facility etc., and storage and transport logistics would help for effective supply chain management.

Setting up a regulatory body for the governing the operations of retail sector, enforcing uniform quality standards, establishment of national commission on retail etc., will help for effective retail management system. To International Standards Focusing on certain aspects like improving the quality of retail spaces, advancement in the logistics and support infrastructure, retail research and analysis will help to increase retail space to international standards.

One of the biggest challenges faced by organised retailer in entrants of global retail giants. So there should be certain policy or act to discourage foreign direct investments.

An individual or group of retailers cannot bring any changes; ever thing is in the hands of government. So government intervention is very much essential for development of organised retail.

CONCLUSION:

This paper attempts to the landscape of the retail market in India, forms of retail markets in India, prevailing retail formats in India and it mainly focuses on the market space and growth for organized retail market and the unique challenges. Unorganized retailers dominate the Indian retail sector retailers as this sector own 92 per cent of the retail stores and the share of the organized retail sector is only eight per cent. Currently, the organized retail industry is in growth phase, where numbers of retail formats are entering day by day. In spite of the rapid growth of organized retailer, the unorganized retailer continues to play a vital role and this poses a
massive challenge to organized retailers. To overcome the challenge the organized retailers need to improve infrastructure, strengthening supply chain, real estate availability. Above all, a successful organized retailer is one who understands and satisfies the customers. This customer is king mantra will only keep the organized sector to flourish whereas unorganized sector has a distinctive advantage in knowing the customer preference.

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