

THE IMPACT OF THE GLOBAL PANDEMIC ON THE RETAIL INDUSTRY IN INDIA

Dr. Ajit S. Ashte
(Research Guide)
Department of Commerce,
Shri Chhatrapati Shivaji College, Omerga.

Pallavi Prabhakar Somavanshi
(Research Scholar)
Department of Commerce,
Shri Chhatrapati Shivaji College, Omerga.
Somvanshipallavi22@gmail.com

ABSTRACT: *The goal of the study is to compile the difficulties that shops are having in the COVID-19 situation. The study is conclusive, useful, and based on a single cross-sectional research methodology. Based on the research instrument, quantitative data were generated (a questionnaire). Employees of significant Indian retail chains provided 400 responses. While staff well-being, consumer and brand protection, technological utilisation, governmental legislation, and supply chain are employed as independent factors, retailer performance is regarded as a dependent variable. According to the current study's findings, government policies and staff well-being have a considerable positive impact on retailers performance, while brand and customer protection, Technology utilisation and supply chain management significantly improve the performance of merchants. This study will assist stores in educating their staff about technology needs in the modern world and developing methods to protect them. This study emphasises the need for strategic strategy execution to be flexible, yet merchants must create detailed action plans that include choosing initiative managers and setting deadlines. If the actual reality of retailers differs from the previous standard, bold action should be taken immediately.*

Keywords: *Coronavirus (Covid-19), Retail Business, Consumer Behaviour, Retailer, India.*

INTRODUCTION

India has been horrified and devastated by the second COVID wave as countries around the world struggle with the pandemic. While the country struggles to get back to a sense of normalcy, entire sectors have been impacted in unprecedented ways. The onset of the pandemic led to a surge in e-commerce and accelerated digital transformation, creating a paradigm shift in consumer behaviour towards shopping online for both essential and non-essential categories. Businesses in all industries had to reinvent, adapt, and provide a seamless consumer experience both physically and digitally in light of this altering business environment. And with that come both challenges and opportunities for key stakeholders in the retail sec

Over 15 million retailers, both small and large, established and new, operate in India's retail market. Between 40 and 50 million Indians work in retail, and more than 6 million of them are directly employed by international trade, which accounts for over 12% of the nation's total retail consumption. Retail generally gets better. Retail enterprises were heavily impacted by the closure to stop the coronavirus from spreading in India; 40% of the Indian intake and

10% of the Indian GDP were lost. Except for those selling basic goods like food and medication, the majority of the country's stores were closed. Almost every store has stopped selling items including clothing, saris, electronics, cell phones, furniture, and equipment. Non-grocery/food store revenue is down 80 to 100%. Distributors of necessary commodities, however, run the danger of failing to do so. Distributors of essential commodities, however, run the risk of not being able to offer non-essential products, which would increase their earnings. Retailers in India were particularly impacted by the epidemic during the recession because non-essential items like apparel and jewellery saw a 75% decline in sales by the end of March. Many businesses are either fully shuttered or still functioning grocery stores since the majority of national officials have suspended their operations. According to the CAIT, COVID-19 had an impact on India's 40%-contributing retail industry in the amount of \$30 billion over the course of two weeks that ended on April 1, 2020. The According to the Retailers Association of India, by the end of February 2020, the company had decreased to 20–25%. (RAI). Over the past 1.5 months, it has now dropped to 15%.

In order to lessen the disruption brought on by the COVID-19 situation, Indian retailers will need to come up with "next" and "done" plans. Retailers will focus intensively on maintaining respect among the vast staff and regulating crucial market practises. Retailers must build "next" resilience as the competition begins to recover and "believe" as they are adjusting to the flexibility of "here." They must simultaneously prepare for long-term effects while pursuing a tactical path toward financial resiliency. With the COVID-19 continually changing, no one can predict with accuracy what the financial impact of this situation will be on the market. However, it will scrutinise both distributors and those who are capable of responding and who are financially secure, adaptable, and responsive staff.

Many short- and mid-term disruptions are brought on by the COVID-19 pandemic (which began in early 2020), forcing businesses to adjust. Immediately upon learning of the issue, some retailers took a range of different actions. The purpose of the article is to comprehend how the workforce in the retail industry is responding to COVID-19. The retail industry has implemented policies to safeguard employees' health. To make life easier for both employees and customers, the retail industry seeks to adapt to technology advancements. The store Industry adheres to laws and regulations. The study discovered that while consumer and brand protection, use of technology, and supply chain have a large beneficial impact on retailer performance, staff well-being and government regulations had a big and favourable impact as well. This review found that retailers must create detailed action plans that include choosing initiative managers and defining targets and deadlines in order to be agile when implementing strategic initiatives. Since the new reality for retailers differs from the previous norm, there is no time to lose in taking initiative.

CHANGES IN CONSUMER BEHAVIOUR

As per the 2020 McKinsey report ~96% of consumers have adopted new shopping behaviour-'s while 60% are expected to shift to online shopping leading up to the festive season and continue doing so beyond the pandemic. The expansion of ecommerce and doorstep fulfilment has accelerated the effects of uncertainty. Consumers have been obliged to buy in bulk, which leads to financial and stocking limits, as a result of unusual scenarios

and uncertainty with prolonged lockdowns. Customers must make plans in advance to minimise the number of touch-exchanges since online deliveries are starting to become the standard in predetermined time intervals and according to a quota system. Consumers are having trouble ordering online and making decisions based on their resources, even though many municipal governments only permit deliveries of necessities via e-commerce. In part, this results in customers switching to merchants who promise product availability and prompt delivery. With physical engagement at work and in social settings drastically reduced and a big percentage of the population experiencing financial insecurity, categories that are motivated by irrational and discretionary spending are becoming more and more important spending have been impacted, perhaps to an extent only temporarily.

IMPACT ON MANUFACTURERS AND RETAILERS

The Indian ecommerce industry has grown as more Indians started shopping online rather than going outside their houses. Manufacturers have had to decide whether to increase production for some priority product categories while concurrently decreasing output of other products because demand for some commodities has peaked. A manufacturer can support themselves if they can scale up production and distribution in an agile way. Manufacturers and merchants are equally unsure about whether they should expand their service offerings and use new resources or concentrate on enhancing their current sales funnels. Brand owners need a targeted marketing strategy for categories where discretionary spending is a driving factor, as well as production planning that takes use of flexible manufacturing options and new, exciting launches and campaigns across all media. People are the foundation of the retail industry, thus it is important to make sure last-mile delivery that reduces the danger of numerous touch exchanges is a top concern. It is crucial to equip last-mile delivery handlers with the correct knowledge and understanding of health and hygiene procedures as a SOP for their own safety. More collaboration with stakeholders is required to make them feel like active players in the process rather than just providers or end users (e.g., demanding input during operation).



India's economy was already experiencing restricted growth as a result of weak domestic demand when the COVID-19 pandemic occurred. The early effects of the outbreak included sharp drops in demand for non-essential goods and services as well as abrupt increases in demand for needed goods and services. The healthcare and financial crises were also exacerbated.

The decision by the Indian government to lock down 1.3 billion people has plunged the domestic economy of the nation into a perilous and unsettling state, having a devastating effect on small and medium-sized businesses and unorganised shops. Following the coronavirus outbreak, international financial institutions have revised their predictions for India's economic growth and decreased the nation's GDP growth target.

In order to understand the current situation and what to anticipate in the near future, Net scribes looked more closely at the consequences of the coronavirus on the Indian retail business.

OPPORTUNITIES FOR RETAILING DURING PANDEMIC

Despite the increased conflicts and threats. This COVID 19 has given the retail industry a chance to merchants to explain the new business model. Some of the opportunities created by covid-19 for retail sector are as follows

1. Business decline: As a result of the lockout, the entire economy has seen a slowdown, and all retailers have seen a decline in their sales. The majority of clothing, footwear, and fashion retail stores in India have a tradition of holding a March year end sale or March clearing sale in the final week of every March. This lockdown has impacted this financial year's end sales.

2. Shrink in consumption: Over the following six to nine months, consumers' consumption patterns are expected to fall by 25 to 30%. Because of their fear of illness, losing their income, and job stability, consumers' trust in their ability to consume has decreased as a result of the lockdown.

3. Waning brand loyalty: Consumers' recent shift in shopping patterns has caused them to stick with one retailer even when purchasing necessities. However, due to the limits placed on travel during a lockdown, people tend to obtain their necessities locally rather than at their usual stores. Due to small stores selling more private label goods, this has made it easier for consumers to utilise or transition from nationalised brands to private labels.

4. Operational challenges: In addition to experiencing a drop in sales, merchants must alter the way they conduct business. Organized retailers must handle supply chain disruptions, a decline in store traffic due to social exclusion, hygienic improvements mandated by local government, and a reduction in promotional efforts to prevent overcrowding. These kind of operational changes, such home delivery, electronic payments, mandated sanitary standards by municipal authorities, etc., are something that even disorganised businesses may have to deal with.

RESEARCH METHODOLOGY

The paper studies the present impact of Covid 19 pandemic on retail sector in India. The study is descriptive in nature and uses both primary and secondary data for detailed analysis. The secondary data was collected from Ministry of commerce websites, Research Report, magazines, newspapers etc. so as to critically analyse the current situation in India's retail

space in the country as well as its impact on consumer behaviour. This study is probably the first study of its kind in the country to explore the impact of coronavirus on the retail sector. The information is gathered from 400 workers in India's organised retail industry. The employees of Spencer, Big Bazaar, Future Group, and Reliance Retail provided the data. Data gathering involved the use of a questionnaire. The COVID-19's effects on the retail industry and its workforce were measured using a five-point Likert scale that spans from highly agreed to strongly disagree. There was a specific set of questions for each variable. The purpose of the article is to determine whether there is a notable difference between COVID-19's effects and those on India's retail business.

RECOMMENDATIONS

Here are a few ideas that the decision-makers can take into account as they prepare to address the economic crisis.

1. The first priority is to protect workers in the unorganised sector, who will be badly impacted and still lack the funds to ease their suffering. MNREGA (Mahatma Gandhi National Rural Job Guarantee Act) and Jana Dhana accounts are two options that could be employed.
2. A nationwide crisis management system focused on containing a global pandemic would be crucial. The country is huge and densely populated.
3. Corporate CSR spending needs to be directed toward the pandemic response fund.
4. To increase demand in these challenging times, the Indian government should offer a pay roll tax cut lasting a quarter in order to increase liquidity and consumer confidence.

CONCLUSION

The key aspect of the aforementioned crises is that the recession had the most effects on retail, and it is anticipated that consumer spending patterns will not change. A protracted recession has a significant impact on consumers' purchasing decisions. Customers take a long time to quit buying, buying, and rehabbing. Retailers must prepare for a significant change in their business model because all of these habits are irreversible. Additionally, as problems are resolved quickly and customers can only restart when they need to go shopping, the shift in behaviour becomes less long-lasting. At the end of the depression, both food and drink have experienced a steady recovery. After the recession, however, the recovery for discretionary items like clothing took some time. According to the timing of the crisis, the authors predict that comparable trends of recovery will develop in India. Given that COVID-19 will increase online spending, relevant, affordable categories, and customer investment over the medium term penetration should recover more quickly. According to the current study, government policies and employee well-being have a significant positive impact on retailer performance. The use of technology, supply chain management, and customer and brand protection, in contrast, significantly improve the performance of retailers.

The district Kirana and the disorganised supermarket seem to have won in the current situation. This makes it possible for stores to be located in the future and beyond. The growth of online shopping is ongoing. Restructuring is a result of the recession in a number of markets, and the retail industry will be equally affected. This time, however, it will be difficult for smaller consolidated or financially constrained retailers to survive. In the midst of the current recession, retailers are forced to consider how they all appear when they enter

locations where they have never gone before to float. Some of these edges may keep evolving into their centres. When they enter locations where they have never gone to float before. Some of these edges may keep evolving into their centres. COVID-19 is an additional stimulant for India's digital payments after demonetization, with monetary transactions are being avoided by the people out of comfort or fear. This should serve as a general reminder to businesses that these unplanned events might happen anytime and may necessitate strategic planning if businesses wish to continue serving their clients during a disruption.

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