

Globalization of Organized Retail Markets: Emerging Challenges and Future Prospects

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ABSTRACT

Over the last twenty years, a large number of global retailers have reduced their dependence on their domestic markets, where sales have been sluggish in recent years and made to expand into more attractive foreign markets. However, globalization of retail markets requires enormous investment of money, resources and time. When global retailers moved into new and unpredictable territories, expostulation encountered by global marketers can be more appalling as compared to other industries like automobiles, steel, and computers. Retail modifications that are susceptible to the inherent characteristics of peculiar domestic market and broader amassing of foreign market especially the emerging markets are important for the success of global marketers. In the light of this conceptual contrast, the present study examines the emerging challenges and future prospects of global retail markets. The study, also attempt to examine the consumer related, industry related, and governance related challenges faced by global marketers in overseas markets. At the end various strategies are suggested to the global retailers for the growth and expansion of their retail business globally.

Keywords: Globalization, Global Retailers, Organized Retailing, Challenges, Opportunities.

Introduction

The advent of economic reforms made globalization an indispensable phenomenon across all the countries irrespective of some objections from some part of the world. Globalization in essence means free trade of goods and services, capital, intellectual skill and knowledge among different countries. This in turn offers variety of products & services to the global market. Due to this market has become highly heterogeneous and complex and also make the competition stiffer among the global retailers ever before. The needs, tastes and preferences of the customers are rapidly changing at a much faster rate. In order to sustain this highly ever changing customer's needs, tastes and preferences, the marketer need to be more organized to withstand & sustain the highly competitive market. Changing customer demand & lifestyle in turn has given impetus to globalization of organized retail markets.

Retail is the last link that facilitates the connection between the retailer and the consumer. It comprises a set of business activities that adds value to the products and services sold to the final consumer for their personal, family, or household use. Globally, retailing has become one of the largest industries in terms of its size in the economic activity. Therefore, retailing is bound to have an impact not only on consumers and manufacturers but also on the global economy. The retail industry is divided into organized and unorganized retail. Organized retail refers to trading activities undertaken by licensed retailers, such as departmental stores, supermarket, hypermarket, malls etc. Whereas, unorganized retailers are traditional retailers such as local kirana shops and mom & pop shops. Kirana is usually a family-owned shop selling groceries and other sundries. It is a small, independent and self operated business.

Global retailers should also have to understand the actual the composition of retail markets in different nations is symmetrical with its phases of development. Challenges faced by the global retail firms in developed markets are typical in western world, while in developing markets like BRIC (Brazil, Russia, India and China) nations and other markets with same characteristics, they faces a different set of challenges. One can broadly differentiate between two sub-groups of retail markets: (1) developed markets like in Western Europe and North America, and (2) developing markets like in South America, Central America, Eastern Europe and Asia.

Retailing in Developed Countries: Challenges and Opportunities

In developed countries such as North America and Europe, both the infrastructure for physical distribution of goods and consumer buying capacity are largely in place. More often, the retailing modifications or challenges in such markets are to replace goods, services and experiences that are presently being

consumed with new innovations in goods, services and experiences as a passage for its advancement. The reason is being, basic needs of consumers are already more than adequately met and hence, retail firms need to focus on how they can fulfill the higher-order needs of consumers and thereby grow. In other words, retailers have to think about how they can create distinctive goods for end users with innovations and modifications that goes beyond the satisfaction of basic needs.

Retailing in developing Countries: Challenges and Opportunities

A big challenge encountered by global retail firms in developing markets is the lack of a well organized and functioning retail distribution network, lack of exposure of media, transportation, poor literacy rate and lack of storage facilities. To address these challenges retailers need to increase the number of distributors in rural areas by helping people to start their own small store. Developing markets also gives the way for the expansion of global retailers. As this region is modernizes, consumer retail demand is growing rapidly with swift industrialization. This tends to increase the consumers purchasing powers. People now wants the branded and luxury goods with great shopping experience. This results changes in taste and preference of consumers and seen as an opportunity for the growth and expansion of the global retailers.

Organized Retailing in India

Retailing is the largest private industry in India and second largest employer after agriculture. It contributes around 10 per cent to Gross Domestic Product (GDP) and employs 8 per cent of the country's total workforce. India has the highest retail outlet density in the world with over 15 million retailers. The share of organized retail in India's total retail market is 5% and the rest of 95% is accounted by the unorganized retail sector. Liberalization of the economy, rise in per capita income and growing consumerism have encourage larger business houses and manufactures to set up their own retail formats; and are investing in retail infrastructure.

According to Technopark estimates by the end of 2017 the Indian retail sector is expected to witness an investment of over US\$30 billion within next 5 years and putting modern retail in the country to US\$175-200 billion International retailers consider India as the last retailing frontier left as the Chinas' retail sector is becoming stagnant. Carrefour, the globally major retailer, has started its first cash-and-carry store in New Delhi. Germany based wholesale company Metro Cash & Carry (MCC) started its one more wholesale centre at Uppal in Hyderabad, taking to its number to six in the country. Jewellery retail store chain Tanishq plans to open 15 new retail stores in various parts of the country in the year 2016-17. Wal-Mart retail chain is set to open 40 outlets over the next three years in India.

Reliance Retail, decides to open its 150 retail outlets by the end of December 2017 and increase the number of stores across the country in all formats within next five years. Future Value Retail, a Future Group venture, will enter into smaller cities of Andhra Pradesh, with an investment of around US\$ 1.54 million to US\$ 4.41 million depending on the size and format. Spar Hypermarkets, the global food retailing chain of the Dubai-based Landmark Group, expects to start funding its India expansion beyond 2015 out of its local cash flow in the country. So far, the Landmark Group has invested US\$ 51.31 million in setting up five hypermarkets and plans to pump in another US\$ 51.31 million into the next stage of expansion. Bharti Retail, owner of Easy Day store supermarkets and hyper marts plans to invest about US\$ 2.5 billion over the next five years to add about 10 million sq. ft. of retail space in the country.

Literature Review

As per **Keegan (2002)** there are several alternatives to enter into global markets, such as sourcing, licensing, and investment. Retailers exported product from the origin country in order to be sold to the other parts of the world. The flows of electronic products are the example where the high developing countries used the technology and several time they exported its products into the developing countries or under developing countries as well. Retailers can also obtain the license from the country where they want to establish their retail business. The inter-country investment in the form of FDI is also an important alternative to enter into global retail market. **Varley and Rafiq (2004)** opined that the continuing globalization of the world economy speed up the globalization of retailing activities. Therefore, today's major management issue for most large retailers is likely to become more complex in the coming decades. They had analysed the constraints of globalization in the growth of retail industry into two main components, i.e. emergence of online retailing and the globalization of retail operation. These barriers established in order to focus and in consideration that the online retailing reflects the effect of globalization on the technology of computer, communication and the declining of trade barrier worldwide. **Center for Knowledge Societies (2008)** concluded that consumers' retail markets are exposed to goods and services of developed countries, while still accommodating certain traditional habits, attitudes, and structures. Rapid

urbanization is one of the reasons for the increased interest among retailers based in developed markets in developing countries. The BRIC nations are extensively seen as the biggest emerging markets. Other important developing markets include Mexico, Poland, South Africa, South Korea, and Turkey. The total population of these emerging countries substantially exceeds the population of developed countries, making these regions specifically attractive for global organized retailers and retailing modifications that are susceptible to the distinct characteristics of these markets. **Minten, Bart, Lalaina Randrianariso and Johan F.M. Swinnen (2009)** pointed out that the global retail environment encompasses of distinctive developed retail markets, demonstrate a number of expostulation to both established retailers performing in multiple markets as well as local occupants. For example, what might be viewed as a retail innovation by customers in a developed or developing retail market environment may or may not be seen? **Peres, Muller, and Mahajan (2010)** they enquire the retail innovations and expostulation that are certain for each of the three distinct global retail market sub-groups. For instance, major aspects of innovations in retailing they accommodate are: retail formats, branding, variety, process innovations, customer experience, information technology, media, handling of payment and order fulfillment. The current scenario focuses on into the above challenges as well as opportunities acquaintance with studying innovations in retail in a global market. **Outlook for the Retail and Consumer Products Sector in Asia, A report published by P.W.C., www.pwc.com (2015-16)** Asian retail sales are envisioned to amount over US\$10 trillion by 2018. China is envisioned to become the world's biggest retail market by 2018 but its growth is sluggish and attention within China's retail markets is now shifted from physical retail to fast growing e-commerce channels. E-commerce is becoming a focus for retailers and brand owners, with China becoming the world's largest e-commerce market and its leading e-commerce player. Other Indian and Chinese e-commerce IPOs are also come forth to create substantial investment, with a number of hatchery projects also in place across the region.

Scope of the Study

The scope of globalization of organized retail markets have evolved significantly in recent time. Practically all the top global retailers had acquaintance an increase in global sales as a chunk of total sales since the late 1990s. As a matter of fact, three of the top 10 global retailers now accounts over 50% of their sales beyond their home countries. In terms of scale ten retailers derived over US\$ 1,308,065 million per annum from their retail business in global markets, and in terms of scope the average number of countries those 10 retailers operated were 18, with various other leading firms operating store networks in 20 to 30 different countries. Whilst this is somewhat short of the level of globalization of specific manufacturing sectors, it nevertheless invalidates the long standing disagreement that retailing is virtually a domestic activity, inherently opposing the expansion of global retail.

Objectives of the Study

1. To examine the emerging challenges encountered by the global organized retailers.
2. To study the emerging issues and future prospects of the global organized retailers.
3. To suggest the strategies to be adopted by the global retailers for the growth and expansion of their retail business.

Research Methodology

The present study is descriptive and theoretical in nature. Hence it is based only on secondary data. The data were collected from secondary sources such as books, trade journals, government publications, newspapers and various retail reports compiled by Ministry of Commerce and Industry etc. Besides, internet sources have also been used for achieving the purpose and objectives of the study.

Leading Global Retailers, Ranked by Sales Revenue

There are many global retail players running the retail business around the world. The big three retail champions namely Wal-Mart Stores, Inc., Costco Wholesale Corporation and The Kroger Co. were from U.S.A. The combined revenue for the FY 2015 was US\$ 708,159 Million and their CAGR rate is 5.67 per cent per annum. However, Germany based Metro is operating in 27 countries throughout the world including India.

Table: 1 - Top 10 Global Retailers (Ranked on the Basis of Revenue, FY-2015)

Rank	Up & Down in Rank	Name of Company	Country of Origin	FY 2015 Retail Revenue US\$M	FY 2015 Retail Revenue Growth	FY 2015 Net Profit Margin	FY 2015 Return on Assets	FY 2015 Retail Revenue CAGR*	# Countries of Operation	% Retail Revenue from Foreign Operation

1	-	Wal-Mart Stores, Inc.	US	482,130	-0.7%	3.1%	3.5%	2.7%	30	25.8%
2	-	Costco Wholesale Corporation	US	116,199	3.2%	2.1%	1.9%	8.3%	10	27.4%
3	-	The Kroger Co.	US	109,830	1.3%	1.9%	1.6%	6.0%	1	0.0%
4	-	Schwarz Unternehmensstreuhand KG	Germany	94,448	8.1%	n/a	n/a	7.4%	26	61.3%
5	+5	Walgreens Boots Alliance, Inc. (formerly Walgreen Co.)	US	89,631	17.3%	4.1%	2.7%	5.9%	10	9.7%
6	+3	The Home Depot, Inc.	US	88,519	6.4%	7.9%	7.6%	5.4%	4	9.0%
7	-1	Carrefour S.A.	France	84,856	3.1%	1.4%	1.8%	-3.1%	35	52.9%
8	-1	Aldi Einkauf GmbH & Co. oHG	Germany	82,164 e	11.5%	n/a	n/a	8.0%	17	66.2%
9	-4	Tesco PLC	UK	81,019	-12.7%	0.6%	-9.3%	-2.3%	10	19.1%
10	+2	Amazon.com, Inc.	US	79,268	13.1%	0.6%	-0.3%	20.8%	14	38.0%
Top 10¹				1,308,065	2.9%	2.8%	5.9%	4.2%	15.7²	28.7%
Top 250¹				4,308,416	5.2%	3.0%	4.6%	5.0%	10.1²	22.8%
Top 10 shares in Top 250 Revenue				30.4%						

Source: Deloitte, Global Powers of Retailing 2017. Analysis of financial performance and operations for fiscal years ended through June 2016 using company annual reports, Planet Retail database and other public sources.

*Compound annual growth rate e = estimate

¹ Sales-weighted, currency-adjusted composites n/a = not available

² Average

Top 10 Global Retailers, FY2015

The world's four giant retail firms uphold their positions on the retail industry's leader board in FY2015, but acquisitions, divestitures, and exchange rate volatility shuffled the rest of the top 10. Wal-Mart persist its long-held hegemony as the world's biggest retailer. Its profit declined slightly in FY2015 due to unfavorable currency exchange rate fluctuations, lower gasoline prices which impacted fuel sales, and including the decision to shut down its smaller Walmart Express chain.

Even though same-store sales grew significantly for Costco on a continual currency basis, account for sales grew just 3.2 percent in FY2015, including the negative effects of lower gasoline prices and weak foreign currencies. But it was sufficient to continue the warehouse club operator in second place. Fuel prices also dampened Kroger's sales growth. The supermarket giant keeps its acquisition spree with the purchase of Roundy's in December 2015, but its fiscal year revenue included just six weeks of Roundy's results. Schwarz remained in fourth place with strong 2015 growth despite the impact of a weak euro on its dollar-denominated sales.

Challenges Faced By the Global Retailers in Developed Countries

a. Consumer Related Challenges: Most of the challenges confronted by Global retailers in developed countries are consumer based in the sense that they need designing of retail process and goods to suit the customer needs and wants. The first array of customer centric challenges in developed countries relates to diverse demographics and life-style centric consumer needs, like an increasing ratio of elderly citizens in markets such as in Western Europe and Japan. This trend state that retail modifications that are susceptible to the maneuverability and purchasing requirements of this group of person. For instance, customers would like to have easy access to both health and recreational amenity, and it may be even country side service availability. Retailers have chance for changes in these areas by combining various goods and services and customize retail process to fulfill the requirements of older people near to their homes. In context of product development, retailers make the use of heterogeneity in tastes. Retailers avail the opportunities for product modification and innovation. Secondly customer related challenges include the touch-point of information technology (IT) and customer needs. Free dissemination of information makes consumers more and more formative in terms of where and how they get retailers' information and where and how to buy products.

b. Industry Related Challenges: in developed countries competition between the retailers is relatively intense for a variety of reasons. Relatively low levels of government interference in economic activities and a strong physical infrastructure, free dissemination of market information, strong legal system often leads to competition between global retail players in these markets. In addition to the verticalization of producers, accessions of factors of production are comparatively flexible flexile due to the availability of large number

of suppliers. Hence, retail firms' innovations are mainly relying on their ability to constitute flexible channel of distribution that can vigorously respond to changes in competitive market situations or to create new non-imitable products. Retailers in developed countries also gradually expand into the direction of innovative advanced services like healthcare & financial services.

c. Governance Related Challenges: Marketers in developed countries confront with various governance related challenges. Specifically, it is believed that governments in developed countries will gradually shift the product demand to the environmental friendly retail process and products. For instance, the U.S. Environmental Protection Agency fixed limits of cadmium in toy industry, owing to the metal's health problems accusation. This has forced many retailers like Dress Barn Inc. and Claire's Boutiques Inc. recalling necklaces, earrings and bracelets after finding the products contained cadmium. Thus, designing environment friendly products and process builds opportunity in retail business. There is a clear intuition among the retailers that they may also be able to extend their support to local governments in finding territorial solutions to create new methods to backed viable regional growth in ever changing world economy.

Challenges Faced By the Global Retailers in Developing Countries

a. Consumer Related Challenges: In spite of contemporary economic growth, the average customer in developing countries tends to be price conscious. However, the economic advance in developing countries is also creating a growing, relatively affluent middle class. This will create attractive local retail markets, which has drawing attention of big global retail firms like Walmart & Carrefour into these regions. This effect is become more intense in the urban region due to high density of population. The high price consciousness coupled with disparity of income among individuals and households in developing countries, retail firms are confronted with the challenge of addressing the various consumer groups within these regional markets. Given this difficult task to simultaneously serve customers at the bottom, in the middle and at the top of the income group, companies might focus on those customers that become wealthier and thus move up the income pyramid. Consumers were rapidly shifting their preferences from the traditional retailers to 'modern' organized retailers. Globus, a well known clothing retailer in India, has undergone a complete change in a short span of time in order to adjust in accordance with changing customers' preferences.

b. Industry Related Challenges: One of the major hurdle confronted at the time of entering into developing countries is the competition from the local retail firms. Foreign retailers can take several years to overcome this hurdle, especially when the host country's products are protected by the local government. In addition to this, the retailing formats in developing countries are attributed by a relatively large traditional retail sector and most of them are unregistered and small size retailers. In India organized retailers confronted intense challenge from the small domestic retailers. Such small retail firms have been shown to have greater resistance against the organized retail network, a major factor which becomes a threat to small retail firms in developing countries, as it is very difficult to capture considerable market share in these countries. The hegemony of small retail firms is dual. Firstly, the sheer numbers of small retailers in developing countries are much bigger than the number of large retail firms that have a presence in these markets. Secondly, customers (in developing countries) are often tend to rely on 'local' retailer having the stock of wide range of product available in small quantities as compare to those organized retailers, this factor becomes more common in developing economies.

c. Governance Related Challenges: Retailing in developing countries is often dominated by the policies of the host country's government as compared to developed countries. For instance, India's low rate of growth during 1980s instigates the government to come out with structural reforms, especially in the retail sector. The reforms encompass trade liberalization and opening of markets. The economic reforms of 1991 have proven to be a blessing to major retail firms in India. The country has witnessed unprecedented growth in retailing, especially after the entry of FDI in retail in 2006.

Some Other Challenges

International Standards: Although India has almost 15 million retail shops of different sizes and formats, it still has a long way to go before it transform a real retail industry at par with international standards. Here big Indian retail firms can play a major role to meet international standards.

Poor Supply Chain Management: Retail sector in India is still controlled by the traditional unorganized retailers and there is still a need to have an efficient distribution network. India must focus to boost existing distribution network, which ultimately helps in bring down the cost of inventory and lead to lower prices to the customers.

Cultural Diversity: Due to India's socio-economic and cultural diversity it is not possible to establish a standard retail format or consumption pattern accepted by all throughout the country. Producers and retail firms will have to design their policies for different customer and segments which itself would be very difficult job for retailers.

Real Estate Issues: The tremendous growth in retail industry has created a huge demand for real estate. Real estate developers are creating retail real estate at an aggressive speed. With over 1,200 hypermarkets and 3,200 supermarkets targeted to come up by the end of 2017. It is estimated that by the end of 2018 India will need additional retail space of 700,000,000 sq. ft. as compared to today.

Human Resource Problems: Skilled manpower shortage is a challenge confronted by the organized retail sector in India. The Indian retailers have difficulty in finding skilled person and also have to pay more in order to train them. This creates an adverse effect on the Indian retailers' profit margin.

Frauds in Retail: This is the major challenge the retailers would have to confront. Frauds, includes supplier deceives, thefts, shoplifting and inefficient governance and administration are the challenges that are difficult to handle. This is happening even after the use of security techniques, such as CCTVs and POS systems. As the size of the business would increase, this would increase the number of thefts, frauds and discrepancies in the system.

Infrastructure and Logistics Based Challenges: Lack of well developed infrastructure and supply chain management in the developing economies leads to in improvement processes. It is a major hurdle for retail firms as a non-efficient supply channel is very difficult to handle and can result in huge losses. The infrastructure facilities in India still not well developed. Urbanization and globalization are forcing the corporates to develop infrastructure facilities. Transportation, including railway systems, has to be more efficient. Roadways have to meet global standards. Airways & power supply need to be enhanced. Availability of Warehouses and its even distribution are other areas of challenge.

Strategies to Overcome the Challenges

Big retail firms would like to extend their business globally to gets the benefit of financial leverage on their existing capital assets, global sourcing of factor of production, large distribution network, unmatched goods and to have globally renowned brand. Many retail firms expand their business globally as foreign markets offer them low competitive markets. Foreign retailers generally have a competitive edge an unsophisticated market of developing countries. In doing so, they might blow away the competition. In spite of the challenges mentioned above, many retailers have been successful in doing this.

a. Select appropriate strategy: The chosen strategy must be appropriate in respect of the market selection. It is not an easy task, because there is no rule of thumb of selecting a suitable strategy. It is recommended that the selected strategy must be geared towards the unique attributes of the given market. However, it is argue that a retailer must enter into a new market with its strengths it possesses at the home market. Meaning is that, rather than to select the retailer come out with a new idea to the market. In fact there are many of instances of success and failure for each strategy. Whatever strategy is chosen, the devil is actually in the impementation of the strategy.

b. Understanding the Customer: 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 there is a need to take certain steps to understand their customers likes, feedback mechanism, after sales service, informing about new arrivals etc. This in turn necessitates concerted efforts aimed at maximization of business revenue through identifying and satisfying customer needs.

c. Find a Competitive Advantage: In a more advance market, the competitive advantage helps in offering a well known global brand, a unique format, a higher level of customer satisfaction, a more entertaining and informative shopping experience, and a more efficient supply chain that enables low pricing to the consumer and learn much about local taste and preferences. Major global retail firms spend considerable resources and time in learning about the local market. This lead to understand the supply chains, regulation, sources of merchandise, and customer preferences and taste. The later is the most challenging job for retailers. There are some stances of retailers which, even after years of research, fail to develop the right merchandising. Understanding an alien culture is most difficult under the best of circumstances. However, using a mix of local and expatriate retail firms can help to get it right and to learn regarding the consumer tastes and preference, buying behavior, cultural attitudes, and consciousness to product brand and its pricing.

d. Ready for Large Scale Investment: in the beginning retail firms generally invest small money for market testing. It is reasonable in certain markets. Although a major retailer would like to enter into the market with huge financial resources to reap the benefits of economies of scale. Starting with a handful of stores here and there will not suffice. A large number of retail firms have started with few retail stores in multiple markets, with the view to find out scope of retail operation. Almost all success stories have results being particular regarding the choice of markets, and then transfer considerable resources to those markets. The economy of scale is not only necessary for operational efficiency. It also boosts the confidence in local suppliers and vendors that the retailer is there to stay in long run. Otherwise, they are often hesitating to enter into new relationships in case they offend existing customers.

e. Develop a Hybrid Culture: Global retailers confronted with a conflict between sustaining their own traditional way of doing business and adjusting with the local culture. Here the problem can be resolve through a mixture that considers the best of both worlds. In some cases this has been brought about the compromise between local and global retailer through the joint venture. Some time joint ventures is end up with the remains of failed attempts to integrate diverse cultures. Its success is only possible if the joint management is committed and humble. Utilizing the best of both worlds lead to combining the things that global retailer offers with the attributes of the local market.

f. Standardize the Technology and Retail Process: For standardizing certain aspects of managing a retail business in order to get global economies of scale, the successful retailers concentrate to neutralize the cost of localization. This constitutes basic business process like pricing, sourcing, payroll, loyalty programs, and other management and back-office functions. Big retail firms need to develop standardization through management training sessions that are decided by the top management. Such retailers also aim to standardize the infrastructure and information technology globally.

g. Vital Significance to Customer Relationship Management (CRM): The task of customer attraction and retention is becoming more and more challenging year after year. In this context effective customer relationship management (CRM), particularly electronic CRM (or, E-CRM, in brief) assumes significance. Hence for effective CRM skilled manpower should be appointed.

h. Maximum Use of IT and IT Enabled Services (ITES): With the advent of computers and the use of the fast advances in information technology (IT) in every occupation, no business can survive without effective utilization of IT. Besides IT, various IT enabled services (ITES) also should be meaningfully integrated with retailing business too. In fact, use of fast growing online retailing could be considered more as an imperative for survival and growth, rather than just an option.

i. Aggressive Marketing Strategy: Last, but not the least, is the utmost significance of aggressive marketing in order to survive and prosper in a business like retailing. Aggressive marketing strategy, as an imperative, emanates primarily from the cut-throat competition that is characteristic of any globalized market. Besides, the unique complexities intrinsic of retailing business like rapid product obsolescence, very thin profit margins, ever changing customer tastes and preferences in growingly pluralistic world markets and above all, constant price changes add to the need for such an approach.

Conclusion

The developed and developing countries are heavily dependent on their retail sector as an engine of economic growth. For economic growth both developing and developed countries needs further expansion of retailing. In the process of globalizing the retail business, retail firms are confronted with various emerging challenges. Generally people of developing countries were seen with limited purchasing power. Therefore, global retail firms wants to sell them necessary goods in comparison of luxury and discretionary goods. The rising middle class in developing economies like India and China will sustain much more luxury and even discretionary dispense. It is already witnessed in many American, European, and Japanese non-food retailers operating on a global scale. Retail firms' deals in apparel have extended their brands to new markets. Retailers' deals in household related goods for the improvement in the standard of living or electronics related retailers have launched their products in developing countries in the category killer concept. Admittedly, we can say that next phase of retail globalization will encompass the globalization of non-food retailing. Of course, it is not a best question to ask whether retail globalization will happen, as it is already happening. The best question to ask is that how and when retailing will become truly global. There is large number of good reasons for retail globalization, not the least of which is that the domestic markets for western retail firms are saturated and sluggish. However, there is no other alternative for them but to globalize for their sustainability. Therefore, it is not too early to predict that retailing will eventually become a true global retail industry.

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