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Retail growth, a boon to job market

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Imagine the positive impact on the job market when Wal-Mart Stores, the world's largest retailer with a \$285.2-bn turnover (larger than some countries' GDP), opens its stores in India. In fact, a little known point is that even presently, retail is the second-largest employer in India after agriculture, but is highly fragmented and largely disorganised.

When we talk of retail, it almost always conjures up an image of our local kirana shops that form the bulk of the ubiquitous retailers in the country. Names like Westside or Shoppers Stop are still more of an exception.

How big is the industry?

Some studies have indicated that presently, the Indian retail business employs nearly 21m people, which is around 7% of total employment. Although the country has about 12m retail outlets, the largest number in the world, the share of organised retailing is merely 2%. Compare this with the US (80%), West European countries (70%) and Brazil (40%). This only indicates the huge scope for the growth of the organised sector in India.

Studies also indicate that organised retail in India will grow from 2% of the total retail industry to a significant 20% by the end of the decade. Once foreign direct investment (FDI) in retail is permitted by the Indian government, large employment opportunities are expected in organised retail. As is obvious, organised, large-scale retailing would also create indirect or support jobs in areas such as interior infrastructure, security and information technology.

Globally, organised retailing means more than selling products over the counter. The skills required in a winning large-scale retail business are complex front-office and back-office functions that offer plenty of scope for growth to a professional seeking a career in retailing.

Who can get into retailing?

An MBA in marketing is best suited to understand, establish and operate a large-scale retailing business. However in India, even a qualified MBA is only just learning about the concept of retail management by being on-the-job. For a graduate seeking a successful career in Retailing, it may be a good idea to join a long-duration course in retail management from any of the specialist institutions that train you in carrying out this function. For an MBA, these courses could be a further super-specialisation. It may also be a good idea to check out the depth of curriculum and expertise offered by the institution before enrolling.

What does retailing comprise of?

Organised retailing is not just about stocking and selling, it is more about smart management of the supply chain (back-end vendor relationships), quality customer service, slick visual merchandising, timely promotional campaigns and robust customer

relationship management (loyalty programmes).

The core job functions can be broadly classified as retail marketing and merchandising management, customer service and operations. Apart from this, conventional back-office staff functions like accounting and human resources are additional inclusions.

Like any organisation, there are hierarchies and clear growth paths in all these job functions. Typically you start at the bottom as a shop-floor sales person, buyer or assistant merchandiser before moving up as floor manager, store manager, merchandising head or operations head.

Retail marketing and merchandising management

These are the people who are responsible for your getting pulled to a product lying mutely on the shelf as you enter a store. Retail merchandisers select, purchase, promote and sell products for a retail store, department, division or chain.

They study trends, visit manufacturers, designers and merchandise markets, and make forecasts based on the information they collect. They work with a team of buyers and managers to decide the most effective way to sell their products.

A very special sub-function includes visual merchandising that focuses on advising advertising and display departments on the best ways to position and place merchandise in the store. In addition to this, the function may also be responsible for organising and co-ordinating promotional activities. Merchandisers may also specialise in specific lines of products like furniture or clothing.

A trade marketing manager or retail services manager looks after the retail trade. Typically, they appoint distributors and dealers; and appoint franchisees for expansion of company outlets. They take care of all marketing services such as events, promotion, point of sales etc.

Operations

How would a retail outlet survive if its most-selling items ran out of stock while nobody inside in the organisation was aware of this big gap? This is where operations people step in. The function is famously called supply chain management (SCM).

In a large scale retailing business, this function is completely IT driven and includes areas like vendor management, warehouse management and inventory management. This is a loaded back-office operations role which is an absolute must for gaining and maintaining a competitive edge.

Most retail businesses deploy extensive SCM software systems available from large vendors like TCS.

Marketing and customer support service

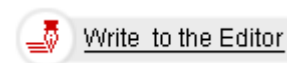
There is a strong likelihood that those of us residing in metros have been offered a privilege card while making major purchases at large retailing houses like Lifestyle's Inner Circle card or Westside's Club West card. Also, chances are that those of us who hold such a privilege card have received a special first-day, first-hour invitation to the launch of the store's season sale. Technically speaking, this is termed as a loyalty programme and aims at encouraging a customer to make repeat purchases,

while rewarding her with redeemable points. This is much like the frequent flyer schemes offered by nearly all airlines.

Again, this is mainly an IT driven back-office function integrated with front-end sales counter point-of-sale software and involves a dedicated marketing support team. This function is mainly driven by CRM software and includes retailer-customer interaction, including sales force automation, opportunity management, customer support, and a full spectrum of customer analysis.

As we can clearly see, apart from conventional job functions, organised retailing offers both the aspiring youngster or experienced marketer, a depth in career path and some exciting job functions to choose from.

***(The author is Head,
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