RETAIL BRANDING IN INDIA: EXAMINING THE EFFECTIVENESS, ISSUES AND CHALLENGES

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ABSTRACT

Retail branding is the process by which retail businesses establish their identity and image in the minds of the customers. A strong retail brand influences consumer perception, builds trust and creates long-term customer loyalty. In India, retail branding has become a crucial part of business strategy, especially with the rapid expansion of organized retail, increasing competition and the rise of digital commerce. Thus, it becomes essential to understand the effectiveness of retailing in Indian context along with identifying crucial challenges lying in front of the retailers in India. The power or importance of retail branding can be understood from the key factors discussed below. Also in the paper, key factors have been identified which can contribute towards overall economic development, help retailers gain businesses and at the same time mitigate the challenges being faced by them.

Keywords: Retailers, Digital commerce, Retail branding, Economic development

INTRODUCTION TO RETAIL BRANDING

Retail branding creates a unique and a distinct image, identity and emotional connection with consumers. It encompasses store layout, logo, colour schemes, product quality, pricing strategies, customer- service and overall experience of the customers. A strong retail brand influences consumer perception, builds trust and creates long-term loyalty.

In India, retail branding has become a crucial part of business strategy, especially with the rapid expansion of organized retail, increasing competition and the rise of digital commerce.

Retail branding in India is evolving rapidly. It is no longer just about selling products but about crafting unique experiences that connect with consumers emotionally and culturally. As Indian consumers become more aware and tech-savvy, only those retail brands that invest in consistent, meaningful, and adaptive branding strategies will sustain and grow in the long run.

Retail branding in India plays a very crucial role in the different sectors like society, economy and in the daily lives of people at large. It serves as an important link between the sellers of the products and the ultimate users of the products facilitating in quick supply and ensuring timely products reach the consumers thereby providing time utility. Retail branding is a very dynamic process and serves as an integral part of the Indian economy which meets the varied needs of consumers who are scattered geographically at one place one. Its role is not just to mediate between the seller and the user but it also aids in Indian economic development and ensures better adjustment of people belonging to different states in India, cultures and traditions with the brands available. It integrates technology in its processes and thereby provides different platforms to the consumers to purchase from and make payments again through different payment gateways. Thus, the power or importance of retail branding can be understood from the various points discussed below:

IMPORTANCE OF RETAIL BRANDING IN INDIA

1. Aids in Economic Significance: Retail branding in India is a very powerful tool as it aids in overall economic development. It provides jobs to different skilled people, right from a merchandiser, salesman, a store operator, sales associates any supply chain partners to the security and maintenance staff, etc. retailing aims to provide jobs to millions of people worldwide. It is the biggest job provider or biggest employer amongst different types of work areas. It thus, contributes significantly to the country's Gross Domestic Product (GDP) throughout the world. Its swift operations aid in balancing investment and consumption. It drives economic growth by promoting consumption and investment. Retailers also contribute to the revenue collected by the government of India in the form of payment of taxes.

2. Helps in meeting the ends: Retail branding in India helps in bringing the sellers and the consumers together thereby bridging the gap between them. Retailers develop links with producers of different products, assemble these products at one platform to make it easier for the consumers to avail the benefits of the product and tend to offer number of competitive products to choose from thereby giving them convenience of shopping under one roof and making right purchase decision timely. The efficient management of inventory and logistics by the retailers gives them an edge in the market. Retailers have thorough knowledge about the market demand coming from different segments of population and this aids in their offering customised products to the consumers which can suit their local demands or demand of products which are region specific.

3. Provide good experience to the consumers: Retailing aims to provide the consumers with the convenience of shopping from amongst the wide variety of competitive brands at their provision. They get to see, check, verify details, select a product as per their liking, all under one roof. In-store assistance by the retail store staff helps the customer get requisite information and solve their queries about the product.

Present retailers offer personalised shopping or customised shopping experiences to their customers and often provide loyalty benefits to their esteemed customers. This helps in generating footfall of the customers. Omnichannel retailing is the buzz word in the retail sector these days where both the physical store purchase as well as online purchase platform is provided by the retailer to the customers. As per their preference and convenience the customers can visit the physical store or visit the website or other digital platforms provided by the retailer to make a choice from. This aids in saving time for the customers.

4. Helps in meeting competition: Retail branding initiatives help the Indian retailers meet the extensive competition coming from retailers across the globe. Since online platforms aid in fast movement of goods across geographical boundaries, more competition is to be faced by the retailers. So the retail branding initiatives are an aid to the various retailers operating in India to meet this challenge and practice innovative means to lure customers to visit his store time and again. New and improved products must be constantly provided at the display for the customers to inform them about availability of new products. An innovative branding strategy adopted by the retailer benefits the consumers at large as they get to choose from against the wide variety of products, better prices, good quality, and improved service. Use of new technological advancements like e-commerce options, payment through mobile apps, self- scanning for product details and self-checkout systems help the retailer to meet huge rush of customers in short span of time.

5. Social Impact: Retailing is a means to reflect the social cultures, lifestyle of people, the recent trends in the Indian market about the product likings and disliking. It acts to connect to the customers and provide them with the products they need. It also supports development of economies and providing the goods which may be earlier available only in other nations. Supporting local vendors is also a part of their progressive branding strategy.

6. Helps in Globalization: The retail brand outlets act as a medium to bring the different cultures together. They help not only in domestic integration in India but also internationally growing together in terms of technology sharing or product manufacturing or logistic techniques, etc. The retailers broaden their reach and help the local manufacturers in India sell their various products in many international markets at the same time. Global retail chains facilitate better logistics, better supply chains and better inventory management thereby helping in smooth cross-border trade.

7. Aid in ensuring Sustainability and performing corporate social responsibility: Retailers in India take care that they adopt sustainable practices in selling the products and offer eco- friendly products in eco- friendly packaging to the consumers. They tend to reduce plastic usage and prefer other means to help consumers shop conveniently. E.g. Use of Cloth bags to take away products rather than polythene packs. Indian retailers often undertake CSR activities like selling only local made products or conducting sessions guiding customers about no wastage of food items or helping the needy by offering charities, etc.

8. Ensure efficient supplies: Retailers in India maintain stock of various essential products like FMCG products, pharmacy products, etc. aiding in regular supply of products in the markets and ensure availability of stock in times of crisis. E.g. In Cororna times, we witnessed how the availability of products in retail stores ensured no panic amongst the customers of stock outs and how they overcame their fears of mind that products will not be there in long run. Retailing thus aids in smooth supply of products in the markets and also help in adapting quickly to the changing customer needs and wants. E.g. The emergence of online retailing on huge scale especially after the pandemic is an example how customer preference to shop only from physical store shifted to purchasing online as well.

III. COMPONENTS OF RETAIL BRANDING

1. **Brand Identity:** It includes the Store name, logo, colours used in advertisement or logo or billboard, and tagline of the brand. Example: Mc Donalds yellow and red combination give it an identity where D-Mart uses minimalist branding focused on value pricing.

2. **Brand Image:** It refers to the perception of the brand in the eyes of the customers or the image of the retail store in the minds of customers. Example: FabIndia stands for traditional and ethnic wear, craftsmanship, and Indian heritage.

3. **Customer Experience:** The third component of retail branding is customer experience. It may be in relation to the Store layout, employee/ staff behaviour with the customers and ease of navigation in the retail store premises. Example: Decathlon enhances in-store experience with product testing zones.The customers can try their products and then decide whether to make a purchase or not.
4. **Product and Pricing Strategy:** It refers to the mindset of the customers about the brand that whether the brand offers value-for-money or it deals in premium goods or offers products catering to a particular niche market.Example: Zudio targets fashion-conscious consumers with low-cost trendy apparel whereas Marks and Specncers offers products catering to high end customers.

FACTORS CONTRIBUTING TO RETAIL BRANDING GROWTH IN INDIA

The growth of Retail branding in India has mainly been due to the changing economic conditions, demographic changes, technological advancements and various political or government policy factors. Let us discuss the various points one by one.

1. Economic Growth: India's favourable economic conditions and consistent growth levels have led to higher income levels of the consumers. These higher levels have also increased disposable incomes in hands of customers and has led to more purchasing powers of the customers, thereby making them spend more on various discretionary products and lifestyle products rather than on only necessities rather than on saving for future times.

This calls for scope on developing the existing retail sector with more private players entering the segment. The rapid urbanisation and dual income concept in urban and metro cities of India has helped in generating more demands of products, more convenience driven shopping formats to buy from and for fulfilling these demands spending more income has become part and parcel of daily life leading to regular visit of the family members to retail stores, thus widening the scope of retail branding in India.

2. Changing Preferences of Consumers: In earlier 2000's people visited retail stores mainly for family outings but nowadays the visit to the retail store is mainly for shopping of both FMCG products and certain luxuries too where convenience of shopping from the wide product and payment options available are provided by the retailer. The increasing exposure to global trends has made people change their preferences to shop only from traditional outlets to experience shopping from modern retail formats along with the different online platforms offered by retailers to shop from.

The increased demand for certain health supplements, organic products, westernised food items, branded apparels, etc. has made customers shift demand to those platforms offered by retailers which provide these needful products. Big retail giants have created a niche market for these products. E.g. Japanese cuisine products will be available in the retail store rather than in the local kiryana store. This has led to rapid retail branding development in India.

3. Growth of the Organized Retail Sector: Present times have witnessed entry of big retail giants in Indian market. Many retail malls, hypermarkets, supermarkets have thronged the Indian territory. Eg. Many retail chains like Reliance Fresh, Reliance Smart, Big Bazaar, V-mart, D-Mart, etc. have expanded significantly over the years. They basically cater to the diverse and ever-growing needs of the urban and semi-urban populations. Brand specific national and international retailers view huge market in India thereby contributing to expanding retail sector in India.

4. Sudden growth of E-Commerce: The post pandemic period has witnessed sharp trend of shopping via online platforms in almost all parts of the world. The sudden growth of e-commerce is a big attraction for the retailers as they can provide wide variety of goods simultaneously to many customers thereby increasing their turnover. The fast moving population wants to purchase everything on click of a button without waste of much time thereby helping the online retailers to penetrate the markets easily. Retailers wanting to take advantage are considering blended form of retail whereby they sell physically as well as through online platforms.

5. Supportive Government Policies: The government policies in India support the expansion of retail sector. Relaxation of the Foreign Direct Investment (FDI) norms in retail sector has encouraged various global retail giants like Walmart and IKEA to enter the Indian markets. Streamlined Goods and Services Tax (GST) provisions have helped benefiting the retail supply chain.

6. Population explosion: India has one of the largest and the youngest populations globally. This leads to huge demand for fashion products, latest gadgets and modern lifestyle products thereby luring the retailers to tap Indian markets.

7. Infrastructure Development: Indian retailers enjoy good transportation networks. There is good railway, roadways, shipping, airways networking throughout the country. It is easy for retailers to ship goods and supply them at the designated locations without much fear of loss of goods. Better warehousing facilities add to the advantage for the retailers.

8. Impact of COVID-19: Post- pandemic period has witnessed huge increase in online retailing. The convenience of shopping online along with many loyalty offers and discount schemes tends to lure the customers prefer the services of the retailer. The accelerated the adoption of online shopping and home delivery services. At present retailers are adopting hybrid models i.e. model where the physical stores are combined with digital platforms inorder to provide safety and convenience of shopping. So we may say that the Indian retail sector is poised for sustained growth by adopting the hybrid methods of sale.

SIGNIFICANCE OF RETAIL BRANDING IN INDIA

1. **Differentiation in a Competitive Market:** With hundreds of options available with the customers across India, retail branding helps to distinguish one retailer from another. Strong branding builds an image of the brand in the minds of the customer and helps them recall about the brand when needed and thereby influences their buying behaviour.
2. **Customer Loyalty and Trust:** Well-branded retailers earn repute and trust from their customers. The customers become repeat customers of the brand and they don’t shift to other brands so easily. Example: Zara or Reliance Trends or Max have developed loyal customer bases through quality, promotions, and store experiences of their customers.

3. **Emotional Connection and Cultural Relevance:** Successful retail brands tap into Indian values and festivals. Example: Tanishq's branding around weddings and Indian festivals enhances emotional resonance. Cadbury's strategy of gifting chocolates on Rakhi is a sweet gesture thereby building emotional connect between a brother and a sister.
4. **Expansion and Franchising:** Strong branding facilitates scalability and franchising. It helps the retailer to expand easily and makes the third party ready to enter into franchise agreement. Example: Bikanervala , Uber, Mc Donald's, Haldiram's, etc. have used consistent branding strategy to expand across India and abroad.
5. **Digital Presence and Omnichannel Reach:** Digital branding enhances visibility and reach across the diversified market segments. Brands with strong online presence can engage users through various social media platforms, apps and media influencer marketing strategies.

IMPORTANT FACTS OF RETAIL INDUSTRY IN INDIA

In India the retail sector in the second largest employer after agriculture the retailing sector in India is highly fragmented and consist pre-dominantly of *small independent and owner* managed shops.

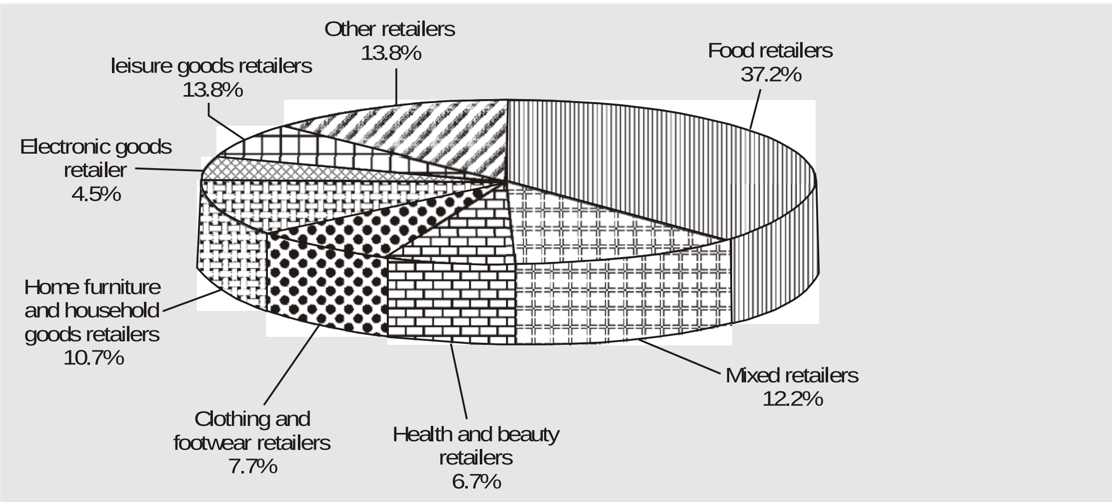
(*i*) There are more than 2200 million retail outlets in India.

(*ii*) Beside different retail outlets India is full of *low-cost Kiosks* and *push-carts*.

(*iii*) There is boom in the retail trade in India due to increase in the disposable income of the middle class households.

(*iv*) More and more new Indian and foreign players are venturing into the retail business in India.

(*v*) A new attractive retail formats like Malls, Supermarkets, Discount Stores, Department Stores and Furnishing House are being introduced and are being popular with customer.



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6. Model of Share of Retailers on (Product Basis) in India

(*vi*) Organised retailing in India is mainly present in metro cities only.

(*vii*) But in these days few big retail players are keeping an eye of Tier II and Tier III cities to explore more opportunities.

(*viii*) As per *"India Retail Report 2020"*, the Indian retail industry is valued at $ 370 billion with organised retailing contributing 4.5% and is expected to see a growth at a CARG of 34%.

REASONS FOR GROWTH OF RETAIL BRANDING IN INDIA

Today if one turn arounds he will find giant shopping malls and Multiplexes across the way which is an indication of Retail revolution in the country and shows that the growth in Indian organised sector is mainly due to revolutionary changes in the consumer behaviour patterns. Some of the factors which can be held responsible for this growth may be as mentioned below:

(i) Emerging nuclear family concept.

(ii) Changes in consumer life style where luxuries have become necessities.

(iii) High pay packages being paid by private sectors and MNCs.

(iv) Expecting convenience shopping under one-roof, air-conditioned Malls and Multiplexes.

(v) High purchasing power of Indian middle class.

(vi) Effects of liberalization, privatisation and globalisation.

(vii) High and regular flow Foreign Direct Investment (FDI) in Indian Retail Sector.

(viii) Building large chain stores of popular Indian brand.

(ix) Presence of foreign players directly or through consolidation with India Retail players.

(x) Expansion of third generation family businesses like Tata, Birla and Reliance.

Providing wide ranges of choices to Indian consumer through MNC brands like *Kellogg,*

* **Source :** Emerging Landscape in retail real estate and way forward, presentation by Harminder Sahni, Technopak at India Shopping Centre Forum 2020, www.indiaretailing.com

Unilever, Nestle.

CHALLENGES OF RETAIL BRANDING IN INDIA

In today's competitive retail environment there are many challenges faced by marketers in relation to branding and these are :

(i) Difficult in sustaining and creating the brand image in minds of customers.

(ii) Difficult to sustain the brand due to different approaches adopted by the retailers for different fast moving consumer goods and durable categories.

(iii) Difficulties in implementation of brand loyalty programmes offered by companies which might have led to more profits to them.

(iv) Difficult to use retail networks to build strong brand image at a bigger level.

(v) Increasing Trends towards Brand Switching adds to the problem of building brand image. It leads to the decline in brand loyalty and due to this often the consumers get bored of the brand or get dissatisfaction with a product, and due to constant availability of new product offerings and an increased concern for the price they switch from one brand to another brand.

(vi) Many national brand marketers are upgrading their brand with premiums in order to distinguish them from private brands.

(vii) Due to increase in sales promotion techniques i.e. coupons, free samples, free gifts, point of purchase displays for encourage consumer towards brand switching rather than just informing them through advertising.

(viii) Now, marketers are more concerned with actual consumer purchasing patterns, opinions, beliefs and moreover knowing how important the product is to the consumer i.e. how much he is loyal towards a particular product class. Thus, it increases competition and makes difficult the existing brand to survive.

CONCLUSION

In India, retail branding has become a crucial part of business strategy, especially with the rapid expansion of organized retail, increasing competition and the rise of digital commerce. It plays a very crucial role in the different sectors like society, economy and in the daily lives of people at large. It serves as an important link between the sellers of the products and the ultimate users of the products facilitating in quick supply and ensuring timely products reach the consumers thereby providing time utility. It is a very dynamic process and serves as an integral part of the Indian economy which meets the varied needs of consumers who are scattered geographically at one place one.

Retail branding in India helps in bringing the sellers and the consumers together thereby bridging the gap between them. Present times have witnessed entry of big retail giants in Indian market. Many retail malls, hypermarkets, supermarkets have thronged the Indian territory. The growth of Retail branding in India has mainly been due to the changing economic conditions, demographic changes, technological advancements and various political or government policy factors. More and more new Indian and foreign players are venturing into the retail business in India. New attractive retail formats like Malls, Supermarkets, Discount Stores, Department Stores and Furnishing Houses are being introduced and are being popular with customer. But the marketers are more concerned with actual consumer purchasing patterns, opinions, beliefs and moreover knowing how important the product is to the consumer i.e. how much he is loyal towards a particular product class. Thus, increased competition makes it difficult for the existing brands to survive. The only key for their survival is winning the loyalty of the customers and keep up to date requisites of the brand.

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