9. Trade: Retail Trade in Food, Clothing, Footwear and Leather Articles in Specialised Stores

9.1 Definition

The sub-sectors in the sector that are used for analysis in this report include retail sale of food in specialised stores and retail sale of clothing, footwear and leather articles in specialised stores. The composition of these sectors is given below in Table 9.1.

Table 9.1: NIC codes in the retail sector

NIC 4-digit	NIC 5-digit	Description
4721		Retail sale of food in specialised stores
	47211	Retail sale of cereals and pulses, tea, coffee, spices, and flour
	47212	Retail sale of fresh or preserved fruit and vegetables
	47213	Retail sale of meat, meat products, poultry products, fish, other seafood, and products thereof
	47214	Retail sale of bakery products, dairy products, and eggs
	47215	Retail sale of sugar confectionery and sweetmeat
	47219	Retail sale of other food products n.e.c.
4771		Retail sale of clothing, footwear, and leather articles in specialised stores
	47711	Retail sale of readymade garments, hosiery goods, other articles of clothing and clothing accessories such as gloves, ties, braces, etc.
	47712	Retail sale of articles of fur and artificial fur
	47713	Retail sale of footwear
	47714	Retail sale of leather goods and travel accessories of leather and leather substitutes

Source: Central Statistical Organisation, Ministry of Statistics and Programme Implementation. 2008. National Industrial Classification (All Economic Activities). 2008. https://www.ncs.gov.in/Documents/NIC_Sector.pdf.

9.2 Background

The Retailers' Association Skill Council of India (RASCI) 2024 report says that India is the fourth largest retail market in the world and ranks second in the Global Retail Development Index.[1] The size of the Indian retail market was valued at USD835.9 billion in FY' 2022 and was forecasted to growth at a Compound Annual Growth Rate of 10 per cent to reach ~USD 1.2 trillion by financial year (FY) 26. In FY'22, it was estimated that the unorganised segment was 81.5 per cent of the retail sector which is estimated to go down to 72.3 per cent in the FY' 26. The Indian retail has three main channels—Traditional Retail (Kirana shops, mom & pop shops, etc.), Modern Retail (regional stores & national chain of stores) and Online channels (direct to consumer platforms and aggregators). There are several factors that are driving the growth in the sector—increased urbanisation, growing incomes, changing consumer preferences, government initiatives to attract foreign direct investment, e-Commerce and

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[1] Wazir Advisors and RASCI. 2022. Mapping of Employment Scope & Skill Gaps in Retail till FY26. Sourced from RASCI.

technological changes.[2] The RBI Report on Currency and Finance projects that the e-Commerce market size will grow to USD300 billion by 2030 and the share of online retail will go up to 14 per cent by 2028.[3] Both online users and digitally influenced users are projected to increase exponentially.

9.3 Value Chain in the Retail Sector

The value chain for the two sub-sectors, retail sale of food in specialised stores and retail sale of clothing, footwear and leather articles in specialised stores is described below. The value chains for both the sub-sectors are broadly same. The retail sector value chain starts with selection of locations for establishment of shops /e-Commerce platforms through market surveys and it goes up to customers' satisfaction to ensure sustainability of business. The various stages of value chain and the associated job roles in each stage are given below (Figures 9.1 and 9.2):[4]

a. Selection of locations for establishment of shops /e-Commerce platforms through market surveys: This involves R& D activities to ascertain the feasibility of the business in a particular area and future scope of expansion of business.

b. Selecting type of shops based on needs complete shops versus 'grab and go' shops versus e-Commerce platforms: This stage of the value chain is the extension of the first stage. This involves finding out the type of shops/ scope of online platforms in the areas under consideration.

c. Product finalisation through consumers' surveys, adhering to government norms: This stage of value chain involves finalisation of products keeping in mind the taste and preferences, type of consumer base and financial capacity of the consumers.

d. Procurement (ensuring timely supply of products at the store): The next stage involves procurement of products for the establishments to ensure timely supply at the store and also to see that procurements are commensurate with anticipated demand which ensures minimum wastages in case of perishables and minimum storage expenses in case of other goods.

e. Storage and warehousing: This involves cold storage (for perishables)/ storage of goods which would be ensuring minimum wastage, quick supply to stores, minimising delivery times in case of e-commerce operations.

f. Store management: This involves assigning space to various sections, promotion of new products, store security, ICT infrastructure, customer support at store and delivery at doors (for e-commerce operations).

g. Customers' satisfaction: This involves customer support, customer grievances, customer feedback.

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[2] Sharma, S. 2024. "Retail Industry in India: Trends and Insights". https://www.indianretailer.com/article/retail-business/retail/retail-industry-india-overview-retail-sector-market-size-growth. May 20.

[3] Reserve Bank of India. 2024. Report on Currency and Finance. https://rbi.org.in/Scripts/AnnualPublications.aspx?head=Report%20on%20Currency%20and%20Finance. July 29.

[4] This has been paraphrased from Wazir Advisors and RASCI. 2022. Mapping of Employment Scope & Skill Gaps in Retail till FY26. Sourced from RASCI and consultation with retail sector experts.

Figure 9.1: Defining value chain for retail sale of food in specialised stores
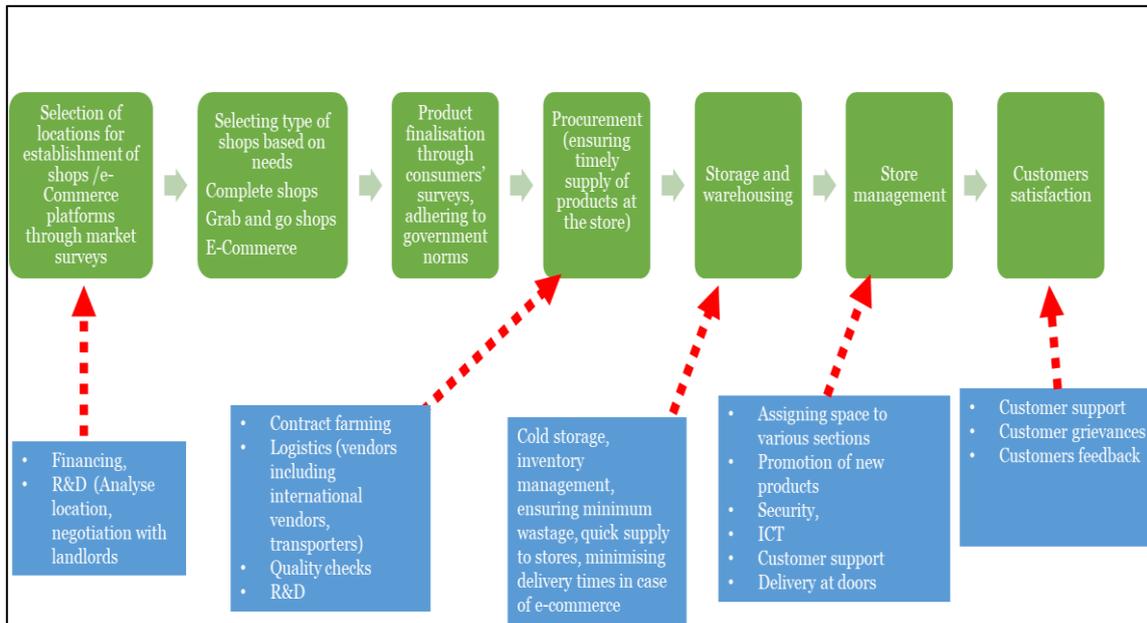
Source: NCAER conceptualisation from literature review and expert consultation.

Figure 9.2: Defining value chain for retail sale of clothing and footwear in specialised stores
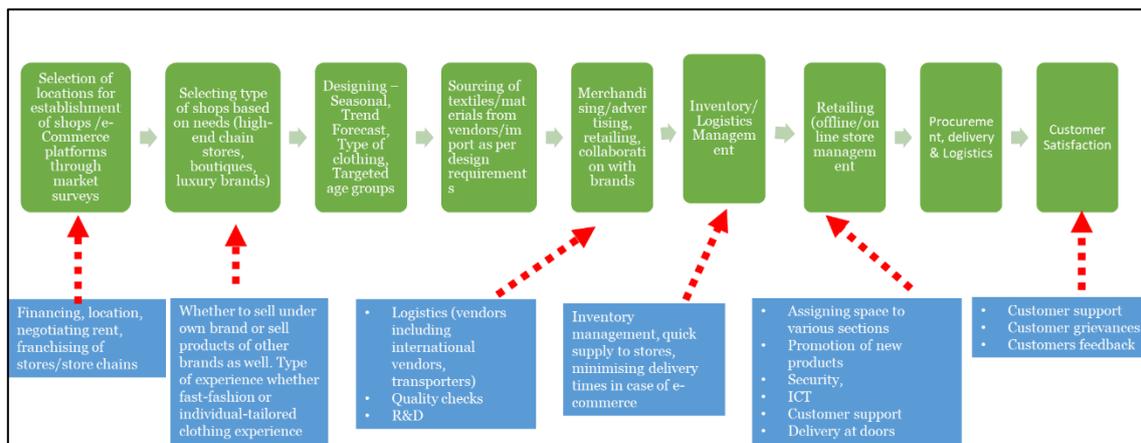
Source: NCAER Conceptualisation from Literature Review and Expert Consultation.

Digital transformation of the retail sector

The rapidly changing technology has (creatively) disrupted business model and value chain in retail trade. Consequently, both the organised and traditional retail have had to adapt themselves to changing needs. Further, the share of organised retail is also increasing. The combination of these changes is making the sector more structured and organised unlike the largely informal nature of retail trade that had existed so far. The increased share of organised retail segments, is creating more opportunities for good quality jobs with social security.

The requirements for digital skills due to the transformation from traditional retail to modern retail and the e-Commerce is discussed below. Table 9.2 shows an Artificial

Intelligence-enabled value chain. Specific examples are given below to illustrate the increased demand for digital skills in each job role due to the deployment of technology in this sector.

- Traditional retail shops cater to a small area as compared to modern retail and e-Commerce. Due to broadening of areas of operations, this involves research and development (R&D) activities to ascertain the feasibility of the business in a particular area and future scope of expansion of business. Data analytics is the key job role required which involves analysis of diversified large-scale data on consumer base, change in taste and preferences of customers.
- With the growth of modern retail and e-Commerce and entry of large corporate players into retail, competition in the retail segment has increased and there is a need to study the moves of the competitors. Demand for Artificial Intelligence has increased.
- With importance of modern retail and e-Commerce rising, the value chain in retail has become structured. With increase in coverage area, products base, and type of customers, all the levels of the value chain, from location finalisation to products finalisation to procurement of products to storage and warehousing to store management, have to be integrated and automated. Deep learning may help in inventory management.[5] This requires digitisation of databases, and thus computer literacy in job roles at every level of the value chain. One multi-brand retail manager told that decision about products selection, supply of products to stores, manpower requirements are taken at the headquarters level. This requires highest levels of digitisation. Advanced degree in Information Technology and Artificial Intelligence is required.
- In-person store managers are replaced by virtual store managers, thus requiring digital skills among the workers. Augmented intelligence help in store operation and sales and customer use and support.[6]
- Transactions in retail stores are done through bar code reading. Preparing bar codes for all the products requires to be created and computer operator becomes a key job role required.
- GPS (Global Positioning System) and RFID (Radio-Frequency Identification) technology, cloud/hybrid storage, blockchain technology are extensively used in modern retail. Digital skills are required in every job role associated with these operations.
- Quick commerce is a very specialised form of e-Commerce. "'E-commerce' refers to the online purchase, or sale, of a good or service, which can take 3−4 or longer days to deliver, whereas Q-commerce aims to deliver in a 30−60 minutes span."[7] Q-commerce has digitised the whole business model.[8] There

[5] Oosthuizen, K., Botha, E., Robertson, J., & Montecchi, M. 2020. "Artificial intelligence in retail: The AI-enabled value chain". *Australasian Marketing Journal*. 29(3): 264–273. https://doi.org/10.1016/j.ausmj.2020.07.007 (Original work published 2021).

M Naik, D., Dokku, S., Nagamalleswara, V., Srinivas, K., Challa, S. and Narayana, M. 2023. "Impact of Artificial Intelligence on the Indian Retail Industry". *Financial Engineering*. 1. 316–325. 10.37394/232032.2023.1.30.

[6] Oosthuizen, K., Botha, E., Robertson, J., & Montecchi, M. 2020. "Artificial intelligence in retail: The AI-enabled value chain". *Australasian Marketing Journal*. 29(3): 264–273.

[7] Business Standard website. https://www.business-standard.com/about/what-is-quick-commerce.

[8] Ranjekar, G. and Roy, D. 2023. "Rise of Quick Commerce in India: Business Models and Infrastructure Requirements". Centre for Transportation and Logistics, IIM Ahmedabad.

are three key aspects of Q-commerce-technology, dark stores,[9] and delivery partners.[10] Warehousing plays a significant role in making supply chains in Q-commerce efficient. *"The coordination between upstream dark stores, distribution centres, and downstream delivery partners is crucial for the quick fulfilment of orders (for example, within 15 minutes). Data-driven demand estimation models improve warehouse management efficiency when the order fulfilment process gets delayed and becomes costly. Through historical customer data analysis and real-time data capturing, various parameters such as high-demand parts, order volumes, and order seasonality can be predicted in advance. Also, strategic locations for distribution centres can be planned by leveraging advanced data management technology. Various parameters such as population density, road networks, and busy zones are considered while selecting the locations to ensure that delivery times are minimised"* (Ranjekar and Roy 2023; pp 15).[11]

Table 9.2: Artificial intelligence-enabled value chain in retail

Stage of value chain	*Technologies*	*Outcome*
Inventory Management	Chatbot, insight engines, intelligent applications, machine learning, virtual assistant	Predict demand close to supply
Operations Optimisation	AI-related Consulting System Integration Services (AI-related C&SI), Computer vision, Deep Learning, Edge AI, Intelligent applications, Machine Learning, Robotic process automation, virtual assistant	Operating efficiently and effectively
Customer Engagement	AI-related C&SI, Augmented Intelligence, Chatbox, Computer Vision, Deep Learning, Edge AI, Insight engines, Intelligent applications, Machine Learning, Speech recognition, Virtual assistants	To build customer trust
Knowledge and insight management	AI-related C&SI, Deep Learning, Edge AI, GPU Accelerators, Insight Agents, Intelligent Applications	Provide insights by managing, processing information

Source: Adapted from Oosthuizen, K., Botha, E., Robertson, J., & Montecchi, M. 2020. "Artificial intelligence in retail: The AI-enabled value chain". *Australasian Marketing Journal*. 29(3), 264–273. https://doi.org/10.1016/j.ausmj.2020.07.007 (Original work published 2021).

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https://www.iima.ac.in/sites/default/files/2023-06/Q-com%20-%20Ranjekar%20%26%20Roy_0.pdf. March.

[9] "Dark stores are micro warehouses scattered in dense neighbourhoods that aid the efficient delivery of products."Ranjekar, G. and Roy, D. 2023. "Rise of Quick Commerce in India: Business Models and Infrastructure Requirements". Centre for Transportation and Logistics, IIM Ahmedabad. https://www.iima.ac.in/sites/default/files/2023-06/Q-com%20-%20Ranjekar%20%26%20Roy_0.pdf. March.

[10] Ranjekar, G. and Roy, D (2023), cited above. Potdukhe, S., Dixit, S., & Kumar, A. 2022. Quick Commerce: The Business of Instant Gratification. JM Financial Institutional Securities Limited. India Internet Sector Report. https://www.jmflresearch.com/JMnew/JMCRM/analystreports/pdf/%5BJMFL%5D%20India%20Internet_Quick_Commerce_10June22.pdf. JM Financial Institutional Securities Ltd. June 10.

[11] Ranjekar, G. and Roy, D (2023), cited above.

9.4 Workforce Characteristics

a. ***Female***: The share of female workers in 'retail sale of food in specialised stores' is 21.4 per cent and 'retail sale of clothing, footwear and leather articles in specialised stores' is 15.8 per cent. When the total workers in both the sub-sectors are clubbed together, the percentage share of female workers in these two sub-sectors is 20 per cent.

b. ***State:*** Uttar Pradesh, Bihar, West Bengal and Maharashtra are the top four States in terms of concentration of workers in the retail trade sector of retail sale of food and clothing, footwear and leather articles in specialised stores' (Figure 9.3). In the sub-sector retail sale of food in specialised stores, maximum number of workers are in Uttar Pradesh followed by Bihar, West Bengal and Maharashtra. In the sub-sector Retail sale of clothing, footwear and leather articles in specialised stores, maximum number of workers are in Uttar Pradesh followed by West Bengal, Maharashtra and Bihar.

The presence of female workers in these two sub-sectors together is relatively higher in the North-eastern States and UTs like Andaman & Nicobar Islands & Puducherry (Figure 9.4). Among the bigger States the presence of female workers is higher in Southern States like Telangana (41 per cent), Andhra Pradesh (40 per cent), and Tamil Nadu (35 per cent).

Figure 9.3: State-wise share of workers (aged 15+) in retail sale of food and clothing, footwear and leather articles in specialised stores'
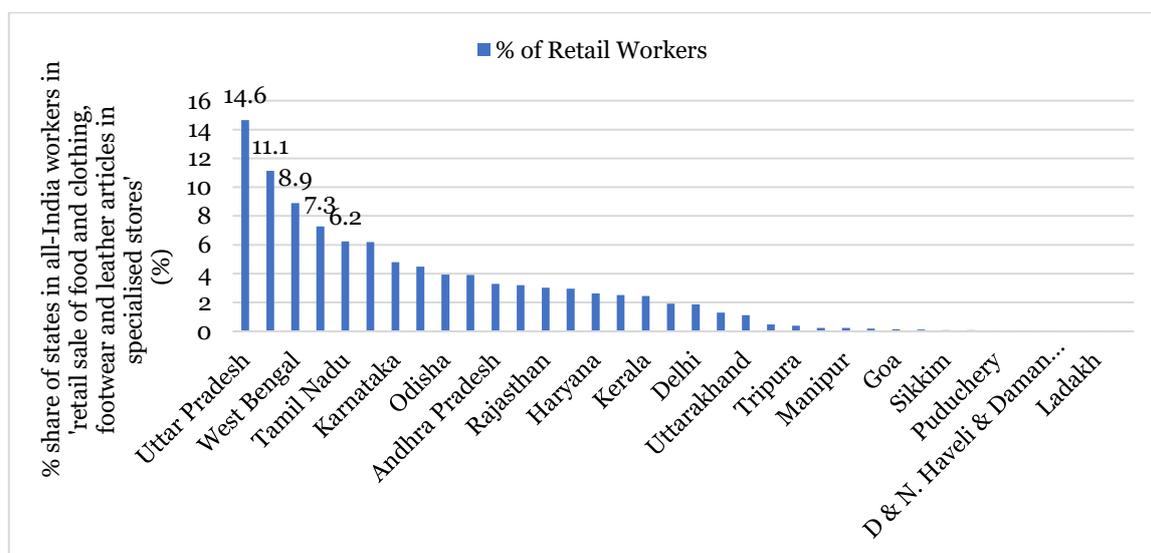
Source: NCAER Analysis from PLFS 2022–23.

Figure 9.4: State-wise percentage of female workers (aged 15+) in retail sale of food and clothing, footwear and leather articles in specialised stores', 2022–23


■ % of female workers
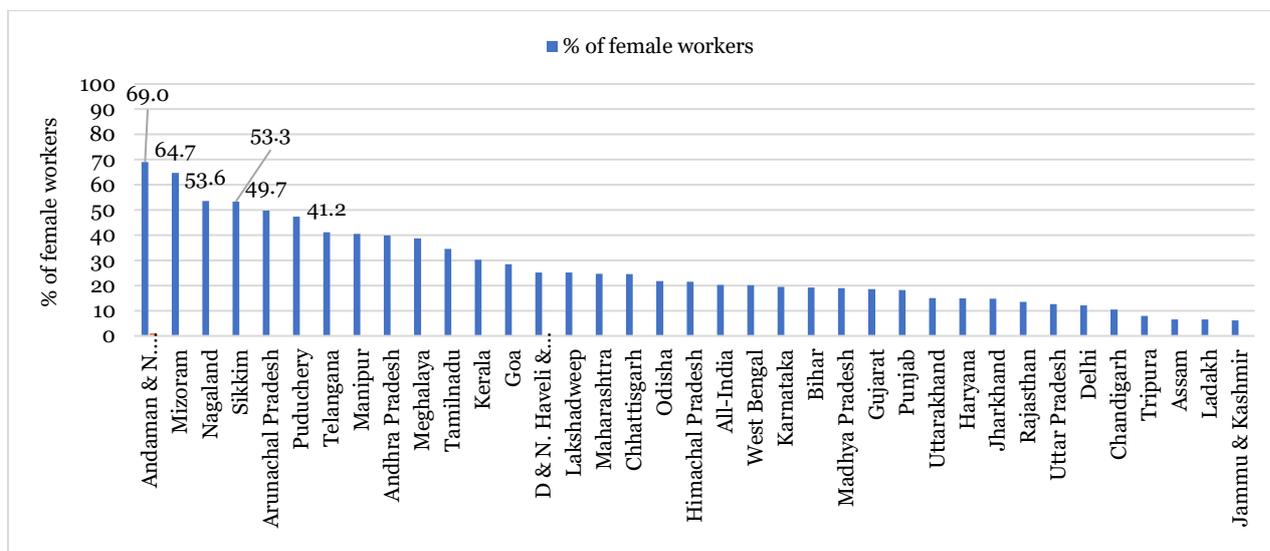
Source: NCAER analysis from PLFS 2022–23.

c. ***Retail sector workers across education levels***

- <u>General Educational Attainment</u>: Combining both the sub-sectors' data, one finds that 11 per cent of workers are not literate, 25 per cent of workers have attained middle school and 18.2 per cent have secondary school attainment (Figure 9.5). Larger percentage of workers are having educational level of Middle and Secondary (43 per cent). The corresponding figures for male and female were 45 per cent and 35 per cent respectively. The male workers were relatively better educated than female workers. Notably, while, only 7.8 per cent of male workers are 'not literate', 23.4 per cent of female workers belong to this category.

  In the sub-sector retail sale of food in specialised stores, larger share of workers had education level between middle and secondary (42 per cent), followed by 34 per cent with education level up to primary. Only 24 per cent of workers were higher secondary and above. In the sub-sector retail sale of clothing, footwear and leather articles in specialised stores, 47 per cent of workers had education level between middle and secondary. 39 per cent were higher secondary and above educated and 14 per cent were up to primary level of education.

Figure 9.5: General educational attainment of retail sector workers (aged 15+), 2022–23
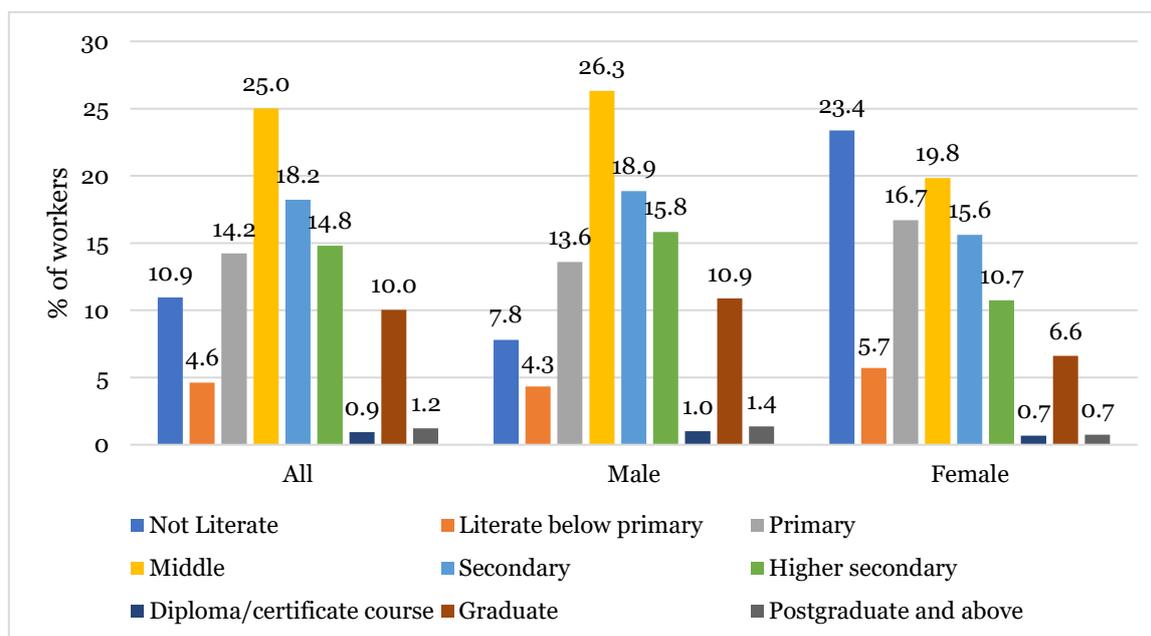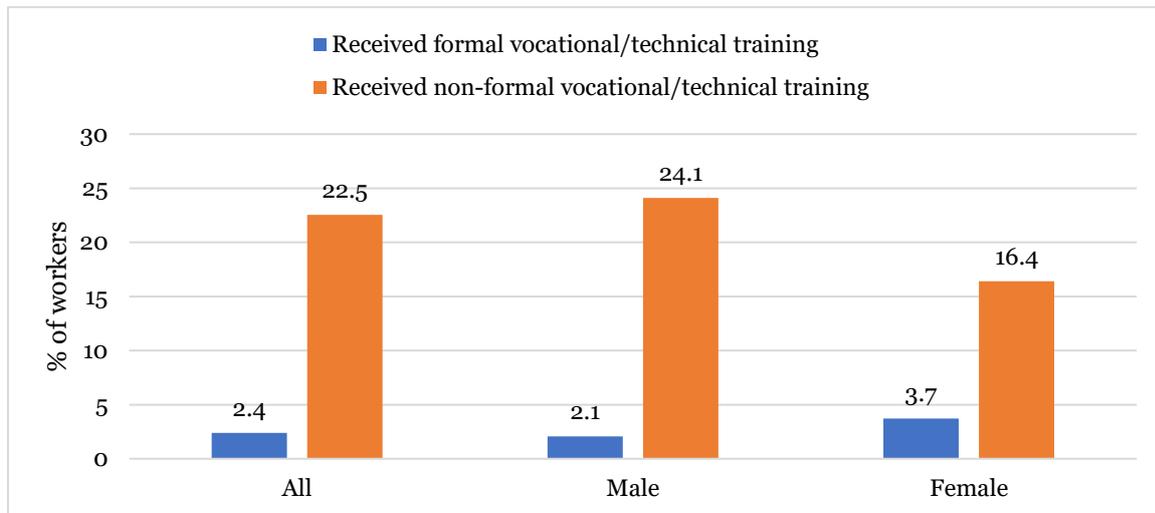

Source: NCAER Analysis from PLFS 2022–23.

- Technical Educational Attainment*:* 98 per cent of workers do not have any technical education. Only around 2 per cent of workers in the sub-sector 'retail sale of food in specialised stores' had some technical education. The corresponding figure for the sub-sector retail sale of clothing, footwear and leather articles in specialised stores, was around 3 per cent. 1.3 per cent of workers have either a technical degree in engineering/technology or diploma or certificate (below graduate level and above graduate level) in engineering/technology. The rising importance of e-Commerce would give a rise to needs for workers with a technological background, although currently the share of workers is relatively low.
- Vocational Education: 2.4 per cent of workers had received formal vocational education and 22.5 per cent non-formal vocational education (Figure 9.6). Only 2 per cent of workers had received formal vocational/technical training in the 'retail sale of food in specialised stores' sub-sector. The corresponding figure for the sub-sector 'retail sale of clothing, footwear and leather articles in specialised stores', was around 4 per cent.

    Interestingly, more males had received non-formal vocational training and more females had received formal vocational training.

Figure 9.6: Vocational/technical training attainment of retail sector workers (aged 15+), 2022–23

Source: NCAER Analysis from PLFS 2022–23.

d. ***Retail sector workers across skills levels***: The retail sector is characterised by low-medium skill workers. About a third of the female workers are low-skilled (Figure 9.7).

Figure 9.7: Skill levels of retail sector workers (aged 15+), 2022–23
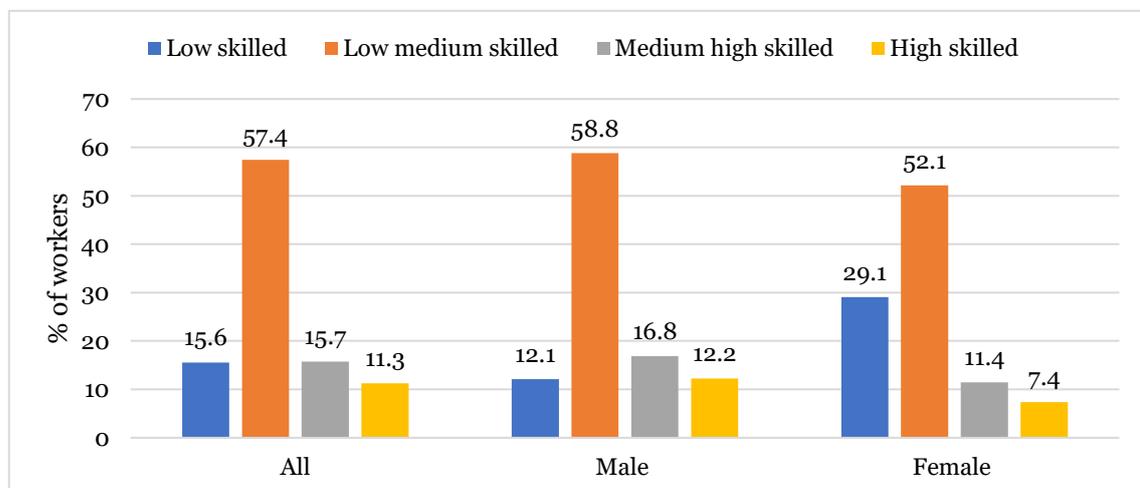
Source: NCAER Analysis from PLFS 2022–23.

e. ***Retail sector workers across occupations***: The PLFS gives the occupations of workers engaged in various sectors as per National Classification of Occupations (NCO) 2015 at 3-digit level. In the retail sector, 76.5 per cent of workers were working as 'shop salespersons' and this number for female workers was 80 per cent (Figure 9.8). Other prominent occupations in these two sub-sectors were Street and Market Salespersons (around 8 per cent in both the sub-sectors), and Managing Directors and Chief Executives (7 per cent in

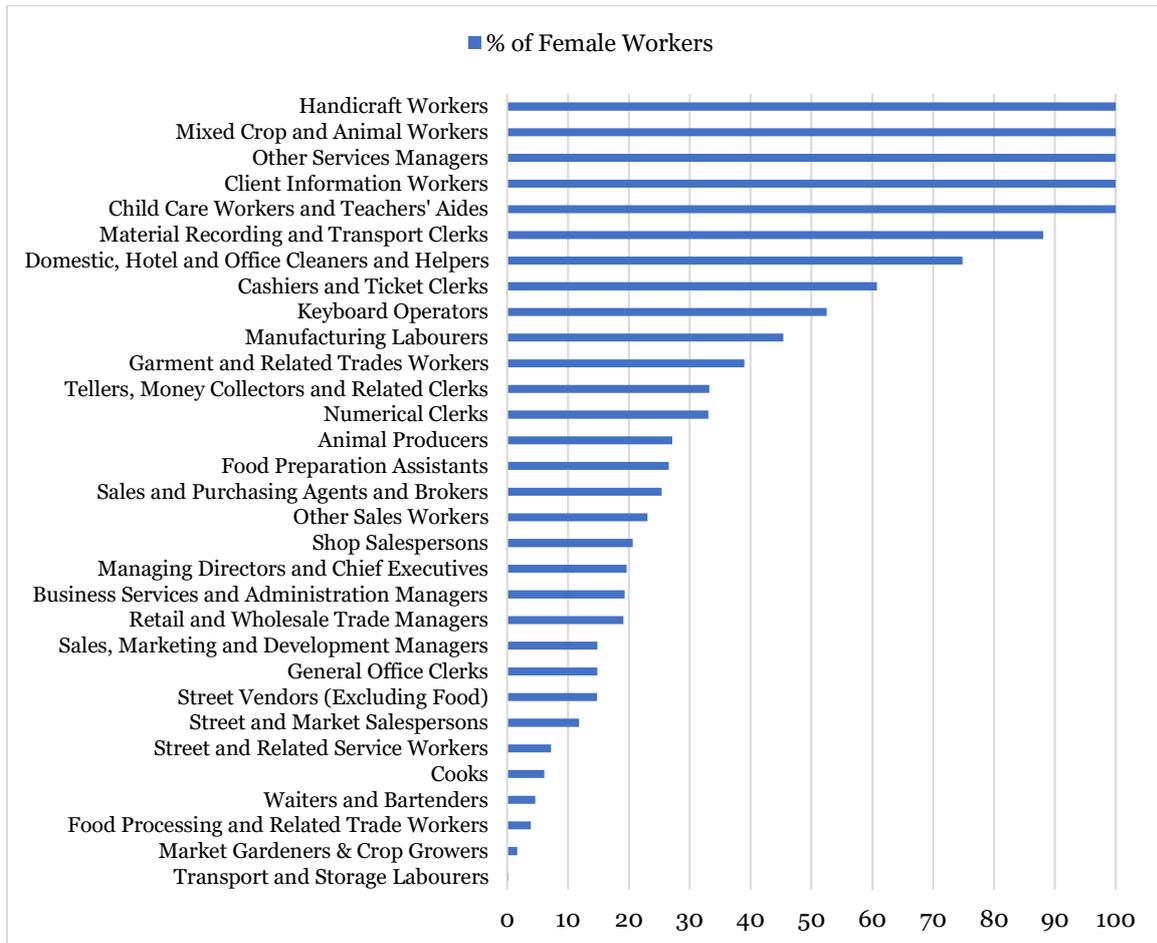the sub-sector Retail sale of food in specialised stores and around 5 per cent in Retail sale of clothing, footwear and leather articles in specialised stores).

Figure 9.8: Percentage share of workers (aged 15+) across occupations (NCO 3-digit)

Source: NCAER Analysis from PLFS 2022–23.

Figure 9.9: Job roles-wise percentage of female workers, 2022–23

Source: NCAER Analysis from PLFS 2022–23.

However, Figure 9.9 shows that the share of females in certain job roles is more than 50 per cent and rest below that. The ones that are below 50 per cent are the ones that are more leadership roles—Managing Directors, CEOs, Managers, etc. Females are more engaged in supportive roles.

f. ***Engagement Status of Retail Sector workers (Table 9.3)***: PLFS divides the engagement status of workers as two broad groups, self-employed and hired workers (employees). Again, self-employed workers are classified under own account workers, employers and unpaid family labour. Hired workers are further classified as regular wage/ salaried workers and casual wage workers. In the retail sub-sector, 'retail sale of food in specialised stores, 65.9 per cent of workers are own-account workers, 2.8 per cent are employers, 20.8 per cent are unpaid family workers, 9.0 per cent are regular-wage workers and 1.5 per cent of workers are casual wage workers. The corresponding numbers for male workers were 73.3 per cent, 3.4 per cent, 11.5 per cent, 10.1 per cent and 1.8 per cent, respectively. The corresponding numbers for female workers were 38.8 per cent, 0.4 per cent, 55.2 per cent, 5.2 per cent and 0.3 per cent, respectively. In the sub-sector, 'retail sale of clothing, footwear and leather articles in specialised stores', the share of own-account workers was 42.5 per cent, 5.9 per cent were self-employed, 10.7 per cent were unpaid family workers, 40.0 per cent were regular-wage workers and 1.0 per cent of workers were casual wage workers. In this sector, 37.7 per cent of male workers were working as regular wage employees but the corresponding number for female workers was 52 per cent.

Table 9.3: Engagement status of retail workers (%)

	Self-employed			Regular salaried/ wage employee	Casual Wage Labour	Total
	Own account worker	Employer	Worked as helper in h.h. enterprise (unpaid family worker)			
All Workers (aged 15+)						
Retail sale of food in specialised stores	65.9	2.8	20.8	9.0	1.5	100.0
Retail sale of clothing, footwear and leather articles in specialised stores	42.5	5.9	10.7	40.0	1.0	100.0
All workers 15+	35.6	3.2	18.6	21.4	21.2	100.0
All Male Workers (aged 15+)						
Retail sale of food in specialised stores	73.3	3.4	11.5	10.1	1.8	100.0
Retail sale of clothing, footwear and leather articles in specialised stores	45.7	6.5	9.0	37.7	1.1	100.0
All workers 15+	39.6	4.5	9.5	24.0	22.3	100.0
All Female Workers (aged 15+)						
Retail sale of food in specialised stores	38.8	0.4	55.2	5.2	0.3	100.0
Retail sale of clothing, footwear and leather articles in specialised stores	25.3	2.7	19.8	52.0	0.1	100.0
All workers 15+	27.3	0.6	37.4	15.9	18.8	100.0

Source: NCAER analysis from PLFS 2022–23.

9.5   Geographical Clusters in the Retail Sector

As mentioned previously, the majority of the retail sector is unorganised. There is no unified data source which will provide data on the sector for both organised and unorganised sectors. While there are various methodologies available which have been used for other sectors, constraints of data inhibit using any specific methodology.

Therefore, to overcome this challenge, data on the number of units were used. This is available only for the unorganised sector. The data source for the unorganised sector is the Enterprise Survey provided by the MoSPI for unincorporated enterprises. Then for the organised sector, memberships by State are taken from the Retailers Association of India. Lastly to measure innovation, one takes the data on number of start-ups from the DPIIT. At the State level, the geographical clusters' top eight States are Maharashtra, Karnataka, West Bengal, Tamil Nadu, Uttar Pradesh, Gujarat, Delhi, and Telangana (Table 9.4). Intuitively these results make senses since all the Tier 1 cities are located in these States.

The correlation between rankings based on share of workers and geographical clusters is 0.9 (Figure 9.10).

Table 9.4: Geographical clusters in the retail sector

	Rank using ASUSE survey, 2021-22	Rank using Retailers Association of India members	Rank using no. of start-ups	Average rank
Maharashtra	3	1	1	1.7
Karnataka	5	4	3	4.0
Uttar Pradesh	1	9	4	4.7
West Bengal	2	3	9	4.7
Tamil Nadu	6	2	7	5.0
Gujarat	8	10	5	7.7
Delhi	19	5	2	8.7
Haryana	15	7	6	9.3
Telangana	14	6	8	9.3
Madhya Pradesh	7	11	12	10.0
Kerala	17	7	11	11.7
Bihar	4	19	13	12.0
Andhra Pradesh	9	12	16	12.3
Odisha	10	13	14	12.3
Rajasthan	12	15	10	12.3
Punjab	13	17	15	15.0
Assam	16	14	17	15.7
Jharkhand	11	25	17	17.7
Chhattisgarh	20	18	17	18.3
Jammu & Kashmir	18	20	21	19.7
Uttarakhand	21	23	20	21.3
Meghalaya	24	16	25	21.7
Chandigarh	27	23	22	24.0
Himachal Pradesh	22	29	22	24.3
Puducherry	28	20	27	25.0
Goa	29	20	28	25.7
Tripura	25	29	24	26.0

|	Rank using ASUSE survey, 2021-22	Rank using Retailers Association of India members	Rank using no. of start-ups	Average rank
Manipur	26	25	28	26.3
Arunachal Pradesh	23	29	28	26.7
Andaman & N. Island	32	25	27	28.0
Nagaland	30	29	25	28.0
Mizoram	34	25	28	29.0
Sikkim	31	29	28	29.3
D & N. Haveli & Daman & Diu	33	29	27	29.7
Lakshadweep	35	29	28	30.7

Sources:
1. Ministry of Statistics and Programme Implementation. 2024. <u>Annual Survey of Unincorporated Sector Enterprises (ASUSE) of 2021-2022</u>. DDI-IND-MOSPI-NSSO-ASUSE2122. https://microdata.gov.in/nada43/index.php/catalog/196.
2. DPIIT website. https://www.startupindia.gov.in/digital-map/maps

Retailers Association of India website.

Note: The industries that were filtered were retail and other speciality retailers.

Figure 9.10: State-wise rankings based on geographical clusters and share of labour force
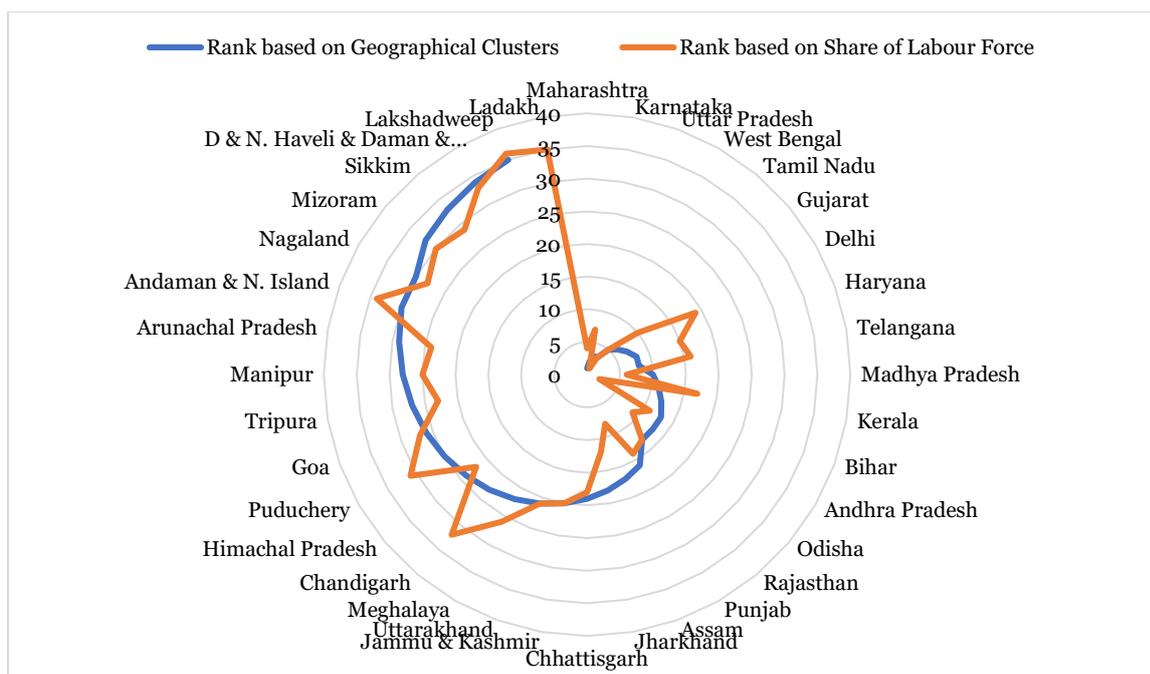
Sources: NCAER computations from Figure 9.3 and Table 9.3.

Note: Lower ranking means higher concentrations.

9.6   Occupational Mapping

Occupational mapping of job roles in the retail sector from PLFS and corresponding job roles as detailed by the RASCI (both from their website and report) are given in Annexure 9.1. Essentially, the PLFS helps identify job roles at the NCO 3-digit level. Then based on expert knowledge and literature review, one identifies the exact job role at the 8-digit level. Then they were mapped to job roles available at the RASCI website and their latest report.

9.7 Stakeholders' Survey

This section deals with primary survey of the stakeholders associated with the retail trade sector.

9.7.1 Survey Methodology

Companies across traditional retail, modern retail and online channels were selected to understand the nuances across clusters. Firms were spread across Delhi and Uttar Pradesh (North), Maharashtra (West), Bihar/ Jharkhand (East) and Chhattisgarh (Central). Also, firms were chosen across size (small, medium, and large). The questionnaire for firms in the retail sector is attached at the end of the report (Questionnaire no. 9). Further, to understand the skill gaps in the retail sector, other stakeholders were also interviewed. They were Government ministry/department, sector skill council, industry association, and training agencies. The number of interviews conducted across various groups is given below (Table 9.5).

Table 9.5: Survey of stakeholders

Sector		Retail sale of food, clothing and shoes
Ministry		1
Sector Skill Council		1
National-level Industry Association		
No of Firms	Micro/ Small	7
	Medium	4
	Large	4
	Total	19
No. of Placement Cells/TVET Institutions		2
Recruitment Agencies		1
Other Stakeholders		2
Total		26

Source: NCAER.

Note: Response rate was 38 per cent.

Among the 19 retail firms surveyed, 3 were public limited firms, 6 were private limited firms, and 10 were individual owned/ partnership firms. The response rate was 38 per cent. Across designations of respondents in firms' survey, 7 were proprietors, one was HR person, one was MD/CEO, and 10 were GMs/senior managers. State-wise distribution of firms surveyed, 8 were from Delhi, 6 were from Uttar Pradesh, 3 were from Maharashtra, and 2 were from Chhattisgarh.

9.7.2 Survey Findings

There are both supply-side and demand-side challenges.

Supply-side challenges

The survey yielded some key supply-side challenges:

- There is a gap between what is taught (mainly for government sponsored training programmes—Pradhan Mantri Kaushal Vikas Yojana and Deen Dayal Upadhyaya Grameen Kaushalya Yojana.) and what is actually happening at work. Hands-on-training is not there in these programmes.

- The retail employers, particularly the traditional retailers, prefer hiring through their own networks over hiring from government sponsored training institutes. They give more weightage to experience over formal degrees. This discourages students to enroll in training courses. This was also found in the study by RASCI.
- Industry is largely dominated by Micro, Small, and Medium Enterprises (MSMEs) who have little incentive to train as attrition rates are high. Further, MSMEs do not offer internships or summer jobs.
- In contrast, large firms are running their own training programmes providing both technical and non-technical skills.
- One major challenge was that people did not want to relocate to other places for jobs.[12] For this the training centres would train people keeping in mind local job needs. However, one firm interviewed viewed that people would be happy to migrate if jobs offered would be of permanent nature and would have other benefits like medical benefits, paid leave, etc.

In-demand Job Roles

The survey findings with regard to assessment of current and future skills shortage in the retail sector, skills required at the competency level, challenges faced by industries in meeting skill requirements, and policy recommendations based on stake-holders' consultations are elucidated in Tables 9.6. The four job roles which are and will be in demand includes Customer service representative/Sales Associate/Sales person/e-Commerce Marketing Assistant/Manager; Merchandising Manager/ Associate; Logistics manager/ Associate, and ICT Personnel/ Computer operator.

1. *Customer service representative/Sales Associate/Sales person/e-Commerce Marketing Assistant*: In traditional retail, their job is to manage counter, show products to customers and listen to customers and give descriptions about various products. In modern retail, they have to manage certain display sections (like particular apparel, food items, etc.). They have to manage those sections and explain to customers about the products. An e-commerce marketing assistant supports the e-commerce team by managing the online store, they also assist with marketing campaign
2. *Merchandising Manager/ Associate:* A Merchandising Manager/Associate has to do planning, selecting, and optimising product inventory, analysing sales trends, managing stock levels, negotiating with suppliers, and ensuring the right products are available to meet changing customer preferences and expectations.
3. *Logistics Manager/ Associate:* Their job is to act as a link between various layers of the value chain. They perform the coordination role in the value chin. They ensure inventory management, meeting orders, and coordinating with transportation of products so that there will be minimum wastages and timely delivery of products.
4. *ICT Personnel/ Computer operator:* Their job is to manage and maintain the computer systems and networks, ensure data security, and efficient processing of transactions, inventory, and customer database. They also prepare bar codes for products to enable computerised billing.

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[12] In the states study also, it was highlighted among the surveyed youth that many did not want to migrate.

Table 9.6: Assessment of current and future skills shortage (findings from stakeholder consultations): retail sale of food, clothing, and shoes in specialised stores: demand shortage is there in four job roles

Items	Customer service representative/Sales Associate/Sales person/e-Commerce Marketing Assistant/Manager	Merchandising Manager/ Associate	Logistics Manager/ Associate	ICT Personnel/ Computer Operator
NCO 3/8-digit code	522	332		413
NCO 8-digit /QP code	5223.0100 (RAS/Q0103), 5223.0102 (G&J/Q8302), 5223.0103 (G&J/Q8303), 5223.0105 (RAS/Q0103), (RAS/Q0606)	3323.0102 (AMH/Q0901)	Not available	4132.0402 (SSC/Q2212)
Match from Job Projections (723,932,112,821,312,311)				
No. of stakeholders which mentioned this	7	3	2	5
Extent of the need based on firms interviewed (sum of the numbers from stakeholder consultations)	500~	50~	10~	5~
Location of firms/farms	Raipur, Chhattisgarh; Mumbai, Maharashtra; Delhi and Ghaziabad, UP	Raipur, Chhattisgarh; Mumbai, Maharashtra; Delhi and Ghaziabad, UP	Mumbai, Maharashtra and Delhi	Raipur, Chhattisgarh; Mumbai, Maharashtra; Delhi and Ghaziabad, UP
Average monthly income (₹)	10,000	25,000+	25,000	30,000
Educational qualifications	10th to Graduate	Graduate/ MBA	Graduate/ MBA	Bachelor of Computer Applications/Master of Computer Applications
Skills required at the competency level (3)	**Cognitive Skills:** Digital literacy, reading, writing, numeracy, communication skills, ability to speak well, active listening, active learning, problem solving, creativity, learning strategies (new products, new marketing techniques, technology at job), gender diversity, resource management (entrepreneurial skills) **Socio-emotional Skills:** Conscientiousness (good attitude, efficient, speed, agility), openness to experiences (flexibility), behavioural skills for dealing with customers- agreeable (working in a team), emotional stability, extraversion, negotiation and persuasion **TVET**: Occupation specific skills (information about products)	Cognitive Skills: Digital literacy, numeracy, communication skills, ability to speak well, language skills (business language & local language), problem solving, critical thinking, creativity, judgement & decision-making skills **Socio-emotional Skills:** Conscientiousness **TVET**: Occupation specific skills (information about products)	**Cognitive Skills:** Digital literacy, numeracy, communication skills, ability to speak well, language skills (business language & local language), problem solving, critical thinking, creativity and judgement & decision-making skills **Socio-emotional Skills:** Conscientiousness, agreeable and emotional stability **TVET**: Occupation specific skills = knowledge about value chain, transport, warehousing, finance, etc.	**Cognitive Skills:** Advanced digital skills, mathematical skills, mathematics reasoning, critical thinking, communication skills (use non-technical language to understand and communicate) **Socio-emotional Skills:** Conscientiousness and agreeable **TVET**: Data analytics, Machine learning, AI based work, statistics
Skills Shortage	No	No	Yes; competition from other sectors	Yes
Skills Gap	Yes	Yes	No	No
Gender (Challenges)	• Women participation is limited to certain sub-sectors like clothing and apparel (30%-50%) • Working hours, locations pose challenges to female participation			

Items	Customer service representative/Sales Associate/Sales person/e-Commerce Marketing Assistant/Manager	Merchandising Manager/ Associate	Logistics Manager/ Associate	ICT Personnel/ Computer Operator
Challenges Faced by Industries in Meeting Skill Requirements	• Gap between what is taught (mainly for govt. sponsored training programmes-PMKVY and DDU-GKY) and what is actually happening at work • Hands-on-training not there • Industry is largely MSMEs; have little incentive to train as attrition rates are high; • MSMEs do not offer internships; summer jobs	• Gap between what is taught (mainly for govt. sponsored training programmes-PMKVY and DDU-GKY) and what is actually happening at work • Hands-on-training not there • Industry is largely MSMEs; have little incentive to train as attrition rates are high; • MSMEs do not offer internships; summer jobs	No challenge from the TVET system	No challenge from the TVET system
Industry-specific interventions that facilitate skill & capacity development (best practices)	• Large company are running their own training programme providing both technical and non-technical skills; • Willing to pay more for slightly more educated candidates (XIIth pass) • Gender sensitisation, public transport, flexible timings • Association with sector-skill council (RASCI), labournet, internal job posting (IJP) has helped companies find qualified candidates internally. • Traditional firms unaware about govt. skilling programmes	Industry-specific interventions that facilitate skill & capacity development (best practices)	• Large company are running their own training programme providing both technical and non-technical skills; • Willing to pay more for slightly more educated candidates (XIIth pass) • Gender sensitisation, public transport, flexible timings • Association with sector-skill council (RASCI), labournet, internal job posting (IJP) has helped companies find qualified candidates internally. • *Traditional firms unaware about govt. skilling programmes*	Industry-specific interventions that facilitate skill & capacity development (best practices)
Policy Recommendations	• **Skill Training Programme:** RPL and refresher courses			

Items	Customer service representative/Sales Associate/Sales person/e-Commerce Marketing Assistant/Manager	Merchandising Manager/ Associate	Logistics Manager/ Associate	ICT Personnel/ Computer Operator

	• **Curriculum Development:** Curriculum needs to be expanded to meet the market needs and frequently updated, say every three years;
	 • Sustainable textiles, advanced materials, supply chain invocations, artificial intelligence and machine learning, entrepreneurial training
	 • **Gender:** Gender sensitization app (recognition that gender diversity is important should be included in training)
	 • **Skill Initiatives:** Internships should be made mandatory at all levels
	 • **Others:**
	  ▪ Demand for jobs directly related to share of e-Commerce; Some jobs will get obsolete over time-cash collector, team supervisor and store supervisor and some jobs are evolving like remote operating executive;
	  ▪ Firms' sensitization about skilling, providing apprenticeships/internships, hiring skilled workers needs to be carried out			

Source: NCAER Conceptualisation.
Notes: @ Pink shade indicates no match between I-O quantitative top 5 occupation projections and survey-based top 4 occupation projections. Green shade indicates a match.

9.8 Recommended Methodology

Based on the above, the recommended methodology to assess skills shortages and skill gaps for this sector is the following:

1. Map the sub-segments of the sector to the NIC code and specify them clearly.
2. Update mapping of NCO 2015 job roles with job roles identified by the Sector Skill Councils. This should be an annual exercise.
3. In coordination with the Ministry of Skill Development and Entrepreneurship, the Sector Skill Council needs to implement surveys on a regular (at least annual) basis, which captures vacancies of firms. The job roles should be mapped/matched with the ones previously identified. Ideally the Economic Census forms the frame for any survey. Given the lack of data, the Ministry of Corporate Affairs' database or Goods and Services Tax Network are the other sources of universal data, from where data may be used to derive the universe. That universe needs to be divided into the sub-sectors as previously identified. Then proper sampling strategy needs to be adopted to understand the validity of the results. Biases needs to be addressed. Response rates should also be collected.
4. Big data analysis is highly recommended for SSCs using various job sites. They should also use/assess data from National Career Services and various employment exchanges around the country. The job roles should be mapped/matched with previously identified job roles.
5. The questionnaires asked respondents of the mediums used for hiring employees. While direct recruitment through job fairs at ITI and campus recruitments from engineering colleges were common, several firms also advertised positions on websites such as LinkedIn, Naukri.com, and Workindia.in and National Career Services. The job details from advertised positions on these portals can help create a good database to understand the kind of job roles which are in demand by the industry along with the corresponding educational qualifications, skill-sets, and salaries. Constant tracking of such data can also help keep the job-roles and skills database dynamic.
6. Stakeholder interactions needs to be carried out as an annual exercise based on templates designed by the MSDE. It will capture jobs which are difficult to fill but also get a holistic view of the sector in terms of emerging technological trends, emerging jobs, detailed qualitative needs for qualifications and skills, hiring

practices, best practices of firms, migration trends, practices to encourage female labour force participation, etc.

7. Last but not the least, the MSDE, Ministry of Labour and Employment and Ministry of Statistics and Programme Implementation should design an occupation-wage-employment survey. It is absolutely important to identify the occupation codes as identified previously. Ideally the Economic Census should form the frame for any survey.

In sum, the Indian retail has three main channels- traditional retail (Kirana shops, mom & pop shops, etc.), modern retail (regional stores & national chain of stores) and online channels (direct to consumer platforms and aggregators). The three forms of retail have different marketing approach, marketing strategy, operation type and have different customer base. With the increased share of organised retail segments, the job roles are more structured/ well-defined, recognised (enhanced opportunity) and secured (employment with statutory benefits) with career progression path ahead. With increased share of organised retail and traditional retail adapting themselves to cope up with changing times, retail value chain has become structured, well-defined. Data analytics, AI personnel are highly in demand. Firms prefer multi-skilled graduates who can perform at various levels of value chain. Multi-skilling in the job is highly in demand. Apart from the job roles highly in demand and firms facing difficulties in filling them, other job roles which some firms described as hard to fill are visual merchandising and digital cataloguing, E-com merchant relationship, virtual store managers, frontline retail sales executives/ associates, e-commerce marketing, etc. There is a gap between what is taught and what is actually happening at work. Curriculum needs to be expanded to meet the market needs and frequently updated every three years.