

A STUDY ABOUT PROBLEMS FACED BY RETAILERS-WITH SPECIAL REFERENCE TO KOTTAYAM DISTRICT IN KERALA

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ABSTRACT

India is a country having the most unorganized retail sector. In retail marketing, retailer is the last link in the chain of distribution between the manufacturer and the ultimate consumer. Retailing or retail trade consists of the sale and all activities directly related to the sale of goods and services to ultimate consumers for personal, non-business use. In retail marketing, retailer faces several problems and challenges like price/market competition, competitive trend, governments contribution, growing economic disparity, supply chain management, frauds in retail etc....These problems and challenges may mainly affected by the retail sector. Each retail executive must be able to identify the retail marketing issues and have a plan to handle them as well. Therefore the present investigation is conducted in Erattupetta Panchayat to identify the problems and challenges of large scale retailers and small scale retailers.

Keywords: Retailing, Market Competition, supply chain management, competitive trend

INTRODUCTION

In the growing market, retail marketing has become one of the major emerging trends in the entire economic cycle. It is the retail market only which provides the consumer a basic platform to encounter with goods and a shop keeper for the first time. Retail market consists of a fixed location like boutique store, department store etc... here in these location consumers meets the shop keeper and purchase goods in return of certain value. Retail market strategy has become one of the basic elements of marketing. Strategy which includes a lot of planning and proper execution of this planning. Retail marketing even focuses on satisfying the customers, maintaining a proper profit margin for the owner of the goods.

Retail trade includes all activities directly related to sale of goods or service to ultimate consumers for consumption. Retailers being directly and intimately in touch with the consumers, occupy a strategic position in the whole system of distribution. He is the last link in the supply chain connecting the producer and the consumer. The function of retailer begin where the function of wholesaler end. Retail majors are under serious pressure to improve their supply chain systems and distribution channels and reach the levels of quality and service desired by the consumers. In retailing, goods may be sold to a consumer at a retail store or on the street or at a residence of consumers or through mail. At present with the advancement of technology one can order products through the electronic media.

Retailing is the world's largest private sector contributing to 8% of the GDP and it employs ones of the labour forces. The estimated retail trade is expected to be 7 million us \$. Many countries have developed only due to retailing and presently we see there is a vast chance in the retail industry for as India is concerned it contributes to 14% of our GDP and it is the second largest sector next agriculture which provides employment to more number of persons.

Retail marketing is crucial for business success. The issues in retail marketing also make running a retail business challenging and each retail executive must be able to identify the retail marketing issues and have a plan to handle them as well. it includes problems like Market Competition, Competitive Trend ,frauds, thefts, shoplifting and in accuracy in supervision and administration.

REVIEW OF LITERATURE

Tom Thomas (2015)¹ in the paper “Marketing issues faced by MSMEs in Kottayam district” is an attempt to analyze the marketing issues faced by MSMEs. The Micro, Small and Medium Enterprise sector has emerged as a highly vibrant and dynamic sector of the Indian economy. Fast changing global economic scenario has thrown up various opportunities and challenges to the MSMEs. Marketing is a strategic tool for business development and the most important factor for the success of any enterprise. In the present competitive age, marketing is one of the weakest areas where in MSMEs face major problems.

AmitSaha(2015)² In the paper The impact of online shopping upon retail trade business made an attempt to highlight the impact of the increasing trend of online shopping over the various fixed shop retailers. Retailers comprise of a large section of the population and a larger population is dependent upon these retailers. But the advent of e-stores with their attractive incentives and wide varieties has slapped on their face the fear of uncertainty and helplessness. This study looks into the various aspects about how retail businesses are being affected and also the various recovery mechanisms they are coming up with to counter those e-stores in their race of survival. This paper also unravels the effect upon the profitability of the various concerns due to increasing trend for online shopping. Although the periodicity of the study is less yet an effective attempt has been made to enlighten the scenario along with concrete suggestions.

Sunita Sikri & Dipti Wadhwa(2012)³ Growth And Challenges Of Retail Industry In India: An Analysis is a paper which focused on changing face of Retail Industry, organized or unorganized retail industry, major players in retail industry and also highlights the challenges faced by the industry in near future. The Indian Retail Industry is the fifth largest in the world. Comprising of organized and unorganized sectors, Indian retail industry is one of the fastest growing industries in India, especially over the last few years. Though initially the retail industry in India was mostly unorganized, however with the change of taste and preferences of consumers, the Industry is getting more popular these days and getting organized as well. The Indian Retail Industry is expected to grow from US\$330 billion in 2007 to US\$640 billion by 2015.

D.Muthamizh Vendan Murugavel (2011)⁴ Problems Faced By The Retailers And Customers - An Empirical Study discuss that The retail scenario is one of the fastest growing industries in India over the last couple of years. India retail sector comprises of organized retail and unorganized retail sector. Traditionally the retail market in India was largely unorganized; however with changing consumer preferences, organized retail is gradually becoming popular. Unorganized retailing consists of small and medium grocery store, medicine stores, subzi mandi, kirana stores, paan shops etc. More than 90% of retailing in India fall into the unorganized sector, the organized sector is largely concentrated in big cities. Organized retail in India is expected to grow 25-30 per cent yearly and is expected to increase from Rs35, 000 crore in 2004-05 to Rs109, 000 crore (\$24 billion) by 2010.

METHODOLOGY OF THE STUDY

The study requires primary as well as secondary data. Secondary data are collected from books, periodicals, magazines, published and unpublished records etc. In order to collect the required primary data, one sampling survey is conducted in Erattupetta Grama Panchayat with the help of an interview schedule (Appendix). As per official records of panchayat there are 450 retailers in Erattupetta Grama Panchayat. Out of these, 104 retailers are large scale and 346 retailers are small scale. In the sample survey 80 samples have been taken for the study. These samples have been drawn from two types of retailers, viz Small scale and Large scale retailers. From each such sector 40 retailers have been taken as sample. Data collected have been analyzed by applying appropriate statistical techniques and also presented by means of tables and diagrams. Statistical techniques such as Analysis of variance, Rank correlation were used for data analysis. First hypothesis is tested with the help of "Spearman's Rank Correlating Test" Second and third hypothesis is tested with the help of "ONE WAY ANOVA".

LIMITATIONS OF THE STUDY

- The study is limited to Erattupetta Grama Panchayat only due to the inadequacy of time or inferences can be drawn if the study conducted in other places too.

- While collecting primary data, respondents were reluctant to supply whole information pertaining to them. In spite of these limitations adequate care has been taken to arrive at more reliable conclusion.

DATA ANALYSIS AND INTERPRETATION

HYPOTHESIS : 1

There is no significant correlation between the problems faced by retailers of various sectors and failure of this sector.

To test this hypothesis “Spearman’s *Rank Correlation Test*” is applied. This test can be applied for analyzing retailer’s opinion regarding different problems in retail marketing.

Retailers were asked to rank in the order of problems faced by the retail sector.

Problems of Retailers

The following problems were ranked by the retailers on the basis of Large and Small Retailing.

1. Bad debts
2. Market competition
3. Government regulation
4. Lack of retail space
5. Problem of rent
6. Shortage of manpower resources
7. Others

Table 1 shows the rank correlation between the problems faced by retailers and failure of this sector.

Table .1

Rank Correlation between the problems faced by retailers and failure of this sector.

No	Problems	Large scale		Small scale		D	D ²
		No	Rank(R ₁)	No	Rank(R ₂)		
1	Bad debts	10	1	9	2	-1	1
2	Market competition	7	3	11	1	2	4
3	Government regulation	6	4	5	4	0	0
4	Lack of space	3	6	7	3	3	9
5	Problem of rent	4	5	3	6	-1	1
6	Shortage of manpower resources	8	2	4	5	-3	9
7	Others	2	7	1	7	0	0

	Total	40		40			24
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Source: Sample Survey

$$\text{Spearman's Rank Correlation} = 1 - \frac{6 \sum D^2}{N(N^2 - 1)}$$

$$\sum D^2 = 24, N = 7$$

$$= 1 - \frac{6 \times 24}{7(7^2 - 1)}$$

$$= 1 - \frac{144}{7 \times 48}$$

$$= 1 - \frac{144}{336}$$

$$= 1 - .429$$

$$= \underline{\underline{.571}}$$

Since the calculated value is less than +1, so the Null hypothesis is rejected. So it is concluded that there is significant correlation between problems faced by retailers and failure of this sector.

HYPOTHESIS : 2

There is no significant variation between retailers of various sectors and level of satisfaction regarding services offered by wholesalers.

To test this hypothesis "*The ONE WAY ANOVA*" is applied.

Table 2 shows the significant variation among the problems faced by large and small scale retailers.

Table 2
Level of Satisfaction

Opinion	Large scale No (x ₁)	Small scale No (x ₂)	Total No
Highly satisfied	4	3	7
Satisfied	36	25	61
Not satisfied	–	12	12
Total	40	40	80

Source: sample survey

Table 3 Shows the **ONE WAY ANOVA**

Table 3
One Way ANOVA (Analysis of variance table)

Source of variation	Sum of squares	Degree of freedom	Mean square

Between samples	SSC=53	(K-1)= 1	MSC= 53
With the samples	SSE=757	(N-1)= 3	MSE= 252
Total	SST=810		

$$F = \text{MSE}/\text{MSC}$$

$$= 252/53$$

$$= \underline{4.75}$$

$$\text{Degree of freedom} = (K-1), (N-K)$$

$$= (1, 3)$$

Table value = 10.13

Table value is higher as compared to calculated value.

So the Null hypothesis is accepted. So it is concluded that there is no significant variation between retailers of various sector and level of satisfaction regarding the services offered by wholesalers.

HYPOTHESIS: 3

There is significant variation among the opinion of the retailers regarding Problem of rent
For testing of this hypothesis “*ONE WAY ANOVA*” is used

Table 4 shows the significant variation among the Opinion of retailers regarding Problem of rent.

Table 4
Opinion of retailers regarding Problem of rent

Opinion	Large scale No (X ₁)	Small scale No (X ₂)	Total
Too High	2	–	2
Highly affected	8	3	11
Affected	23	26	49
Not affected	7	11	18
Total	40	40	80

Source: sample survey

Table 5**ONE WAY ANOVA(Source of variation table)**

Source of variation	Sum of squares	Degree of freedom	Mean square
Between samples	SSC =19	(K-1) =1	MSC= 19
With the samples	SSE= 519	(N-k)= 5	MSE= 104
Total	SST=538		

$$F = \text{MSE} / \text{MSC}$$

$$= 104 / 19 = \underline{\underline{5.47}}$$

Degree of freedom = (K-1), (N-K)

= (1, 5)

Table Value =6.61

Calculated value is less than the table value. So we accept the Null hypothesis. So it is concluded that there is a significant variation among the opinion of the retailers regarding Problem of rent.

FINDINGS

- It is to be noted that majority of retailers (60%) used the building on rental basis.
- From the study it is to be noted that 85% of retailers were affecting the problems in retail sector.
- It is to be noted that majority of retailers (87.5%) were keep a good relation with their customers.
- About 67.75% of the retailers both large scale and small scale can supplying the product as per customers demand.
- Majority of the retailers about 72.5% of large scales and 77.8% small scales have affected by the problem of lack of capital in the retail business.
- It is to be seen that majority of retailers opinion that supply chain management has an important priority in the organized retail sector.
- From the study it is to be noted that majority of large and small scale retailers were affecting the infrastructure and distribution channels in the retail sector.
- Analysis reveals that there is significant correlation between problems faced by retailers and failure of this sector.

- One Way ANOVA test shows that there is no significant variation between retailers of various sectors and level of satisfaction regarding the services offered by wholesalers.
- One Way ANOVA test reveals that there is a significant variation among the opinion of the retailers regarding problem of rent

SUGGESTIONS

- Financial institutions must provide more credit facility (loans and others) for the retail sector. It will facilitate the retailers to solve the problem of shortage of capital.
- To avoid frauds in retail sector, the strong security systems must be introduced such as CCTVs and POS Systems.
- The government may promote the needs of the unorganized retailers in the form of financial, infrastructural, distribution, storage, transport, trade Centre and other facilities.
- In the growth of retail marketing the customers will give more priority in the market in the form of incentives, discounts and other facilities.
- The retail executive must introduce new technologies and innovations for avoid the price/market competition in the retail sector.

CONCLUSION

India is a country having most unorganized retail market. Retail marketing is crucial for business success. In retail marketing retailer is the last link in the chain of distribution between the manufacture and the ultimate consumer. The issues in retail marketing also make running a retail business challenging and each retail executive must be able to identify the retail marketing issues and have plan to handle them as well. In the organized retail industry is facing a lot of problems and challenges.

By introducing the above mentioned suggestions more helpful to the retailers to solve their problems and it will lead to the growth of retail sector. .

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