

RETAILER'S PERCEPTION OF PROBLEM AND CHALLENGES IN RETAIL BUSINESS

CAROLIN VINCY¹, V. PON INDIRA², M. KARTHIKEYAN³,
Dr. K. MALARVIZHIT⁴

^{1,2,3}Assistant Professor, Department of Management, Hindustan College of Arts and Science,
Padur, Chennai- 603103.

⁴Dean and Head, School of Business Studies, Hindustan College of Arts and Science, Padur,
Chennai- 603103.

Abstract

India is known as the 'nation of shops'. After agriculture, retailing is the second largest employer in India. Approximately, over 12 million shops exist in various parts of the country. These shops are totally unorganized, independent, owned-managed outlets. Presence of unorganized and traditional retailing is highly prominent to organized formats. These shops are only in the initial stages of adoption in the urban regions. This paper investigates the retailer's problem and challenges in urban areas. Totally 300 retailers were approached. Finally 276 retailers are considered as a sample size for the study. Descriptive statistics, ANOVA, and Post- Hoc are used to describe the sample, to show that which are the statements that highly influenced and measure the linear association between the dependent and independent variables. It is found that the various factors such as Administrative problem, workers problem, Competitors problem, financial problem, Consumer based problem, manufacture problem, social and cultural problems affect the retail business in urban areas.

Key words: Retailers, Challenges, Urban, Perception, Administrative problems

Introduction

Retail is a simple concept which means to buy or make goods and place them on a shelf and sell it with a profit. However, competition for customers and the expenses involved in running a store ultimately pose challenges in the retail industry. Retail is the sale of goods and services from individuals or businesses to the end-user of the products and services (Neha Puri, 2013). David Gilbert (2003) defined retail as any business that directs its marketing efforts towards satisfying the final consumer based upon the organization of selling goods and services as a means of distribution. Retail comes from the French word retailer, which refers to “cutting off, clip and divide” in terms of tailoring. It was recorded as a noun with the meaning of a sale in small quantities (Bhalla, 2011).

Retailers play an important role in an integrated system called the supply chain. A retailer purchases goods or products in large quantities from manufacturers directly or through a wholesale and then sells smaller quantities to the consumer for a profit. Retailing can be done in either fixed locations like stores or markets, door-to-door, specialty stores and by delivery. Baker (1998) defines a retailer as any establishment engaged in selling merchandise for personal or household consumption and rendering services incidental to the sale of such goods. The actual term retailing is thought to be derived from the old French word retailer which means a piece of or to cut up (Brown, 1992). This implies the breaking-of-bulk function of the retailer that is, the acquiring of large amounts of the products they sell and dividing them up into smaller amounts to be sold to individual consumers. Retailing, on the other hand includes subordinated services, such as delivery. In simple words it is the sale

of goods or commodities in small quantities directly to consumers. Retailing is all about understanding the needs of the customer and moulding and packaging the products according their requirements. With the help of retailing the marketers are able to understand the connections between the lifestyle and expenditure characteristics of customers and their preference to purchase one product or brand over another, also this helps in understanding competition prevailing in the market. Vetrivel (2018) identified the manufacture problems significantly and positively as well as negatively influence on challenges of retailers. Brand confusion has positive impact on the retail business. Retailing in India is gradually inching its way toward becoming the next boom industry. The whole concept of shopping has altered in terms of format and consumer buying behavior, ushering in a revolution in shopping in India. Modern retail has entered India as seen in sprawling shopping centers, multi-store malls and huge complexes offer shopping, entertainment and food all under one roof. The Indian retailing sector is at an inflexion point where the growth of organized retailing and growth in the consumption by the Indian population is going to take a higher growth trajectory. In same time the retailers faced so many problems in their day to day business life because of improper management policy and strategy has been followed by them. This paper focuses the problem and challenges faced by the retailers.

Research Methodology

The main aim of the paper is to investigate the problem and challenges retailers based on their educational qualification. For to know the various problems and challenges various reviews have been gone through by the researchers and also made personal interaction along with retailers opinion also been collected. Based on the information, it consider the challenges namely administrative problem, workers problem, Competitors problem, financial problem, Consumer based problem, manufacture problem and social and cultural problems. Research schedule is framed in the five point scale where 5 stands for strongly agree, 4 stands

for agree, 3 for neutral, 2 for disagree and 1 stands for strongly disagree. The samples of both organised and unorganised retailers are chosen from urban areas of Kanchipuram District, Tamilnadu. Totally 300 retailers were approached. Finally 276 retailers are considered as a sample size for the study. Descriptive statistics, ANOVA, and Post- Hoc are used to describe the sample, to show that which are the problems those that highly influenced the retailers and measure the linear association between the dependent and independent variable.

Result and Analysis

Table-1: Retailers Perception towards Problems and Challenges

Retailer's Problem and Challenges	Education	Mean	S.D	ANOVA Result		Post-hoc test
				F-value	P-value	
Administrative	Upto SSLC/HSC	3.31	1.06	18.209	0.001*	2 vs 1,3,4
	Under graduate	2.91	1.37			
	Post graduate	3.76	0.65			
	Others	3.94	0.27			
Workers	Upto SSLC/HSC	3.25	1.18	16.163	0.001*	4 vs 1, 2, 3
	Under graduate	3.02	1.36			
	Post graduate	3.70	0.69			
	Others	4.24	0.11			
Competitors	Upto SSLC/HSC	3.39	1.19	28.483	0.001*	4 vs 1, 2, 3
	Under graduate	2.82	1.24			
	Post graduate	3.80	0.67			
	Others	4.36	0.14			
Financial Institutions	Upto SSLC/HSC	3.52	1.31	39.566	0.001*	4 vs 1, 2, 3
	Under graduate	2.63	1.18			
	Post graduate	3.81	0.76			
	Others	4.54	0.18			
Consumers	Upto SSLC/HSC	3.27	1.25	42.146	0.001*	4 vs 1, 2, 3
	Under graduate	2.63	1.11			
	Post graduate	3.88	0.77			
	Others	4.41	0.22			
Producers	Upto SSLC/HSC	3.44	1.17	19.688	0.001*	4 vs 1, 2, 3
	Under graduate	2.73	1.49			
	Post graduate	3.63	1.21			

	Others	4.23	0.46			
Social and cultural	Upto SSLC/HSC	3.14	1.17	25.369	0.001*	4 vs 1, 2, 3
	Under graduate	2.86	1.28			
	Post graduate	3.77	1.06			
	Others	4.39	0.34			

Source: Primary data computed; * Significant @ 1% level.

Opinion towards retailer Problem and challenges based on education is displayed in table-1. The educational qualifications are classified as upto SSLC/HSC, under graduate, post graduate and others (ITI/Diploma). Mean and standard deviation values are calculated for each group.

H₀: There is no significant difference of opinion towards Problem and challenges based on education.

In order to test the above stated hypothesis one way ANOVA is applied. The Problem and challenges of retail business, such as, Administrative problem, workers problem, Competitors problem, financial problem, Consumer based problem, manufacture problem and social and cultural problem are found to be significant because the calculated P-value is significant. Hence Administrative problem, workers problem, Competitors problem, financial problem, Consumer based problem, manufacture problem and social and cultural problem significantly varied based on education. Hence the stated hypothesis is rejected.

In the case of Administrative problem, the retailers who have qualified from ITI, diploma secured the mean value of 3.94, post graduate retailers secured the mean value of 3.76 followed by upto SSLC/HSC hold retailers secured 3.31 and under graduate retailers secured 2.91. It is noted that the educational qualification have difference of opinion towards Administrative problem. The calculated F-value is 18.209 and the P-value is 0.001, which is significant at one percent level.

Hence there is a significant difference of opinion towards Administrative problem of retailers based on education. It is found that the ITI, diploma hold retailers have the higher level of Administrative problem than other retailers. However under graduate retailers have the low level of Administrative problem.

With regard to workers problem, the ITI, diploma hold retailer secured the mean score of 4.24. The Postgraduate retailer have the mean score of 3.70. SSLC/HSC level retailer have the mean score 3.25. Under graduate retailers have the mean score of 3.02. It is noted that educational qualification has the difference of opinion towards workers problem of retailers. The calculated the F-value is 16.163 and the P-value is 0.001, which is significant at one percent level. Hence there is significant difference of opinion towards workers problem of retailers based on educational qualification. It is found that the ITI, diploma hold retailers have the higher level of workers problem in the shop. But undergraduate hold retailers have low level of workers problem in their shop.

For Competitors problem, ITI, diploma hold retailers secured the mean value of 4.36. Followed by Postgraduate retailers secured a mean score of 3.80, Upto SSLC/HSC retailer secured 3.39 and undergraduate hold retailer secured 2.82. It is noted that the educational qualification have difference of opinion towards Competitors problem of retailers. The calculated F-value is 28.483 and P-value is 0.001 which is significant at one percent level.

Hence there is a significant difference of opinion towards Competitors problem based on the educational qualification. It is found that ITI, diploma retailers have the higher level of Competitors problem, but, Undergraduate retailers having low level Competitors problem in their shop.

In the case of financial problem, ITI, diploma hold retailers have the mean score of 4.54, followed by postgraduate retailers scored mean score of 3.81, upto SSLC/HSC hold retailers scored 3.52 and undergraduate retailer scored 2.63. It is noted that the educational

qualification have difference of opinion towards financial problem of retailers. The calculated F-value is 39.566 and P-value of 0.001 which is significant at one percent level. Hence there is a significant difference of opinion towards financial problem based on the educational qualification. It is found that the ITI, diploma educational qualification retailers have the higher level of financial problem, but, Undergraduate retailers have low level financial problem in their shop.

For Consumer based problem ITI, diploma hold retailers secured the mean value of 4.41 followed by Postgraduate retailer secured 3.88, Upto SSLC/HSC completed retailer secured 3.27 and undergraduate retailer secured 2.63. It is noted that the educational qualification have difference of opinion towards Consumer based problem of retail business. The calculated F-value is 42.146 and P-value of 0.001 which is significant at one percent level. Hence there is a significant difference of opinion towards Consumer based problem based on the educational qualification.

It is found that ITI, diploma hold retailers have the higher level of Consumer based problem but undergraduate retailers have low level of Consumer based problem than others.

With regard to producer based problem ITI, diploma hold retailer have the mean score of 4.23, followed by postgraduate retailer secured 3.63, Upto SSLC/HSC hold retailers scored 3.44 and undergraduate retailer scored 2.73, It is noted that the educational qualification have difference of opinion towards producer based problem of retailers. The calculated F-value is 19.688 and P-value of 0.001 which is significant at one percent level. Hence there is a significant difference of opinion towards producer based problem based on the educational qualification. It is found that ITI, diploma hold retailers have the higher level of producer based problem in their business, but undergraduate retailers have the low level of producer based problem.

For social and cultural problem of retailer, ITI, diploma hold retailer secured the mean value of 4.39, followed by postgraduate retailer secured a mean value of 3.77, upto SSLC/HSC completed retailer secured a mean value of 3.14 and undergraduate retailer scored a mean value of 2.86. It is noted that the educational qualification have difference of opinion towards social and cultural problem of retailers. The calculated F-value is 25.369 and P-value of 0.001 which is significant at one percent level. Hence there is a significant difference of opinion towards social and cultural problem based on educational qualification.

It is found that ITI, diploma hold retailers have the higher level of social and cultural problem but undergraduate retailers have the low level of social and cultural problem than other qualification retailers.

From the ANOVA result while observing the P-value it is significant at one percent level. Hence there is significant difference of opinion towards retailer Problem and challenges based on education. In order to find out the difference between education and Problem and challenges of retailers further Bonferroni post hog test is applied.

From this test result it is to be found that under graduate hold retailers differ from upto SSLC/HSC, Post graduate and other categories like ITI/diploma hold retailers towards Problem and challenges regard Administrative problems. Where as in the case of workers problems, Consumers problems, producer based problems, Competitors problems, financial problems and social and cultural problems, ITI/diploma hold retailers are differ from upto SSLC/HSC, undergraduate and post graduate degree hold retailers. These findings are supported by Kumaran et.al (2015) studied on the challenges of unorganized retailers with reference to retail shops and found that retailers faced many problems. In this study the most important factor followed by personal, loubour, and manufacturer problems. Vetrivel (2016, 2017, 2018, and 2019) examined other problems of retailers such as personal problem, labour

problem, customer based problem; marketing problem and financial problem have influenced the retail business.

Conclusion

It is found that the administrative problems, workers' problems, competitor's problems, financial institution problems, consumer-based problems, producers problems, social and cultural problem are significantly varied based on education. Up to SSLC or HSC, undergraduate and postgraduate degrees hold retailers differ from other categories like ITI/diploma hold retailers towards challenges like workers problems, competitors problems, financial intuition problems, consumer based problems, producers based problems, social and cultural problems. Where as in the case of administrative problem category UG degree hold retailers are differ from SSLC or HSC, post graduate and ITI/diploma hold retailers. So this paper concluded that the graduate retailers are highly effectively made their work. They easily manage their problem and challenges in a retail business. It also suggested that to other back round educational qualification retailers to improve their administrative and management skills through the proper training programs. It will help them to achieve the objective of their business.

References:

- Baker, M.J. (1998). Macmillan Dictionary of Marketing and Advertising. 3rd Edition, Basingstroke Palgrave Macmillan.
- Bhalla, A.K. (2011). Retail Management. Wisdom press, New Delhi.
- Brown, S. (1992). Retail Location: A micro scale perspective, Aldershot: Avebury.
- David Gilbert. (2003). Retail Marketing Management. Second Edition, Pearson Education Limited.
- Fathima Adeela Beevi, T.K.S. (2014). Problems and Prospects of the Unorganised sector in Kerala: Reference to Sales women in Textiles. *Abhinav Journal of Research in Commerce and Management*, 3(9), 35-39.

- Heera Lal Sharma. (2012). Indian Retail Market: Opportunities and Challenges. *Excel International Journal of Multidisciplinary Management Studies*, 2(3), 175-189.
- Kumaran. C, Annamalai Solayappan And Jothi Jayakrishnan (2015) Challenges Of Unorganized Retailers - An Empirical Study, *International Journal Of Business And Administration Research Review*, Vol. 3, Issue.11, July - Sep, 2015. Page 312-320.
- Lakshmi Narayanam, K., Ajatashathrusamal & Nagarajao, P. (2013). A study on consumer buying behavior towards organized and unorganized retail stores in Bangalore city. *International Journal of Management Research and Business Strategies*, 2(3).
- Malavika Srivastava. (2014). Unorganized Sector: A different sector still treated indifferently. *New Man International Journal of Multidisciplinary studies*, 1(12), 145-152.
- Michael Levy & Barton A. Weitz. (2003). Retailing Management. 5th Edition, Tata McGraw-Hill Publishing Company Limited, New Delhi.
- Neha Puri. (2013). Retail Marketing in the New Millennium: Emerging Issues and Trends. *Journal of Business Management and Social Sciences Research*, 2(5), 67-71.
- Nisha Rathore. (2010). A Study on Consumer Behavior towards Organized and Unorganized Retailing. *Abhinav Journal of Research in Commerce and Management*, 1(8), 65-69.
- Priyavij. (2013). The study and the analysis: An impact of organized retail on unorganized retail in India. *International Journal of Multidisciplinary Management Studies*, 3 (7).
- Saurabh Bajpai, Chavi Agnihotri & Shubhendu Shekhar Shukla. (2011). Retail Marketing-Challenges for Organized and Unorganized Sectors, *Pinnacle des Academia Journal*, 1(2).
- Vertivel.V (2017). A Study on Marketing Problems of unorganised retail shoppers, *International journal of multidisciplinary research review*, volume 1, issue 31,1-5, Sep 2017.
- Vertivel.V (2017). Impact of labour problems on unorganized retail sector in India, *International journals of management and social science research review*, vol.1, Issue 38, 28-32, August 2017.

- Vertivel.V (2018). Effect of manufacturer based problems on retail sector, International Journal of Academic Research and Development, Volume 3; Issue 2; P.No.319-321, March 2018;
- Vertivel.V (2019). Impact of Retailers Problems with Special Reference to Unorganized Retail Sector in India, The International Journal of Analytical and Experimental Modal Analysis, Vol. XI, Issue IX, Sep 2019.
- Vertivel.V (2019).Financial problems of unorganized retail sector, International journal of applied research, Volume 3, issue 12, 161-164, Dec 2017.
- Vertivel.V and Solayappan AN (2016).The personal problem of retailers on unorganized retail sector, A head -International journal of recent research review, Vol.1, Issue-6, Dec-2016.