



THE PERSONAL PROBLEM OF RETAILERS ON UNORGANIZED RETAIL SECTOR

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Abstract

The retail industry is dominated by a large number of small retailers consisting of the local kirana shops, owner-manned general stores, chemists, footwear shops, apparel shops, paan and beedi (local betel leaf and tobacco) shops, hand-cart hawkers, pavement vendors, etc. which is called unorganized retailer or traditional retail. This paper investigated the personal problems of unorganized retailer in Chennai city. The samples of retailers are chosen from Chennai city, Tamilnadu. 528 retailers are considered as a sample size for the study. Descriptive statistics, Friedman's multiple comparison test and Multiple regression are used to analyses for data. It is found that the lack of proper training and lack of knowledge about competitors are the major problems faced by unorganized retailers.

Key words: Unorganized retailer, Relationship, Personal problem, Shoppers.

Introduction

Retail industry changed radically to become one of the sunrise sectors in the economy. It gained importance in terms of employment generation and business opportunity. The waves of globalization, liberalization and privatization have been responsible for this change. But the retail industry has been hard-hit by the economic downturn, when many retailers put a brake on their expansion plans. The retail industry is in the midst of a customer revolution wherein, the collision of the virtual and physical world is changing customers purchasing behavior.

Today, customers are looking forward to have an integrated shopping experience across all channels and the failure of delivering such experiences puts retailers at risk of becoming irrelevant. Also, retailers are facing the challenge of engaging customers on more than just price. Customers are looking for a more stimulating and satisfying experience than just a lowest price for a particular product (Deloitte Touche Tohmatsu, 2013). Retail Marketing can improve the development of rural areas under various options such as increase in job opportunities, change in lifestyle, increasing the literacy rate, rising incomes, infrastructure development & technological improvements (Saxena Ranjan, 2004).

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. Retailing is, buying in large quantity from a whole seller or directly from a manufacturer and selling the goods or services to consumer for personal consumption. Retailing is defined as a conclusive set of activities or steps used to sell products or services to consumers (Nisha Rathore, 2010).

Retailing can be defined as the buying and selling of goods and services. It can also be defined as the timely delivery of goods and services demanded by consumers at prices that are competitive and affordable. (Vidushi Handa and Navneet Grover, 2012).

Indian retail industry is divided into organized and unorganized sectors. The Indian retail sector is highly fragmented, with a major share of its business is being run by unorganized retailers like the traditional family run stores and corner stores. The organized retail however is at a very nascent stage, though attempts are being made to increase its proportion bringing in a huge opportunity for prospective new players. The last few years have witnessed the entry of a number of organized retailers opening stores in various modern formats in metros and other important cities. Unorganized retailers normally do not pay taxes and most of them are not even registered for sales tax, VAT, or income tax. Unorganized sector is defined by National Commission for Enterprises as consisting of all unincorporated private enterprises owned by individuals or households engaged in the sale or production of goods and services operated on a proprietary or partnership basis and with less than ten total workers (Malavika Srivastava, 2014).

Retail in India is essentially unorganized. 98 percent of the retail industry is made up of counter-stores, street markets, hole-in-the-wall shops and roadside peddlers. The term "unorganized retail" is better understood when comparing this form of retail to the organized retail that one is familiar with in developed countries. Unorganized retail is characterized by Family-run stores, lack of best practices when it comes to inventory control and supply-chain management, lack of standardization and essentially a sector populated by anyone who has something to sell (Kamaladevi Baskaran, 2012).



The shopper's experience becomes more complex and harder for retailers and brand owners to manage. From the customers perspective, they expect access to the whole catalog, not just the range of goods in a particular location and they also expect the retailer to keep track of their personal shopping history with that retailer, regardless of location or platform. In other words, the customers want the retailer to manage their "3 Ps" (profile, personal history and preferences) and let them have access to it whenever and wherever they want it. From the retailers' perspective, they are in a world where there are far more intermediaries than there were before, making it much harder to communicate directly with the shopper. Shopping decisions are now framed and managed by aggregators, deal sites, social media and social recommendations.

In this way the retailers are facing so many challenges in their day to day retailing activities today like customer problem, marketing problem, personal problem, financial problem, competitors' problem and social problem. This paper focus on personal problem of retailers, which is consist of eleven statements such as Poor risk taking ability, lack of proper training, less leisure time, health problems, excessive burden of work and responsibility, excessive tensions, lack of knowledge about competition, lack of knowledge about technology, non contact occupational mobility, lack of experiences in the current field and poor management skill.

Research Methodology

The primary objective of this paper is to analyse the impact of personal problem on unorganized retail sector. Retailer's opinion is described in this study; hence this study falls under descriptive in nature. Personal problem refers to the retailer personal barriers. Personal problem scale has been developed by the researcher. There are 11 statements are considered for analyzing the personal problems of the retailer in the study. It is measured with five point scale where 5 stands for strongly agree, 4 for agree, 3 for neutral, 2 for disagree and 1 for strongly disagree.

The samples of retailers are chosen from Chennai city, Tamilnadu. Totally 600 retailers were approached. However, 528 responses are fit for the further analysis. Hence, 550 is the sample size of the study. Finally 528 retailers are considered as a sample size for the study. Descriptive statistics, Friedman's multiple comparison test and Multiple regression analysis are used to describe the sample, to show that which are the statements those highly influenced and measure the linear association between the dependent and independent variable.

Analysis and result

Table-1: Retailer opinion towards personal problem of retail business

S. No	Personal Problem of Retailer	Mean	S.D	Friedman's Mean Rank	Chi-square value	P-value	Multiple comparison test
1	Poor risk taking ability	3.11	1.39	5.59	100.972	0.001*	2 7 8,4 11,10 9 5,3,1,6
2	Lack of proper training	3.69	1.43	6.87			
3	Less leisure time	3.22	1.41	5.58			
4	Health problems	3.35	1.48	6.17			
5	Excessive burden of work and responsibility	3.24	1.44	5.65			
6	Excessive tensions	3.23	1.37	5.55			
7	Lack of knowledge about competition	3.40	1.42	6.25			
8	Lack of knowledge about technology	3.44	1.35	6.18			
9	Non contact occupational mobility	3.36	1.41	5.91			
10	Lack of Experiences in the current field	3.38	1.32	6.11			
11	Poor management skill	3.45	1.36	6.13			

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

Poor risk taking ability, lack of proper training, less leisure time, health problems, excessive burden of work and responsibility, excessive tensions, lack of knowledge about competition, lack of knowledge about technology, non contact



occupational mobility, lack of experiences in the current field and poor management skill are the various personal problems of the unorganized retailers.

The respondents asked to rate their opinion towards the personal problems. The result displayed in the table-1. The mean value is ranged from 3.11 to 3.69. Based on the mean value, it is inferred that the respondents are having moderate level of personal problems. The corresponding standard deviation values indicate that there is no much deviation among the retailers. H₀: Opinion about personal problems is found to be similar among all the respondents.

In order to test the above stated hypothesis Friedman test is applied. The Friedman mean rank is lies between 5.55 to 6.87 and chi square value 100.972, which is significant at one percent level. Hence the hypothesis is rejected. It shows that the personal problems of the retailer are varied among them. Further, Friedman multiple comparison test is applied to identify, which is the higher personal problem. After applying the test, 11 statements are grouped in the 6 categories. Lack of proper training placed as first rank. Lack of knowledge about competition is in the second place. Lack of knowledge about technology and health problem together occupy the third place. Poor management skill and lack of experience placed the fourth position, lack of occupational mobility is in the fifth place, excessive burden of work and responsibility, less leisure time, poor risk taking ability and excessive tensions together occupies the last place.

Table-2: Effect of retailer’s personal problem on challenge

R- value	R- Square value	Adjusted R- Square value	F- value	P-value
0.764	0.515	0.498	12.840	0.001*

Personal problem	B	Std. Error	Beta value	t-value	P-value
(Constant)	5.464	0.164	0.000	33.317	0.001*
Poor risk taking ability	-0.134	0.053	-0.143	-2.508	0.012**
Lack of proper training	-0.142	0.057	-0.156	-2.505	0.013**
Leisure time is very less	-0.160	0.064	-0.174	-2.511	0.012**
Health problems	0.062	0.054	0.072	1.165	0.245 (NS)
Excessive burden of work and responsibility	0.070	0.064	0.078	1.105	0.270 (NS)
Excessive tensions	0.058	0.063	0.062	0.919	0.359 (NS)
Lack of knowledge about competition	-0.023	0.070	-0.025	-0.322	0.748 (NS)
Lack of knowledge about technology	-0.149	0.072	-0.155	-2.082	0.038 (NS)
Non contact occupational mobility	-0.197	0.069	-0.215	-2.866	0.004**
Lack of Experiences in the current field	-0.148	0.070	-0.150	-2.096	0.037**
Poor management skill	0.334	0.072	0.352	4.670	0.001*

Source: Primary data computed; * Significant @ 1% level; ** Significant @5% level; NS: Non significant

Table-2 explains the effect of retailers personal problem on challenge in the retail business. Here, poor risk taking ability, lack of proper training, leisure time, health problems, excessive burden of work and responsibility, excessive tensions, lack of knowledge about competition, lack of knowledge about technology, non contact occupational mobility, lack of experiences in the current field and poor management skills are the personal problem treated as independent variable and the extent challenges are treated as dependent variable.

H₀: Retailers personal problems do not have influence on challenges



To verify above stated hypothesis multiple regressions is carried out. The purpose of regression analysis is to find the most predictors personal problems on challenges. The result is displayed in table-2. From the R square value, it is inferred that personal problems influencing the retailers challenges by 0.515.

The measure of strength of association in the regression analysis is given by the co-efficient of regression determination denoted by R-square as 0.515 and R-value as 0.764. The F-value is 12.840 and P-value is 0.001 which is significant at one percent level and ascertain that there is significant relationship between dependent and independent variable. So, the hypothesis is rejected. Further, R-square value indicates that the independent variables are influenced at 49.8 percent on the dependent variable. The standardized co-efficient beta value indicates the relative importance of the predictors on challenges.

It is inferred that personal problem are significantly influenced the challenges of retail business. The corresponding p-value of these variables is significant at one percent. So, these variables significantly influence on challenges. Challenges are expressed by the following equation.

Challenges = 5.464 (Constant) + 0.334 (poor management skill) + 0.134 (poor risk taking ability) – 0.142 (Lack of proper training) – 0.148 (Lack of Experiences in the current field) – 0.160 (Leisure time is very less) – 0.197 (Non contact occupational mobility)

The equation is displayed that poor management skill, are having positive influence on challenges. Whereas poor risk taking ability, lack of proper training, lack of experiences in the current field, leisure time is very less and non contact occupational mobility are negatively influence on challenges.

To have one unit increase in challenges, that poor management skill increased by 0.334 where other factors remain constant. However poor risk taking ability decreased by 0.134, lack of proper training decreased by 0.142, lack of experiences in the current field decreased by 0.148, leisure time is very less decreased by 0.160 and non contact occupational mobility decreased by 0.197 where other factors remain constant. It is found that that poor management skill is having positive impact on challenges. Whereas lack of knowledge about competition, poor risk taking ability, lack of proper training, lack of experiences in the current field, leisure time is very less and non contact occupational mobility are have negative impact on challenges.

Conclusion

This paper is an attempt to identify the key factors influencing the personal problems of unorganized retail setup. With the help of these factors a structured scale comprising of 11 items has been developed and properly validated by applying Friedman test .Later, the impact of these factors on unorganized retailers experience has been accessed by applying multiple regression technique. After these analyses it has been found that lack of proper training and lack of knowledge about competition are the major problems faced by unorganized retailers. It is observed that that poor management skill is having positive impact on challenges. Whereas lack of knowledge about competition, poor risk taking ability, lack of proper training, lack of experiences in the current field, leisure time is very less and non contact occupational mobility are have negative impact on challenges of unorganized retailers. Moreover there is no proper complaint handling system where the problems can be solved. That's a reason why it has negative impact in unorganized retail. The results of this paper revealed that shoppers must develop their knowledge about marketing activities for manage competitors through the proper training programs organised by entrepreneur and marketing expert.

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