



RETAIL MARKETING: MARKETING ISSUES OF RETAILERS OF THANJAVUR DISTRICT, TAMIL NADU

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Abstract

The India Retail Industry is the largest among all the industries, accounting for over 10 per cent of the country's GDP and around 8 per cent of the employment. The Retail Industry in India has come forth as one of the most dynamic and fast paced industries with several players entering the market. The small retail shops meet a severe competition from the large-scale retail stores. Some retailers worry that marketing is too expensive, others may find it too time consuming. Their daily operations become a question in front of them due to their operations difficulties. The present survey was undertaken to study about the retail business in Thanjavur district. In all eight taluks of Thanjavur district, the sample retailers were taken and the size of samples is 200. The study has revealed that the retailers are in growing stage. Their future growth is related to their new marketing technology, introducing further capital, marketing credit worthiness and advertising capacity.

Key words: retailing, unorganized retailing, marketing

Introduction

Retailing has come to be recognized as a discipline due to rapid growth in market coverage and investments in this sector in India and the world. There are various factors responsible for retail revolution across the globe, including in India. The demographic profile of the consumer has changed and due to economic development and increased income level has become affluent. Also it has been observed that the powers have slowly started moving out of brands into retailer's hands due to their proximity with customers and improvements in customer service. The emergence of private labels will substantiate this fact. All the mass produced products are being served to mass consumers through retail platforms allowing the customer to choose from wider assortments. There has been revolution in retail industry. The India Retail Industry is the largest among all the industries, accounting for over 10 per cent of the country's GDP and around 8 per cent of the employment. The Retail Industry in India has come forth as one of the most dynamic and fast paced industries with several players entering the market. (D. Subramaniam, 2010)

Retailing Scenario in India

Most of the retail sector in India is unorganised, which were known as mom-pop stores. The biggest advantage in this sector is the consumer familiarity that passes on from one generation to the next. The transformation stage of the retail sector started in late 1990's. The emergence of pure retailer has started at this stage as it is been perceived as a beginner and the organized retailing is getting more attractive. In India, the retail business contributes around 11 percent of GDP in 2017. Of this, the organized retail sector accounts only for about three percent share, and the remaining share is contributed by the unorganized sector. The main challenge facing the organized sector is the competition from unorganized sector....An important aspect of the current economic scenario in India is the emergence of organized retail. There has been considerable growth in organized retailing business in recent years and it is poised for much faster growth in the future. Major industrial houses have entered this area and have announced very ambitious future expansion plans. Transnational corporations are also seeking to come to India and set up retail chains in collaboration with big Indian companies. (Sukanya Hegde, 2010),

Review of Literature

Preety Wadhwa and Lokinder Kumar Tyagi (2012), concluded that it is very clear that great potential is there for the organized retail sector. In organized sector, Fast Movable Consumer Goods retailing is expected to top \$40 billion by 2015 (India Brand Equity Foundation 2008) The FMCG industry supports livelihood of 13 million people and another 25 million people are employed at wholesalers, distributors, stockiest. But in view to achieve its targets, the retailers have to keep in mind the important factors such as understanding of global trends, use of advanced technology, excellent consumer relationship, religious follow up of regulations, maintain the profitability etc., which prominently contributes towards the success of the Organization.

Sharma K. Bajan Lal (2007) has a strong conception on the retail selling. He reveals it in his research as, 'Small business owners can easily get too involved in the day-to-day operations of their retail stores to spend any time brainstorming



marketing ideas or promotional events. Some retailers worry that marketing is too expensive, others may find it too time consuming'

G. Hariharan (2008) in his study "profile and perception of retail consumers", analyzed the consumers perception towards retail, in Palakkad. Visiting retail outlets has become a group activity. Most of the shoppers are influenced by as well as accompanied by colleagues, friend and relatives. Majority of the people who visit do not shop at all. The hang around meet friends, do window – shopping and spend time leisurely.

Statement of the Problem

In this competitive world, we can see many problems in marketing of any product or service. Some problems can be solved, but so many problems may not be solved. India is a developing country and retail marketing is an important one to develop a country's economy. Retailers, who are the connecting link between the producer and consumer, face many problems to market their products from various dimensions and many causes behind this. At present the customers are also more dynamic. The customers have certain expectations from the items they purchase such as its quality, price, good services etc. Hence, there is a need for a research work in the field of problems of retail marketing in the point of view of retailers and customers as well. (Surajit Dey, Sameena Rafat, and Alam Sageer,2012). The small retail shops meet a severe competition from the large-scale retail stores. Some retailers worry that marketing is too expensive, others may find it too time consuming. Their daily operations become a question in front of them due to their operations difficulties. Their purchasing, sales, financing, communication with the consumers etc, the routine functions are very much affected in the days of competition. These are the problems of the study.

Objectives of the Study

1. To study the marketing practices of the Retailers of Thanjavur district.
2. To know the scope for the retailing in the district
3. To give suitable suggestions for the development of the retailing in the dsitric.

Research Methodology

Methodology is vital part of any research as it facilitates any research with systematic way to collect data and interpret them. Research methodology describes sampling strategy, data sources, measures, reliability & validity and statistical tool used. This is a survey because it takes up a small part of large population of study. Thanjavur district has been selected as the geographical area of the paper. 200 sample retailers have been selected of the present study.

Data Sources

Given the nature of the present study, it was required to collect data from the primary and secondary sources. During data collection, the authors were always careful of the objectives and hypotheses of the study. Primary data were collected through the questionnaire. Secondary data were collected from research studies, books, journals, newspapers and ongoing academic working papers. The collected data may be processed and analysed in order to make the study useful to the practitioners, researchers, planners, policy makers and academicians.

Discussion

Table 1,Nature of Regular Customers

Sl.No	Regular Customers	No. of Respondents	Percentage
1.	Monthly salary earning persons	50	25
2.	Daily wages earning labourers	110	55
3.	Both	40	20
	Total	200	100

Source: Primary data

From the above table, it is clear that the daily wage labourers are the regular customers to 55% retailers. In the view of 25% retailers, monthly salary earners are their regular customers. Therefore, it is clear that the monthly salary-earning persons go to large retail outlets to fulfill their requirements.

Table 2, Credit Purchase

Sl.No	Credit Purchase	No. of Respondents	Percentage
1.	Yes	200	100
2.	No	00	00
	Total	200	100

Source: Primary data



All the retailers avail the facility of credit purchase from their suppliers. This facility is an inevitable one to the retailers so that they can run their shops with little working capital.

Table 3,Easy availability of Credit Purchase

Sl.No	Easy availability	No. of Respondents	Percentage
1.	It is usual practice so easily granted	148	74
2.	Sometimes no availability	52	26
	Total		100

Source: Primary data

74% retailer-respondents say that the credit purchase is the regular practice in their trade so that it is easily granted by the suppliers. But, 26% feel that is not so. According to them, if there is no prompt payment to the suppliers in due course, then the further credit purchase is denied by the suppliers/ wholesalers..

Table 4,Major Problem in the Credit Purchase

Sl.No	Major Problem	No. of Respondents	Percentage
1.	Credit period is very short	58	29
2.	Repayment of amount is difficult sometimes	112	56
3.	Price is charged high due to credit purchase	30	15
	Total	200	100

Source: Primary data

In case of the credit purchase, 56% retail-respondents mention that the repayment becomes difficult sometimes. 29% retailer-respondents feel that the credit period is short. 15% say that the price charged by the wholesalers is relatively high in the case of credit purchase. But, all the retailers avail the credit facility from the suppliers.

Table 5 ,Credit Sales

Sl.No	Credit Sales	No. of Respondents	Percentage
1.	Yes	158	79
2.	No	42	21
	Total	200	100

Source: Primary data

In the matter of credit sales, 79% retailer-respondents allow credit sales to their customers. But, 21% respondents do not allow such credit sales from recent past.

Table 6,Major Problem in the Credit Sales

Sl.No	Major Problem	No. of Respondents	Percentage
1.	Bad debts	112	56
2.	Goods are not available for ready cash sales	48	24
3.	Loss of customers	40	20
	Total	200	100

Source: Primary data

In the case of major problem from the credit sales, majority retailer-respondents (56%) experience that the bad debts. They have suffered from the loss and they have bitter experience in this regard. 24% say that they cannot sell the goods to the consumers who pay cash immediately if the credit sales are allowed. The retailers are not in a position to stock the merchandise items to extend the sales to the both types of buyers. 20% retailers have experienced that the credit sales impair the business as well as human relations.

Table 7,Scope of the Retail Shop

Sl.No	Scope	No. of Respondents	Percentage
1.	Better Opportunity for survival in future	18	9
2.	No better future	64	32
3.	Scope in favour of large retail stores only.	118	59
	Total	200	100

Source: Primary data



In relation to the scope of the retail shop, 59% believe that the large retail stores i.e., super market, department stores etc., have the scope to undertake the retail business. 32% do not have any faith towards the scope for the retail shop. 9% feel that there is better opportunity.

Table 8, Nature of Relationship/ contact with your neighbouring Shops

Sl.No	Nature of Relationship with neighbouring Shops	No. of Respondents	Percentage
1.	Amicable Relationship	58	29
2.	No Relationship	142	71
Total		200	100

Source: Primary data

In the case of relationship with the neighbouring shops, 71% retailer-respondents do not have any such relationship. Only a minority group (29%) maintains it.

Table 9, Emergency Purchase from the Neighbouring Shops

Sl.No	Emergency Purchase	No. of Respondents	Percentage
1.	Yes	24	12
2.	No	176	88
Total		200	100

Source: Primary data

In the case of any purchase of goods from the neighbouring retailers in emergency times, only 12% respondents have such customary practice. So, it is clear that the retailers, who have amicable relationship with the neighbouring retailers differ here that only 12% respondents purchase from the neighbouring retailers. 88% respondents do not have such practice.

Findings of the Study

- The daily wage labourers are the regular customers to 55% retailers. In the view of 25% retailers, monthly salary earners are their regular customers. Therefore, it is clear that the monthly salary-earning persons go to large retail outlets to fulfill their requirements.
- All the retailers avail the facility of credit purchase from their suppliers. This facility is an inevitable one to the retailers so that they can run their shops with little working capital.
- 74% retailer-respondents say that the credit purchase is the regular practice in their trade so that it is easily granted by the suppliers. But, 26% feel that is not so. According to them, if there is no prompt payment to the suppliers in due course, then the further credit purchase is denied by the suppliers/ wholesalers..
- In case of the credit purchase, 56% retail-respondents mention that the repayment becomes difficult sometimes. 29% retailer –respondents feel that the credit period is short. 15% say that the price charged by the wholesalers is relatively high in the case of credit purchase. But, all the retailers avail the credit facility from the suppliers.
- In the matter of credit sales, 79% retailer- respondents allow credit sales to their customers. But, 21% respondents do not allow such credit sales from recent past.
- In the case of major problem from the credit sales, majority retailer-respondents (56%) experience that the bad debts. They have suffered from the loss and they have bitter experience in this regard. The retailers are not in a position to stock the merchandise items to extend the sales to the both types of buyers. 20% retailers have experienced that the credit sales impair the business as well as human relations.
- In relation to the scope of the retail shop, 59% believe that the large retail stores i.e., super market, department stores etc., have the scope to undertake the retail business. 32% do not have any faith towards the scope for the retail shop. 9% feel that there is better opportunity.
- In the case of relationship with the neighboring shops, 71% retailer-respondents do not have any such relationship. Only a minority group (29%) maintains it.
- In the case of any purchase of goods from the neighboring retailers in emergency times, only 12% respondents have such customary practice. So, it is clear that the retailers, who have amicable relationship with the neighboring retailers (refer the previous table – they are of 29%) differ here that only 12% respondents purchase from the neighboring retailers. 88% respondents do not have such practice.

Conclusion

The study has revealed that the retailers are in growing stage. Their future growth is related to their new marketing technology, introducing further capital, marinating credit worthiness and advertising capacity. Their latest problem



threatening in the form of large scale retailing. The retailers of Thanajvur district do not have potentiality to face the competition.

Suggestions

The Government and RBI need to evolve suitable lending policies that will enable retailers in the organised and unorganised sectors to expand and improve efficiencies. Policies that encourage unorganized sector retailers to migrate to the organised sector by investing in space and equipment should be encouraged. Setting up of franchisee organisation may also help in strengthening the position of the retailers. The franchiser can exert a tremendous control over the way retailing is done. Use of technology to the greatest extent possible may also help strengthening the retailer position in the marketing channel. The government can also facilitate the setting up of warehousing units and cold chains, thereby lowering the capital costs for the small retailers. Transnational service organisation like McDonald and KFC are being able to offer a centralised control over purchase and operation. Large and medium sized retailers may take up the concept of franchising to reach the market in a more meaningful way. Initiative for more and more non-store retailing centers would also ensure a strong retailing organisation. Non-store retailing makes implementation of modern principles easier and less costlier. Merger and buy-out of weak retailers by a stronger one, especially in metros and big cities may be another step towards this direction. This would give the new retailer the desired leverage to be world class.

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