



## A STUDY ON PROBLEMS FACED BY RETAILERS WITH SPECIAL REFERENCE TO CUDDLORE DISTRICT, CHIDAMBARAM

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### **Abstract**

*This paper attempts to analyse the aspects of retail marketing in Chidambaram district through a survey research. Also, the issues and challenges that retailers face when they are involved in various retailing and its associated processes are discussed. Data was collected from 200 unorganized retailers in the district of Chidambaram. Using the statistical tools such as Percentage analysis, ANOVA, Friedman test, the study has revealed the socio-demographic profile of the retailers as respondents and also the problems faced by them has been identified.*

### **Introduction**

Retailing is an integral part in every aspect of an individual's life. It denotes the economic structure of their life style. Retail marketing is the process of formulating various policies in relation to product, price, place and promotion. The key factor for the success of retail marketing is on how the retailer identifies the target market and the adoption of appropriate marketing mix to effectively cater to the needs of the target customers.

India is a developing country and retail marketing is an important aspect to develop a country's economy. Retailers are the connecting link in between the producers and the consumers. Consumers' preferences are more dynamic in nature. Their expectations on the product's quality, price, services etc are increasing nowadays. Hence it becomes very difficult to identify and retain potential buyers. It is also understood that retailers face many problems to market their products from various factors.

Retail marketing is witnessing a transformation from traditional retailing to modern retailing formats. The growth in the overall retail market will be driven largely by the explosion in the organized retail market. There is an increase in modern retailing outlets in India which is becoming global in standards and is also witnessing intense competition. This period seems to be very appropriate to study and analyse the retail market trend.

*Minten, Reardon and Sutradhar (2009)* in a study, explained that modern retail is shown to emerge quickly, with more choices than the traditional markets.

*Thenmozhi Raja, Dhanapal and Sathyapriya (2011)* explained that the most critical challenge fore a business is the improvement of service and product quality. They also explained that perception of retail service quality varies across different cities. The retailers can meet the customer expectations based on the factors that drive them.

*Rama Venkatachalam and ArwahMadan (2012)* in a study have emphasized on the level of prices, quality of fresh groceries and availability of exotic fruits and vegetables, display and cleanliness and hygiene, home delivery and credit facility provided by both organized and unorganized retailer. Changes in the customer preferences is prevalent among both organized and unorganized retail businesses. Rather than the unorganized retailers, the organized retailers adopt marketing strategies in doing the right things to sustain, survival and growth.

*Hameedunissa (2013)* in a study on consumer psychology towards supermarkets has focussed how people's thoughts, beliefs and perception influence consumer behaviour. The role of consumers psychology has been discussed on how it affects a consumer towards buying from any outlet.



Kamaladevi (2014) emphasized that to compete successfully in retail business, the retailers must focus on the customer’s buying experience. The goal of customer experience management is to move customers from satisfied to loyal and then from loyal to advocate.

**Objectives of the study**

The following are the objectives of the study

- To understand the socio-demographic profile of the respondents in the retailing business.
- To identify the problems faced by the retailers in Chidambaram district.

**Research Methodology**

Descriptive research method and random sampling technique is used in the present study. A total of 200 sample retailers under the unorganized retail segments were chosen from the district. Primary data was collected through a well-structured schedule that had questions on the demographic profile of the respondents and 20 statements to understand the problems faced by them as retail marketers. The statistical tools such as frequency, percentage, ANOVA, FRIEDMAN test is used to analyse the data collected. The reliability of the statements in the schedule were tested using Cronbach’s alpha among 30 respondents. It showed a value of 0.8 and above for all the statements revealing a consistency and reliable validity for analysis.

**Analysis of Socio-Demographic profile of the retailers**

Socio-Demographic profile of the rural retailers	Variables	Frequency	Percentage
<b>Gender</b>	Male	90	45.0
	Female	110	55.0
	<b>Total</b>	<b>200</b>	<b>100.0</b>
<b>Age (in years)</b>	Less than 20	15	7.5
	21-40	87	43.5
	41-60	79	39.5
	Above 60	19	9.5
	<b>Total</b>	<b>200</b>	<b>100.0</b>
<b>Marital Status</b>	Married	119	59.5
	Unmarried	81	40.5
	<b>Total</b>	<b>200</b>	<b>100.0</b>
<b>Educational Qualification</b>	No Formal education	114	57.0
	Up to School level	65	32.5
	Degree	21	10.5
	<b>Total</b>	<b>200</b>	<b>100.0</b>
<b>Average Monthly Income</b>	Less than Rs.10,000	17	8.5
	Rs.10.001 to Rs. 20,000	51	25.5
	Above Rs. 20,000	132	66.0
	<b>Total</b>	<b>200</b>	<b>100.0</b>

Source: Primary Data

The above table explains the socio-economic profile of the selected 200 respondents of the study. It also shows that majority of the respondents were female respondents (55.0 percent) and the remaining male respondents (45.0 percent) who involve in retail business have participated in the study. It is clearly understood that gender is not a variation attribute for involving in retail business.

The respondents participated in the study are mostly under the age group of 21 to 40 years (43.5 percent) and the next majority of respondents are in the age group of 41 to 60 years (39.5 percent). It is clearly understood that the retailers involving in retail business are predominantly between 21 and 60 years.



It is seen from the table that 59.5 % of the respondents involving in retail business are married and the remaining 40.5% of the respondents are unmarried. Hence it is understood that the marital status is not a determining-criteria for an individual to involve in retail business.

It is seen from the table that majority of the respondents (57.0 percent) involving in retail business have no formal education. Whereas 32.5% of the respondents have undergone till schooling and the remaining 10.5% of the respondents have done their higher education. Hence it is clearly understood that education is not a qualifying-criteria for involving in retail business.

The average monthly income of the respondents is high (66.0%) stating above Rs. 20000 and it is followed by 25.5% of the respondents with an average monthly income between Rs.10001 to Rs. 20000. Very less (8.5 percent) respondents earn less than Rs. 10000 per month. Hence it is clearly understood that retailers have more earning capacity which is an important factor in the retailing business.

#### **ANOVA test for problems faced in retailing in Chidambaram district**

Null Hypothesis: There is no significant difference in opinion between the gender of the respondents and problems faced in retailing

**Table showing ANOVA test for gender of the retailer and problems faced in retailing**

<b>Problems faced in retailing</b>	<b>F-Value</b>	<b>Significant Value</b>
Poor market condition	.215	.643
Lack of customer awareness	1.459	.228
Inconvenient location	1.861	.173
Change in customer preferences	.069	.792
Lack of experience	.215	.643
Limited financial resources	1.122	.313
Poor recovery of accounts	.069	.228
Inadequate working capital	.215	.369
Low profit margin	1.459	.366
Delay in delivery	3.023	.461
Poor market information	3.732	.366
Over bargaining	1.831	.177
Credit facility	.820	.912
Bad debts	.820	.933
Hard in approach	.235	.177
Misbehaviour	.810	.366
Price Variation	.047	.461
Limited loan availability	1.459	.127
Poor credit facility	3.023	.435
Long credit period allowed	3.732	.228

Source: Primary Data

From the above table it is seen that there is no significant relationship between the F-value of gender of the retailer and the problems faced in the retailing business. The above factors under the problems faced by the retailers with respect to customers, dealers, financiers and the prevailing market environment did not show any interference within both male and female retailers who participated in the study. This shows that the opinion on all these problems do not differ among the gender of the respondents. Hence it is clearly understood that all the factors mentioned as problems faced by the retailers have no significant impact over the gender of the respondents of the study.



### FRIEDMAN test for significant difference between mean ranks of issues in retailing

Null Hypothesis: There is no significant difference between mean ranks towards the problems faced in retailing

Problems faced in retailing	Mean Rank	Chi-Square value	Degrees of freedom	Asymp. Significant
Poor market condition	17.19	3330.001**	19	p< .001
Lack of customer awareness	17.06			
Inconvenient location	7.63			
Change in customer preferences	16.68			
Lack of experience	17.19			
Limited financial resources	8.19			
Poor recovery of accounts	16.68			
Inadequate working capital	17.19			
Low profit margin	10.01			
Delay in delivery	17.19			
Poor market information	17.06			
Over bargaining	13.18			
Credit facility	17.13			
Bad debts	17.42			
Hard in approach	10.07			
Misbehaviour	12.09			
Price Variation	10.46			
Limited loan availability	10.72			
Poor credit facility	11.07			
Long credit period allowed	9.97			

Source: Primary Data

From the above table it is seen that all the factors related to the problems faced in retailing marketing had a significant value less than 0.05 at 1% significance. Hence the null hypothesis is rejected. Thus, it is understood that there is a significant difference between the mean ranks towards the problems faced in retail marketing. Of the twenty problems faced in retailing marketing, 'Bad Debts' has the highest rank (17.42). So, it is understood that problems faced in retailing marketing is influenced by Bad Debts. The result determines the fact that almost all the factors under the problems faced in retailing marketing with respect to customers, dealers, finance and prevailing market environment are important and the most influencing factor is identified as 'Bad Debts'. This may be due to the fact that the retailers must have felt that the opinion on problems faced on retail marketing requires a proper marketing strategy to overcome and sustain in the business.

### Conclusion

The study has explored the problems faced by the unorganized retailers in the retail marketing. Keeping in mind that the customers preferences are dynamic in nature and at the same time customers to an extent are loyal to the unorganized retailer for products of daily use marketing strategies should be appropriately used. This supports the view that there is distinct space for both types of retailers to exist.

### References

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