ISSUES AND CHALLENGES on RETAIL MARKETING:WITH SPECIAL REFERENCE TO THANJAVUR DISTRICT

R.Surianarayanan*   Dr.V.Suresh Kumar**
*Research Scholar,Research department of Business Administration,Rajah Serfoji Govt. College (Autonomous), Thanjavur,Tamilnadu.
**Asst. Professor, Research department of Business Administration,Rajah Serfoji Govt. College (Autonomous), Thanjavur,Tamilnadu.

Abstract
Retailing includes all activities incidental to selling to the ultimate consumer. is selling final consumer products to householders." So, it is clear that the retailing is the last point of distribution network and the seller (retailer) sells the goods to end consumers at small quantities. 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 samples were selected as per convenience sampling technique. In the case of most important problem in the retail business, majority retailer-respondents (29%) point out that the competition is the major problem.

Keywords Retailing, Organized Retailing, Large Scale Retailing.

Retailing: An Introduction

This word retail has come from a French word Retailer that means to cut off a piece. Retailing includes all activities involved in selling the products and services to the ultimate consumers. Therefore, this is said to be the last person in the channel of distribution. According to the Report of the Definition Committee of America, "Retailing includes all activities incidental to selling to the ultimate consumer". In the words of Mc Carthy, "Retailing is selling final consumer products to householders." So, it is clear that the retailing is the last point of distribution network and the seller (retailer) sells the goods to end consumers at small quantities.

Evolution of Indian retail Industry

Retail Industry is standing at its point of beginning and it is waiting for the boom. The inception of the retail industry dates back to times where retail stores were found in the village fairs, 'melas' or in the weekly markets. These stores were highly unorganized. The maturity of the retail sector took place with the establishment of retail stores in the locality for convenience. With the government intervention, the retail industry in India took a new shape. Outlets for Public Distribution System, Cooperative stores and Khadi stores were set up. These retail Stores demanded low investments for its establishment.

The retail industry in India gathered a new dimension with the setting up of the different International Brand Outlets, Hyper or Super markets, shopping malls and departmental stores.

Retailing in India: A Forecast

Future of organized retail in India looks bright. According to recent researches, it is projected to grow at a rate of about 37% in 2007 and at a rate of 42% in 2008. It will capture a share of 10% of the total retailing by the end of 2010.

According to the Union Minister of Commerce & Industry, Shri Kamal Nath, the organized retail sector is expected to grow to a value of Rs. 2,00,000 crore (US$45 billion) and may generate 10 to15 million jobs in next 5 years. This can happen in two forms- 2.5 million of these people may be associated directly with retailing and the rest 10 million people may be gainfully employed in related sectors that will be pulled up through the strong forward and backward linkage effects.

However to compete in this sector one needs to have up-to-date market information for planning and decision making. The second most important requirement is to manage costs widely in order to earn at least normal profits in face of stiff competition.

Size and contribution of the retail industry in India

In terms of value, the Indian Retail industry is worth $300 billion. Its contribution to the Gross Domestic Product is about 10%, the highest compared to all other Indian Industries. The retail sector has also contributed to 8% of the employment of the country. The organised retail sector is expected to triple its size by 2010. The food and grocery retail sector is expected to multiply five times in the same time frame.

Review of Literature
Dr.M. Selvakumar Dr. A. MuthumonI (2011) pointed out that the retailers must differentiate themselves by meeting the needs of their customers better than the competitors. Retailers should prepare marketing plans that include decision on target market, product assortment and procurement, services and stores atmosphere, price promotion and proper placement of products inside the retail shops. There is a general agreement that a basic retailing strategy for creating competitive advantage is the delivery of high service quality.

Amatual Baseer (2007) studied in his research about "Emerging Trends in India", The demanding ascertain Indian consumer is now sowing the seeds for an exciting retail transformation that he already started bringing in larger interest from international brands / formats. With the advent of these players, the race is on to please the Indian customer and its time for the Indian customer sit back and enjoys the hospitality of being treated like a King.

Rathanyake (2008) studied in his research about "customer complaining Behaviour in Retailing", proper understanding of the dynamics of customer complaining behaviour support the retailer to treat the customers who are not satisfied with the retail Experience.

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.

Preety Wadhwa and Lokinder Kumar Tyagi(2012) attempted to understand the current situation of Indian Retail Industry especially organized FMCG Retailing. The study has also highlighted latest development in organized FMCG Retail Industry. The role of the key factors which can significantly contribute to beat the stiff completion and sustained the growth of organized FMCG retailing, have also been discussed in his paper. He concluded that the future of organized retailing is changing its track and marching ahead. Organized retail has a promising future as indicated in the above findings. India has huge untapped space in organized retail sector. But it is also matter of great concern that new players who are interested for entry in the organized Retail Market should have a thorough understanding of factors needed for survival and growth and plan their strategies accordingly.

Statement of the Problem
Now, the retail marketing is undertaken in two categories viz., at small scale level and large scale level. The former is the practice of retail sale at small quantities and investment in the business is relatively small. In the later case, the retail sale is undertaken at large scale level, by the super markets, hyper markets, department stores, multiple or chain stores, shopping 'maals' and by the multinationals. (The present paper takes the small retailers' problems only). The small scale retailers generally petty shops or stalls face so many problems such as lack of finance, poor marketing net work, lack of specialization etc. In addition to these problems, 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 perceived as the problem for the research.

Objectives of the study
1. To study the marketing practices of the retailers in Thanjavur district
2. To identify major problem faced by the retailers in their business.
3. To give suitable suggestions for the development of the retail trade.

Hypotheses
1. There is a significant relationship between educational qualification of the retailers and their relationship with neighbouring retailers.
2. There is a significant relationship between educational qualification of the retailers and having insurance.

Nature of Research
The present survey was undertaken to study about the retail business in Thanjavur district. Population of this study is the retailers of Thanjavur district. They are doing their business in various lines. The present work takes the following two types of retailers only:

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- ***Retailers of petty shops***. (The term petty shop refers to small shops selling newspapers, soaps, shampoos, toothpastes, cigarettes etc.)
- ***Retailers of grocery shops*** (The term grocery shop refers to shops selling the products for cooking purposes such as oil, rice, sugar, food grains etc.)

So, above mentioned two categories of retailers are taken into the consideration for this project.

In all eight taluks of Thanjavur district, the sample retailers were taken and the size of samples is 200. The samples were selected as per convenience sampling technique. But, care was taken to include all types of retailers.

Data Used
Secondary data relating to the retail marketing were collected from various books materials and web sites. The primary data were collected from the selected 200 sample retailers.

Tool for Primary Data Collection
An interview schedule was prepared and it had wider areas to discuss with the retailers. The responses were carefully categorized and they were put into tables. In addition, they were analysed properly.

Framework of Analysis
The primary date are classified, tabulated, and analyzed with the help of percentages. Chi square test is made at the end of the chapter.

Chi square test
Chi square test is an important test amongst the several tests of significance developed by statisticians. It is a statistical measure used in the context of sampling analysis for comparing a variance to a theoretical variance. As a non-parametric test, it can be used to determine if categorical data shows dependence or the two classifications and the actual data when categories are used. The present study takes the chi square test to test the hypotheses.

Analysis of Data
The analysis is started with the discussion of demographic profile of the retailers of the present study. The Table No,1 presents the details in a comprehensive manner.

Table No.1,Demographic Profile

Sl.No.	Gender	Number of Samples	Percentage
1.	Male	128	64
2.	Female	72	36
	Total	**200**	**100**
Sl.No.	Age	Number of Samples	Percentage
1.	20-30 years	28	14
2.	30-40 years	45	24.5
3.	40-50 years	86	43
4.	Above 50 years	41	20.5
	Total	**200**	**100**
Sl.No.	Educational qualification	Number of samples	Percentage
1.	S.S.L.C/ P.U.C/Higher Secondary	125	62.5
2.	Diploma	25	12.5
3.	Degree	50	25
	Total	**200**	**100**
S.No.	Monthly Income	Number of samples	Percentage
1.	Below Rs.10,000	168	84
2.	Rs.10,000-Rs.20,000	32	16
3.	Above 20,000	00	00
	Total	**200**	**100**
Sl.No.	Period of the Shop	Number of samples	Percentage
1.	Upto 5 years	54	27
2.	5-10 years	66	33
3.	10-15 years	32	16
4.	Above 15 years	48	24

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		Total	200	100
	Investment in Merchandise (in Rs.)		**No. of Samples**	**Percentage**
1.	Upto 25,000		128	64
2.	25,000-50,000		35	17.5
3.	50,000-75,000		15	7.5
4.	75,000 -1,00,000		22	11
		Total	200	100
	Having servants in the shop		**No. of Samples**	**Percentage**
1.	Yes		16	8
2.	No		184	92
		Total	200	100

Source: Primary data

The above table presents the demographic characteristics of the 200 retailers in detail. In the table it is clear that the

- Males are in majority.(64%).
- 40-50 is the majority age group (43%).
- S.S.L.C/ P.U.C/Higher Secondary is the qualification to 62.5% retailer respondents.
- 84% retailer respondents earn Below Rs.10,000.
- 33% retailer respondents run the shop for the period of 10-15 years.
- 24% respondents invest in merchandise items upto Rs.25,000.
- 92% do not have any employee to their shops.

Table No.2,Major Competitor

Sl.No	Major competitor	No. of Respondents	Percentage
1.	Neighboring retailers	168	64
2.	Large retail firms	32	16
	Total	**200**	**100**

Source: Primary data

64% retailer-respondents feel that the neighbouring retailers are their major competitors in their business. But, the large retail firms i.e., super markets, departmental stores, 'mega shopping maals' etc. are the competitors to the rest of the sample retailers.

Table No.3 ,Weekly Holiday

Sl.No	Weekly Holiday	No. of Respondents	Percentage
1.	Yes	35	17.5
2.	No	165	62.5
	Total	**200**	**100**

Source: Primary data

In respect of weekly holiday, 17.5% retailer-respondents grant weekly holiday to their business in Sundays. But, the majority respondents (62.5%) do not adopt such practice in their business.

TableNo.4 ,The Most Important Problem in the Retail Business

Sl.No	Problem	No. of Respondents	Percentage
1.	Competition	58	29
2.	Lack of Finance	36	18
3.	No Own building for the shop	32	16
4.	Bad Debts	42	21
5.	Non availability for labourers to my shop	32	16
	Total	**200**	**100**

Source: Primary data

In the case of most important problem in the retail business, 5 problems were identified by the 200 respondents. But, the opinions of the retailer-respondents are more or less equally distributed among the five problems. However, majority retailer-respondents (29%) point out that the competition is the major problem. It is a threat to their survival also. 21% retailers point out that the bad debt is the major problem. 18% retailers indicate that the lack finance.

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Test of Hypothesis
Null Hypothesis
There is no significant relationship between educational qualification of the retailers and their relationship with neighbouring retailers.

Table No.6,Cross Table

Relationship with neighbouring retailers	Educational Qualification			Total
	School Final	Diploma	Degree	
Amicable relationship	10	20	28	**58**
No relationship	115	5	22	**142**
Total	**125**	**25**	**50**	**200**

Table No.7,Chi Square Result

Calculated value	Degrees of freedom	Table value at 0.5% level of significance	Result
76.0564	2	5.99	Calculated value is greater than the table value. Null Hypothesis Rejected. Significant association

So, it is clear that there is a significant relationship between educational qualification of the retailers and their relationship with neighbouring retailers

Null Hypothesis
There is no significant relationship between educational qualification of the retailers and having insurance.

Table No.8,Cross Table

Relationship with neighbouring retailers	Educational Qualification			Total
	School Final	Diploma	Degree	
Having insurance	2	4	6	**12**
Not having insurance	123	21	24	**188**
Total	**125**	**25**	**50**	**200**

Table No.9,Chi Square Result

Calculated value	Degrees of freedom	Table value at 0.5% level of significance	Result
19.9787	2	5.99	Calculated value is greater than the table value. Null Hypothesis Rejected. Significant association

So, it is clear that there is significant relationship between educational qualification of the retailers and having insurance

Findings
- Males are in majority.(64%). 40-50 is the majority age group (43%). Educational qualification of the majority retailers is lower. Earning of the retailers is generally lower. They are dealing in retail business fort eh past 10-15 years.
- 64% retailer-respondents feel that the neighbouring retailers are their major competitors in their business. But, the large retail firms i.e., super markets, departmental stores, 'mega shopping maals' etc. are the competitors to the rest of the sample retailers.
- In respect of weekly holiday, 17.5% retailer-respondents grant weekly holiday to their business in Sundays. But, the majority respondents (62.5%) do not adopt such practice in their business.
- In the case of most important problem in the retail business, majority retailer-respondents (29%) point out that the competition is the major problem. It is a threat to their survival also. 21% retailers point out that the bad debt is the major problem. 18% retailers indicate that the lack finance.
- Significant relationship exists between educational qualification of the retailers and their relationship with neighbouring retailers

- There is significant relationship between educational qualification of the retailers and having insurance

Conclusion

The retail industry of India particularly Thanjavur distirct is under stiff competition within the sector as well as competition from the outsiders especially from the large retail orgnaisations and Multinationals. As the retail business is the means for self-employment, the industry should be protected for the benefits of self-employed people. Therefore, the government should take steps to protect the industry. This industry may be announced as a preferential sector like agriculture and small-scale industry (SSI) in getting the bank loans. This sector is divided into organized and unorgnaised. The unorganized sector should be encouraged by the governmenI to convert their operations in the lines of organized way and all the small and mini retail outlets should be registered with the local body authorities. At the same time, the retailers have to devise their business strategy very carefully so that they can protect themselves in the competitive world in due course.

Suggestions

1. The retail industry should be protected from the large retail firms and multinationals so that the government should not permit these orgnaisations henceforth**.**
2. All the retailers should be under their trade unions then only they can reap common benefits.
3. Commercial banks may grant loans to the retail shops especially for the women business men, widowers and rural people.
4. The State government may treat the retail industry as the preferential sector to get loans from the nationalised banks**.**
5. The retail merchants may adopt measures to attract the customers in the matter of supply of goods to customers' houses also.

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