

Potential Benefits And Problems Faced By Retail Entrepreneurs In Thiruvananthapuram District

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ABSTRACT

The retail sector is one of the most important sectors of the economy because it deals directly with consumers. It includes all stores, from kiosks and small groceries to supermarket chains and shopping malls that sell products and services to the final consumer for personal and household use. The aim of this paper is to make an investigation into the benefits and problems faced by retail entrepreneurs in Thiruvananthapuram district. Both primary and secondary data are extensively used in this study. In this study, the secondary data was collected from various journals, books and websites. Then, the primary data was collected through the questionnaire method from the retailers. For this study, 120 respondents were selected from Thiruvananthapuram District collecting necessary information by using simple random sampling method. The analysis reveals that the benefits received by the retailers are influenced by their area of business and the major problem faced by the retailers is retailing the customers.

Key words: Retail sector, benefits, problems, retail entrepreneurs.

1.1 INTRODUCTION

The retail industry secures the fifth position as an industry and is the second largest employer after agriculture, providing bright and exciting job opportunities in India. Retail business is undergoing rapid transformation in its marketing practices. Till a few years ago, we bought most of the daily use products from small shops in our neighborhood or a nearby market. Generally, the shopkeepers sell goods either individually as sole proprietorship or with the help of a few assistants. In the last few years, however, the concept of large departmental stores and malls has come up, which also provide the same products. Today, supermarkets, departmental stores, hypermarkets, malls and non-store retailing like multilevel marketing and telemarketing, have replaced or co-exist, transacting with the traditional retail businesspersons, such as hawkers, grocers, and vendors, etc. There are various levels at which retail businesses operate ranging from small, owner-operated, and independent shops to those in the national and international market. An increase in income levels, need for new products and services, rise in the standard of living, competition in the market and increasing consumption patterns of customers have contributed to the demand for creation of these types of stores.

Concept of retail

Retail is a business in which the seller sells small quantities of goods to the customers as per their needs. A retail store is a retail business enterprise which primarily deals with sales volume in retailing. In easy terms, the function of retailing is to sell products to final consumers by an individual or a firm.

Functions of retailer

The retailer provides the products and services that the customer needs, in the required quantity, at the right place and at the time. This activity of the retailer creates value addition or utility to the customers. There are four basic functions of the retailer:

- (i) **Breaking bulk into smaller quantities:** To reduce the cost of long-distance transportation, producers

ship the goods in copious quantities; the middlemen, including the retailers, open these large packages and make the product available in much smaller quantities to the consumers, as per the needs.

- (ii) **Providing product and service information to customers:** The retailer or salesperson is an important source of information, especially about the features and working of the assorted brands available. The salesperson has knowledge about the product being sold.
- (iii) **Providing customer services:** Retailers provide numerous services to their customers. These may include free home delivery, gift wrapping, credit facility and after-sales services.
- (iv) **Creating a convenient, comfortable, and pleasant shopping experience for consumers:** The aim of the retailer is to provide products required by the consumer, conveniently. This creates place utility. Also, the number of customers increases when the environment inside the retail stores is friendly and pleasant. Playing soft music, proper lighting, creating a larger space for movement, courteous and well-dressed employees create a positive environment for the customers.
- (v) **Providing feedback to producers about customer needs:** With their first-hand interaction with the customers, retailers have a good understanding of the customer's needs. This information, in the form of feedback, can contribute to product improvement by producers.

1.2 STATEMENT OF THE PROBLEM

In today's fast-paced business environment, it's harder than ever for business retailers to stay up on the latest trends. With these constant-changing factors, it's no surprise research shows that half of all retail businesses close in their first two years. Entrepreneurship is the ability to generate and implement new ideas to start a business. It requires an ability to judge and handle the possible risks for gaining a reward or success. Entrepreneurship can be challenging and exciting as it requires tireless efforts and innovative

strategies to be applied to make the business ideas fruitful and profitable. An entrepreneur must possess the open-minded and creative abilities to gather information and implement innovative ideas to take advantage of new opportunities and remain competitive. In this process they will have to face many hindrances also. Hence, this study will focus on potential benefits and problems faced by retail entrepreneurs in Thiruvananthapuram District.

1.3 REVIEW OF LITERATURE

- Mohan, C. J. B (2013) in “Retail business management in India-challenges and strategies” observed that the major challenges faced by the retailers are regarding the supply chain, utility, taxation and Human Resource. The study also put forwards the strategies that are to be adopted in order to tackle the issues. The strategies include seeking government help, development of infrastructural facilities, developing training institute to develop talent and continuous engagement of retail association with government to bring standardization across policies.
- Mr. Narayane, A. and Dr. Singh, D. (2017), in “A Comparative Study of Organized and Unorganized Retail Sector Nagpur” observed that Indian consumers are becoming ecstatic and organized retailing in particular is luring them into malls and commercial areas in large numbers. Food and grocery shopping have undergone a revolution in the Indian retail sector as a result of glaring shifts in customer purchasing habits brought on by rapid income growth, evolving lifestyles, and benevolent demographic trends.

1.4 OBJECTIVES OF THE STUDY

The study has the following objectives.

- To identify the benefits of retail entrepreneurs.
- To trace out the problems faced by retail entrepreneurs.

1.5 RESEARCH HYPOTHESIS

H₀: The benefits of retailers are not influenced by their area of business.

1.6 RESEARCH METHODOLOGY

1.6.1 COLLECTION OF DATA

i. Primary Data

The primary data was collected personally by approaching the retailers in Thiruvananthapuram district. The data were collected with carefully prepared Questionnaire.

ii. Secondary Data

The secondary data has been collected from the books, websites and journals which deal with retail sectors. Having collected enough primary and secondary data, efforts were made to process them and tabulate them for analytical purpose.

1.6.2 SAMPLE SIZE, SAMPLING TECHNIQUE AND TOOLS

For studying the benefits and problems faced by the retail entrepreneurs, 120 respondents were selected. Simple random sampling method was used for collecting data from these samples. For analysing the data, independent sample t-test and mean scores were used in SPSS (statistical Package for Social Sciences).

1.7 RESULTS AND DISCUSSION

DEMOGRAPHIC PROFILE OF THE RETAILERS

Demographic factors consist of the personal details of respondents which are used to evaluate the given population. In this study, a set of demographic factors namely age, gender, monthly income and business area were included under the demographic profile of the respondents. The results of which have been presented in the table below.

TABLE 1 DEMOGRAPHIC PROFILE OF THE RETAILERS

Category	Options	No of Respondents	Percentage
Age	25-30	73	14
	31-35	10	8
	36-40	17	61
	41-45	10	8
	Above 45	10	8
	Total	120	100

Gender	Male	85	71
	Female	35	29
	Total	120	100
Monthly Income	Below 10000	13	11
	10000-30000	59	49
	30000-50000	31	26
	Above 50000	17	14
	Total	120	100
Residential area	Rural	34	28
	Urban	86	72
	Total	120	100

Source: Primary Data

From the above table, it is observed that 61 per cent of the respondents were from the age group 36-40 years. Gender of retailers indicates that 71 percent of the respondents are male. The income of majority (49percent) of the respondent's range between Rs. 10,000- Rs. 30,000 per month. 72 percent of the respondents were having business in urban area

TABLE 2 BENEFITS OF RETAIL ENTREPRENEURS

S.no	Benefits of Retail Entrepreneurs	Mean Score		t- Statistics	p- Value
		Urban	Rural		
1	Generate high profit	4.22	4.12	1.927	.055*
2	Offer better customer service	3.84	3.67	2.252	.025*
3	Cash business	4.17	3.85	4.355	.000*
4	Less initial capital and space	3.97	3.29	3.857	.000*
5	Financial rewards	4.00	3.29	4.211	.000*
6	Independence	4.10	3.61	2.518	.013*
7	Better customer relationship	4.05	3.61	2.362	.000*

Source: Primary Data. *Shows significance at 5 percent level

The table 2 indicates that benefits of retail entrepreneurs which include “Generate high profit”, “Offer better customer service”, “Cash business”, “Less initial capital and space”, “Financial rewards”, “Independence”, “Better customer relationship” have influence over the area of business. Therefore, the null hypothesis is rejected at 5 percent level.

TABLE 3 PROBLEMS OF RETAIL ENTREPRENEURS

S.No	Problems of retail entrepreneurs	Mean Score	Rank
1	Attracting customers	2.77	VIII
2	Retaining customers	4.30	I
3	Need for constant learning and adoption	4.00	II
4	Lack of work life balance	2.83	VII
5	Stress and pressure	3.50	IV
6	Requires good location	3.18	V
7	Constant supervision and control of the business unit	3.91	III
8	Risk	3.12	VI
9	Work for long hours	2.68	IX
10	Fixed margins and low scale of operations	2.44	X

Source: Primary Data

The Table 3 shows the problems faced by retail entrepreneurs in Thiruvananthapuram District. Retaining customer is the major problem faced by the retail entrepreneurs with the mean score of 4.30 which contributed to first rank, need for constant learning and adoption with the mean score of 4.00 has got second rank, Constant supervision and control of the business unit with the mean score of 3.91 has got third rank. Fourth rank is for Stress and pressure with a mean score of 3.50. Requires good location with a mean score if 3.18 has got fifth rank. Sixth rank is for Risk with a mean score of 3.12. Seventh rank is for Lack of work life balance with a mean score of 2.83. Eighth rank is for Attracting customers with a mean score of 2.77, ninth rank is for Work for long hours with a mean score of 2.68 and least rank is for Fixed margins and low scale of operations with a mean score of 2.44.

1.8 FINDINGS

After the analysis and interpretation of the data, these are the following findings that were arrived at:

- ✓ Most of the respondents belongs to the age group of 36-40 years.
- ✓ Most of the respondents are male.
- ✓ Most of the respondents have monthly income between Rs 10,000- Rs 30,000.
- ✓ The benefits received by the retail entrepreneurs have influence over the area of business.
- ✓ Problems of retail entrepreneurs in Thiruvananthapuram District shows that retaining customers is the major problem faced by the retail entrepreneurs and got rank 1 and least problem faced by the entrepreneurs are fixed margins and low scale of operations.

1.9 SUGGESTIONS

- Retail entrepreneurs from rural areas should be given more financial support, awareness on various aspects of retailing and other facilities so that they can reap more benefits from retailing.
- Entrepreneur should take more steps to retain their customers like, by creating a strong onboarding experience, providing personalized customer experiences, collecting the customer feedback and implementing the possible customer suggestions. The entrepreneurs, if possible, can also provide follow-up to the customers regarding the actions taken on the feedback provided by them.
- Constant learning and adoption of the new business opportunities are necessary to retain the business for a longer period of time. Since the entrepreneurs find it problematic to keep themselves updated, it is advisable to hire a full time or part time financial analyst or consult them in frequent intervals in order to stay updated.

1.10 CONCLUSION

The retail environment in India has changed quickly in recent years, and both domestic and foreign businesses have been closely watching it through significant

investments. The Indian retail market is currently one of the top ten retail markets worldwide. The transformations in consumer attitudes and organized retailing in India have altered the face of Indian retail industry. However, with these changes happening in the retail industry the entrepreneurs had to face many challenges and also received many benefits, which are analysed in this study. Apart from the entrepreneur's point of view there are several changes in customers and other stakeholders' perspective which can also be studied for the development of retail industry as a whole.

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