



**A STUDY ON PROSPECTS AND CHALLENGES OF SMALL INDEPENDENT
TEXTILE RETAILERS**

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ABSTRACT

Retailing refers to all the transactions which involve sale of goods or services to the ultimate consumers. Retailers anticipate the needs of consumers and accordingly assemble goods of different varieties. Thus they satisfy their demands and provide them a wide choice of goods. An independent retailer is someone completely responsible for his or her own business. Retailers also provide other services to the consumers such as free home delivery, after sale services, credit facility, etc. retailers are of different types depending upon their scale of operation and location. In the era of information explosion consumers find it difficult to spend time on shopping. Nowadays, they prefer online shopping for purchasing anything and everything. If they find leisure time they go for mall or some specialty stores where they have ample opportunities when compared to small stores. The success of the small stores more depend on the customer relationship management and the way they take the business with appropriate marketing strategies.

Key words: Retailers, Retailing, Independent, Retailer, Consumers & Customer Relationship Management

INTRODUCTION

Retailing is a distribution channel that links the manufacturer and the consumers. A retailer or retail store is any business enterprise whose sale volume comes primarily from retailing. A retailer may be defined, as a 'dealer or trader who sells goods in small quantities'. Retailers attempt to satisfy consumer needs by having the right merchandise, at the right price, at the right place, when the consumer wants it.

According to Philip Kotler Retailing includes all the activities involved in selling goods or services directly to final consumers for personal, non-business use". Retailing may be



understood as the final step in the distribution of merchandise, for consumption by the end consumers.

Small Independent Retailer

Independent Retailers are businesses that are privately owned. They are usually thought of as single-store operations, and they can offer both high risk and high rewards. An independent retailer is someone completely responsible for his or her own business. The retailer owns or has bought an independent store and has built the business from the ground up by assessing all needs of the store, which can include staffing, marketing, merchandising, sales, etc.

Operational Definition

A small business is defined as one with fewer than 15 employees. In addition to number of employees, other methods used to classify small companies include annual sales (turnover), value of assets and net profit (balance sheet), alone or in a mixed definition.

Survival of small independent retailer

Survival of the small retailers is due to the following

1. Small businesses require a small capital with little need for knowledge and experience. Therefore it make easier for people to enter the retailing business.
2. A small shop is easier to manage and usually the family members help in the running of the business, thus there is little need for hiring assistants.
3. Small independent retailers give personal advice and service. The customers prefer to buy goods from such retailer who provides a personal touch in the dealings.
4. They're open for longer hours thus making it convenient for customers to buy goods at odd hours.
5. They are usually located close to the homes of his customers making it very convenient for them to call whenever they run out of supplies.
6. They provide credit facilities to regular customers.
7. The goods sold at lower prices as the overhead expenses are nil or minimal when compared to large retailer.

Dominance of unorganized retail sector in India

Small-store retailing has been one of the easiest ways to generate self-employment, as it requires limited investment in land, capital and labour. It is generally family run business, lack of



standardization and the retailers who are running this store are in lack of experience and exposure also unorganized retail sector is still predominating over organized sector in countries like India.

STATEMENT OF THE PROBLEM

Retailers occupy a predominant role in the development of the country. The Indian retail sector is highly fragmented and unorganized. The growth potential in the sector is immense with too many obstacles. Small independent retailers are facing problems at every stage of their operation, such as buying of materials, marketing of goods, raising of finance etc. They also face stiff competition from large scale retailers. The success of small scale retailers solely depends on how they perform in the market place at a given point of time. Hence it is necessary to study the SWOT of a retailer.

OBJECTIVES OF THE STUDY

- To study the SWOT of small independent retailers.
- To study the challenges faced by the small scale retailers in marketing of textile products.
- To offer suggestions based on the study.

METHODOLOGY OF THE STUDY

Coimbatore city is taken for the study. The data have been collected from 250 respondents who are small scale retailers using convenience sampling technique.

REVIEW OF LITERATURE

Sushil Kumar & Niraj Mishra in his study “Do retail stores attributes influence customer satisfaction in India” focused on the retail industry in India which is witnessing a fast growth in almost all cities in India. Attracting customers and retaining them become keys to success in increased competition. So the study focused on how to retain the customers and further it is an effort to examine the relationship between retail store attributes and customer satisfaction.

Nithu Sexena, et al made a research on “A study on internal and external factors influencing consumer buying behaviour with respect to retailing in India”. The paper focuses on Understanding the internal and external factors influencing the Consumer buying Behaviour in India, which can help the marketer to address family sensibilities more rigorously to woo Indian customers. The study says that retail industry is moving further and further away from its traditional roots – an old fashioned notion that rings more true today than ever before.



Mahalakshmi & Chitra made a research on “An empirical study on lifestyle segmentation on the retail store attributes that are important to old people”. A market segment is a sub-set of a market made up of people or organizations with one or more characteristics that cause them to demand similar product and/or services based on qualities of those products such as price or function. Every organization engaged in a market will develop different ways of imagining market segments, and create product differentiation strategies to exploit these segments.

Rajeev K Shukla , et al attempts on “ Buyers’ preferences for organized and unorganized apparel retail stores-a comparative study” The study intended to know the effect of attributes associated with different apparel retail formats and the buyers' preferences to visit the retail stores. Further he finds that the win-win relationship between different categories of apparel buyers and different format of apparel retail stores is a good indicator for the overall growth of apparel market as it is fulfilling the need of different categories of buyers by providing customized services as per the buyers' preferences.

Gupta et al made a research on “consumer behavior towards organized and unorganized retail stores” and to find out the consumers satisfaction level from organized retail stores as well as unorganized retail stores. The perception of the traditional retailers about the modern retailing. The study uses primary data collected through in depth qualitative analysis to represent organized and unorganized retails sectors respectively.

ANALYSIS AND INTERPRETATION

SWOT ANALYSIS

SWOT FACTORS		RANK					TOTAL
		Rank 1	Rank 2	Rank 3	Rank 4	Rank 5	
STRENGTH	Flexibility	32 (12.8)	36 (14.4)	51 (20.4)	70 (28.0)	61 (24.4)	250 (100)
	Personal attention to customers	40 (16.0)	51 (20.4)	67 (26.8)	77 (30.8)	15 (6.0)	250 (100)
	Easy to manage and control	78 (31.2)	72 (28.8)	56 (22.4)	12 (4.8)	32 (12.8)	250 (100)
	Less risk	46 (18.4)	58 (23.2)	28 (11.2)	40 (16.0)	78 (31.2)	250 (100)
	Quick decision	54	33	48	51	64 (25.6)	250



		(21.6)	(13.2)	(19.2)	(20.4)		(100)
WEAKNESS	Small in size	109 (43.6)	46 (18.4)	40 (16.0)	31 (12.4)	24 (9.6)	250 (100)
	Less investments	23 (9.2)	105 (42.0)	62 (24.8)	40 (16.0)	20 (8.0)	250 (100)
	Comparatively less varieties of products	71 (28.4)	23 (9.2)	56 (22.4)	62 (24.8)	36 (15.2)	250 (100)
	Less facilities to customers	23 (9.2)	44 (17.6)	79 (31.6)	82 (32.8)	22 (8.8)	250 (100)
	The owner need to be present	20 (8.0)	32 (12.8)	17 (6.8)	39 (15.6)	142(56.8)	250 (100)
OPPORTUNITIES	Better customer relationship	76 (30.4)	53 (21.2)	42 (16.8)	31 (12.5)	48 (19.2)	250 (100)
	Better focus in the business	52 (20.8)	67 (26.8)	60 (24.0)	39 (15.6)	32 (12.8)	250 (100)
	Personalized services	79 (31.6)	66 (26.4)	77 (30.8)	20 (8.0)	8 (3.2)	250 (100)
	Specialization in business	23 (9.2)	44 (17.6)	39 (15.6)	112 (44.8)	32 (12.8)	250 (100)
	Scope for growth and development	16 (6.4)	16 (6.4)	32 (12.8)	52 (20.8)	134 (53.6)	250 (100)
THREATS	Competition from large scale shops	96 (38.4)	42 (16.8)	36 (14.4)	16 (6.4)	60 (24.0)	250 (100)
	Less support from suppliers	47 (18.8)	58 (23.2)	62 (24.8)	56 (22.4)	27 (10.8)	250 (100)
	Offers	57 (22.8)	59 (23.6)	56 (22.4)	31 (12.4)	47 (18.8)	250 (100)
	Changing preferences of customers	30 (12.0)	61 (24.4)	48 (19.2)	91 (36.4)	20 (8.0)	250 (100)
	Increase cost of	20	30	48	52	100 (40.0)	250



	material	(8.0)	(12.0)	(19.2)	(20.8)		(100)
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Result of Percentage Analysis

- Maximum (31.2%) of the respondents have given high rank towards easy to manage and control as the strength factor of the small scale retailers.
- Maximum (43.6%) of the respondents have given high rank towards size of the business as the weakness factor of the small scale retailers.
- Most (31.6%) of the respondents have ranked their high priority towards personalized services as an opportunity factor with regard to small scale retailers.
- Maximum (38.4%) of the respondents have given top priority towards competition from large scale shops as the threat factor of the small scale retailers

Results of SWOT – Average Rank Analysis

- Among the various reasons considered the majority of the respondents have given top priority to Easy to manage and control as the reason for strength factor.
- Among the various reasons considered the majority of the respondents have given top priority to small in size as the reason for weakness factor.
- Among the various reasons considered the majority of the respondents have given top priority to personalized services as the reason for Opportunity Factor.
- Among the various reasons considered the majority of the respondents have given top priority to competition from large scale shops as the main reason for Threat Factor.

RECOMMENDATIONS

Success in India's retail market is not an effortless task and is achievable with the combination of the following recommendations.

- The existence of small independent retailers is seriously exposed to risk through severe competitive pressure, mainly caused by the ecommerce, rapidly changing consumer behaviors and the effectiveness of large commercial companies. Small retailers should respond to this pressure by designing and implementing innovative business strategies.
- Survival under competitive market conditions demands a competitive response, from the retailers and they should be flexible enough to customize the products to consumers.
- The concept of online and offline retailing is combining and retailers need to manage and adopt Omni channel retailing concept. The emerging trends and developments in technologies help the customers to take smart decisions in less time leaving themselves



highly satisfied and confident with their decisions. Retailers on the other hand should welcome these emerging technologies in order to enhance the customer engagement.

- Retailers need to continuously examine and reexamine their business strategies to meet the changing expectation of their local consumers.

CONCLUSION

Majority of the Indians are value conscious. It is important to stay connected with the customers today to remain the top-of-the-mind recall when they shop. It must also be remembered that India is one of the biggest markets for retail players in the world. Even though the problems are highly perceived by the retailers, there is a higher opportunity for independent retailing. Survival in retail depends on the ability to adapt to changes. With the invent of organized retailers the role of large retailers have been simplified. Inspite of quality products / services it is imperative that the size of the retail organization play vital role in marketing of goods. The small retail organizations / retailers are put into the task of attracting new consumers and retaining the present customers. This twofold objective cannot be easily fulfilled as there is going to be a stiff competition from large scale retail stores. The success of the small stores more depend on the customer relationship management and the way they take the business with appropriate marketing strategies.

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