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State and Prospectus of Unorganized Retail Units in Comparison with Organized Retail Units in Latur City.

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Abstract

Almost every need of common individual is immediately covered by retail store operating nearby his residence. It may be of foodstuffs, clothing or other general requirements nearby retail store work as major distribution channel. The age old retail structure specifically unorganized retail business has witnessed remarkable shift in their business environment after 1991. On account of liberal economic policies and entry of foreign corporate houses Indian market structure has changed radically. Indian markets are opened for foreign players and their work culture has evolved Indian market conditions in both organized and unorganized markets where as unorganized retail business has get affected in adverse manner.

The main objective of this research paper is to study major problems faced by unorganized retail and put forward some effective strategies to overcome the competitive challenges.

Key words- Unorganized retail units, Organized malls, Problems and remedies for retail sector.

Introduction:-

Indian retail sector have its two major branches i.e. organized retail sector and Unorganized retail sector. Both have their own features and operational methodology. Organized retail sector has evolved recently in the form of big shopping malls, chain stores, large departmental stores, multi brand showrooms etc. They follow advanced marketing strategies and modern managerial techniques. Rapid urbanization, radical change in consumer buying behavior and aggressive advertisements have contributed the development of organized retail business. All small retail units together make up the 'unorganized retail' or traditional retail. From last decade Indian markets has witnessed the entry of a number of organized retailers opening stores in various modern formats in metros and other important cities.

On the other side unorganized retail sector have its own operational space. It is the oldest form of retailing having dominance in both urban as well as rural market of India. It includes thousand small retailers serving whole of India. Unorganized retail business units have become inseparable part of social ecology.

Meaning and Definition of Retail

"A set of business activities carried on to accomplishing the exchange of goods and services for purposes of personal, family, or household use, whether performed in a store or by some form of non-selling." – American Marketing Association



“Retailing includes all the activities involved in selling goods or services to the final consumer for personal, non-business use.” – Philip Kotler

Research Methodology

Primary data is collected by the researcher with the help of structured short questionnaire. The responses obtained from 50 stakeholders thus consist first hand information which was further evaluated with the help of statistical analysis techniques.

In order to collect the secondary data information was gathered from the previous research work. Major part of secondary data was collected from online resource i.e. websites, online research papers, online reports available on internet.

Review of Literature

Prof. Rupa Shah (2016) stated that these two retail sector possess their own strength and weakness and will always mutually exists as well as grow together for at least some generation to come. Organized retail is certainly started affecting the traditional form of unorganized retail on account of its strategic strength and market expertise. The study further suggests that more local level study and analysis is required for these two sectors and their mutual impact.

Mrs. Shilpa Tiwari & Dr. Rekha Jha (2016). The research paper gives detail information about the unorganized retail sector in the form of meaning, definition and story of unorganized retailing. As per the researcher, Lack of latest technology, low investment capacity, difficulty in selling with high discount and offers are some of the main hurdles faced by unorganized retailers. The paper also provide some strategic remedies to sustain in the competition like adding new product lines and brands, renovation of store with better display, enhance home delivery and acceptance of credit card etc..

Apoorwa Mishra, Ekta Mishra, Malvika Tiwari (2017) The researcher had considered retail sector as backbone of economy for generating job opportunities and for encouraging innovative marketing techniques. Paper mentioned that on account of entry of the international players in retail sector, local small and medium scale retailers have to deal with intense competition. The changed environment in retail industry provided the scope of this research. According to the paper the origin of unorganized retail business is not a result of choice but as a solution for unemployment and low capital investment capacity. Therefore the natural choice with landless entrepreneur was to start small unorganized retail unit in own land. The paper also discussed competitive advantages and disadvantages of small business over the organized retail.

Objectives of the Study

1. To study state of hardship faced by unorganized retailers due to organized retailers.
2. To study possible strategies adopted by the unorganized retailers to overcome competition.

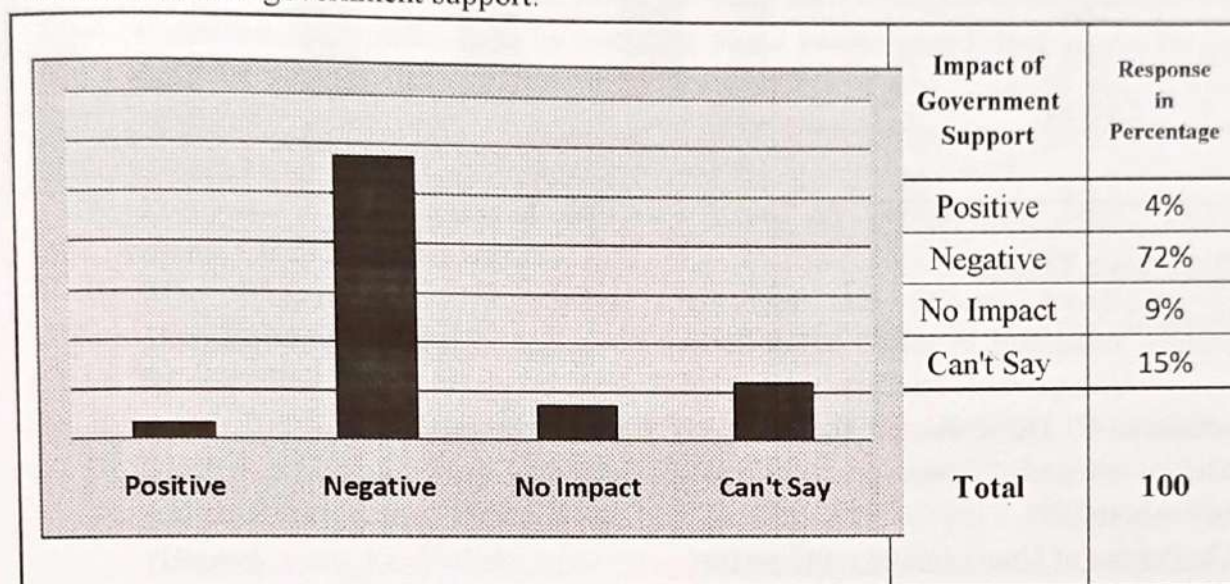


Importance of the Research Study

The important role of unorganized retail sector can be considered an information that 93% of the retail trade is performed by its unorganized counterpart. The present research work is in a position to assist many of the unorganized retailers to solve day to day hurdles they interact during the conduct of their regular business operations. By using this research study unorganized retailers get well equipped to compete with organized retail units.

Role of Government Support

As compare to organized business unit unorganized forms of businesses are is unable to obtain maximum government support.

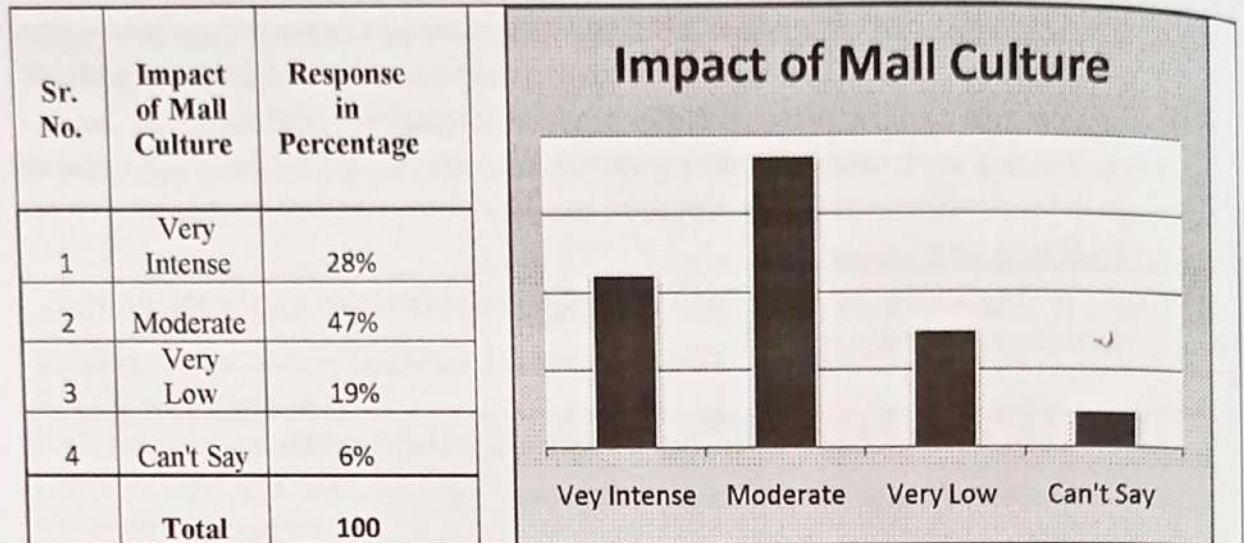


Disturbance due to weather change



Impact of Mall Culture on unorganized retails business

Entry of branded shopping malls with aggressive marketing policies can successfully attract new customers hence entire retail market is witnessing radical changes. Unorganized retailers cannot easily sustain in this competition



Hypothesis Testing

Hypothesis: - 1

Unorganized retailers are under depression about undue influence of market competition. The collected figures have strongly supported the fact that unorganized retailers are under depression about undue influence of market competition and prove the null hypothesis.

Challenges of Unorganized retail sector:

- . Tough Competition posed by organized retail sector.
 1. No Fixed place for business operations
 2. Change in consumer behavior and shift towards organized retail markets
 3. Lack of best practice in inventory management and supply chain management.
 4. Lack of capital or Credit requirement for business

Strategies for unorganized retailers

Competition as well as uncertainty are the part and parcel of every business venture it may be small or large and so as for unorganized retail units too. It has to run within the phase of uncertainty and competition. In order to retain its existence following strategic policies may prove beneficial and advantageous

1. Adopt participative selling technique like self service
2. Arrangement for acceptance card payments
3. Selling newly introduced products and brands.
4. Pleasant and attractive displays.
5. Renovation of the store.

Conclusion and Suggestions:

1. In order to retain the existence in the market unorganized retailers have to be very attentive and need to adopt continuously while considering tough competition posed by organized retail sector.



2. Unorganized retailers need to maintain maximum possible variety with current market brands as the low income group consumer also started shifting their consumption towards branded products.
3. In current situation retail sector is expanding with enormous market strategies and efforts. In order to retain the employability government authorities should give equal importance to unorganized retail sector too.
4. Various incubation policies and protective measures will surely help unorganized retail sector to retain their existence.
5. Majority of unorganized retail units can retain their existence in competition with organized retail units only by adopting some modern marketing strategies and business policies like attractive discounting, effective advertisement and efficient feedback system.

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