

IMPACT OF SUPERMARKETS ON UNORGANIZED RETAIL

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ABSTRACT

India is a developing Country. It has a very huge retail market. India's economic development is depend upon the retail sector especially unorganized retail sector. Now-a-days the share of India's organized retail is only 8% remaining 92% is unorganized retail. The government policies offered more growth to organized retail. By this it will be grow up to 20% approximately after 5 years. It will be create some positive and also negative impacts on the small retailers. So, this study describe about the various impact and also some features and fact about small retailers.

KEYWORDS: Multinational Retailers, Government Policies, ANOVA Analysis

INTRODUCTION

India is one of the fastest growing retail destination in the world and still it is growing rapidly during the last one decade. This upturn is due to the growing population, particularly young people. India's large and aspiring middle class of 75 million households or 300 million individuals want products that are value-driven. The country's 500 million people under the age of 25 have access to more money that has additionally resulted in independence, aspirations and a demand for products (FICCI-PWC, 2013). The younger generation expect many innovations in their life, among them a renewed retail atmosphere. By this aspect this study describes the impact of supermarket on unorganized retail.

Indian Retail Background

The growing aspirations of Indian buyers paved the way for faster growth in the organized retail in India. Presently, Indian organized retail constitutes 8 per cent of the total retail market and it is growing much faster than traditional retail. It is expected to gain a higher share in the growing pie of the retail market in India. Various estimates put the share of organized retail as 20 per cent by 2020 (Deloitte, 2013). The recent wave of reforms by the Government to incentivize Foreign Direct Investment (FDI) in various sectors is bringing a new zeal to the investment climate in India. The Indian Government has now notified 51 per cent FDI in multi-brand retail. However, prior to the entry of multinational retailers such as Walmart, Tesco and the like, many Indian corporate Giants such as Reliance, TATA, Birla and the like have established their retail outlets in the every nook and corner in all the Tier I Cities and in many of the Tier II Cities. In this juncture the success of multinational retailers would be a big question among the stiff competition from their Indian counterparts and the also the outcome of the Government policy on allowing the FDI in multi-brand retail may not be much predicted as debated by many economists.

The size of India's retail market was estimated at US\$ 435 billion in 2010. Of this, US\$ 414 billion (95% of the market) was traditional retail and US\$ 21 billion (5% of the market) was organized retail. India's retail market

is expected to grow at 7% over the next 10 years, reaching a size of US\$ 850 billion by 2020. But the Traditional retail is expected to grow at 5% and reach a size of US\$ 650 billion (76%), while organized retail is expected to grow at 25% and reach a size of US\$ 200 billion by 2020 (Indian Retail Report, 2013). The growing trend of organized retail is much debated but the other side which is not taken for discussion is the unorganized retail which constitutes the 92 per cent of Indian retail trade. Government and media are focus the organized retail sector which could offer only. Thus this paper closely examines the implications of organized retail either in the form of Supermarkets or hyper arts on the unorganized Retailers.

Conceptual View on Organized and Unorganized Retail

Retailing can be said to be the interface between the producer and the individual consumer buying for personal consumption. This excludes direct interface between the manufacturer and institutional buyers such as the government and other bulk customers retailing is the last link that connects the individual consumer with the manufacturing and distribution chain. A retailer is involved in the act of selling goods to the individual consumer at a margin of profit. In 2004, the High Court of Delhi defined the term 'retail' as a sale for final consumption in contrast to a sale for further sale or processing (i.e. wholesale).

Organized retailing refers to trading activities undertaken by licensed retailers, that is, those who are registered for sales tax, income tax, etc. These include the corporate-backed hypermarkets and retail chains, and also the privately owned large retail businesses. Unorganized retailing, on the other hand, refers to the traditional formats of low-cost retailing, for example, the local kirana shops, owner manned general stores, paan/beedi shops, convenience stores, hand cart and pavement vendors, etc.

Review of Previous Studies

The organized retail is popular in most of the European Countries and United States of America. This concept was yet to gain momentum. However, in the last one decade the organized retail could grab many Asian Countries except India. While analyzing the impact of organized retail on the global level it was identified that in Korea there was an increase in sales volume and technological advancement (Kim Kim, 2000).

The sales impact on small shops is likely to be intensified and earnings will keep falling due to the growth of organized retail malls (Anuradha Kalhan, 2005). Mohan Guruswamy et al (2005, 2006, 2007) emphasized the dangers of the FDI in India's Retail Sector. They identified that Indian retail requires more investment when its doors are open for organized retail through Foreign Direct Investment, it will create an adverse impact on unorganized retailers, Indian employment and on Indian manufacturers. In two different studies Mathew Joseph, et al (May 2008 and September 2008) of Indian Government Think tank ICRIER provided the view that even though there is an impact of organized retail on unorganized retail, if organized retail does not grow, the unorganized sector will not be able to handle the surging demand.

Kiranas have major disadvantages on all customer perception scores except location. Thus there is more possibility for the customers to shift to organized retail formats this was the view of Paromita Goswami et al (2009). Traditional retailers have suffered a decline in sales after the entry of retail chains (Sukhpal and Naresh, 2010). The need of the hour is to reengineer the operations of Kirana stores otherwise the big giants will leave no space for them to grow. If the Kirana stores improve their functioning and the area of operation be specified by the government then there will be win-win situation for both the parties (Rani, 2013).

OBJECTIVES OF THE STUDY

- To know the presence of negative impact of Supermarkets on small retailers in terms of reduction in sales, profit volume and customer base
- To identify the positive impact of Supermarkets on small retailers
- To analyze the reasons for the negative impact of supermarket on unorganized retailers

METHODOLOGY

Primary data have been collected from 115 unorganized Retailers like grocery shops, Kirana Store, Petty shops, Vegetable Vendors, Hawkers and the like in Tirunelveli Municipal Corporation Area, an urban area situated at the south Tamil Nadu. The 115 respondents were randomly selected using random sampling technique. Data were collected during the period in between January 2014 and March 2014. The researcher used a detailed interview schedule. The secondary data is collected from the web, books and journals, magazines, newspapers, and various web sites. Statistical package SPSS has been used to analyze the data. Statistical tools such as Weighted Average, Paired Sample t-test and One-way ANOVA were applied. Garrett Ranking Technique has been used to know the important reason for reduction of sales.

Analysis by Various Tools

Table 1: Type of Persons Assisting in the Conduct of Shop

Sl. No.	Person	Frequency	Percent
1.	Family Members	46	40.0
2.	Both	36	31.3
3.	Paid Servant	33	28.7
	Total	115	100.0

Source: Primary Data

In the study, there are 40 percent of the retail stores are running with the help of family members of the owner. 31.3 percent of the retail stores are running with the help of both paid servants and family members and 28.7 percent retail stores are running with the assistance of paid servants. It is inferred from the above that majority of the unorganized retail stores in Tirunelveli are assisted by family members.

Table 2: Status of Workers Employed in the Conduct of Unorganized Retail Stores before and after Commencing Supermarkets

Sl. No.	Status	No. of Workers	No. of Stores	Mean Workers / Percentage
1.	Before commencing supermarkets	236	69	3.42
2.	After commencing supermarkets	146	69	2.12
	Change	- 90	69	-1.30 (38.14 Percent)

Source: Computed primary Data

The above table reveals that the average number of workers employed before the establishment of a supermarket is 4 (3.42) and after establishing a supermarket the average number of workers are 3 (2.12). Therefore, as a whole there is a reduction in workforce. In the case of change in the workforce there exists 38.14 percent reduction in workforce.

It is inferred from the above analysis that after the establishment of supermarket, there is a reduction of workforce in the unorganized retail stores. The inability to employ more workers reveals the reduced financial strength of the retail stores. Thus supermarkets paved the way for weakening the financial strength of unorganized retail stores and thereby lead

to the reduction of workforce. Moreover, establishment of supermarkets might have contributed some share in aggravating the unemployment problem in the region, as we cannot expect all the employees who lost their job might be re-employed at such supermarkets. In order to test the impact of supermarkets on the workforce Paired t-test has been applied and in this connection the following null hypothesis formulated.

H_001 – There is no significant difference between the number of workers working in unorganized retail stores before and after commencing supermarkets

Table 3: Paired Samples Test on the Status of Workforce in Unorganized Retail Stores

Status of Workers	Mean Difference	Paired t-Test Difference	Df	Sig. (2-Tailed)
Employees working after supermarket commenced – Employees worked before supermarket commenced	-1.304	-12.815	68	.000

Source: Computed Data

We can conclude from the above that there is a statistically significant difference between the mean number of workers working after and before commencing a supermarket near to unorganized retail stores. Since our Paired Samples Statistics box revealed that the Mean number of workers after the commencement of supermarkets was less than the Mean number of workers before the commencement of supermarkets, we can conclude that commencement of supermarkets significantly reduced workforce in unorganized retail stores.

Table 4: Involvement of Family Members in the Conduct of Unorganized Retail Stores before and after Commencing Supermarkets

Sl. No.	Status	No. of Family Members	No. of Stores	Mean Workers / Percentage
1.	Before commencing supermarkets	102	82	1.24
2.	After commencing supermarkets	130	82	1.58
	Change	28	82	0.34 (27.45 Percent)

Source: Computed primary Data

Table 4 shows that average number of family members involved before commencing supermarkets was 1.24 and after the commencement of supermarkets the average family members involved in the conduct of retail stores is 1.58. In short there exists a slight increase in the number of family members involved in the retail stores. The analysis on change shows that there is an increase of 27.45 percent in the involvement of the family members in assistance of running shops after commencement of supermarkets. In order to test the impact of supermarkets leading to involvement of family members Paired t-test has been applied and in this connection the following null hypothesis formulated.

H_002 – There is no significant difference between the number of family members involved in the conduct of unorganized retail stores before and after commencing supermarkets

Table 5: Paired Samples Test on the Status of Family Members Engaged in the Conduct Retail Stores

Status of Family Members Involved	Mean Difference	Paired t-Test Difference	Df	Sig. (2-Tailed)
After the commencement of supermarkets – Before the commencement of supermarkets	.341	6.481	81	.000

Source: Computed Data

We can conclude from the above that there is a statistically significant difference between the mean number of

family members involved in the conduct of the retail stores after and before commencing a supermarket. Since our Paired Samples Statistics box revealed that the Mean number of family engaged after the commencement of supermarkets was more than the Mean number of family members before the commencement of supermarkets, we can conclude that commencement of supermarkets significantly influenced the unorganized retailers to involve more family members in the conduct of their shops after the commencement of supermarkets.

Table 6: Degree of Impact on the Employment in Unorganized Retail Stores

Sl. No.	Status of Workers	Frequency	Percent
1	Increase in workers	0	0
2	Decrease in workers	60	87.0
3	No change in work force	9	13.0
	Total	69	100.0

Source: Computed Data

The above table shows, 60 stores have decrease in workers after the commencement of supermarket and no change in the workers are 9 stores. But there is no increase in the workers.

Reason for the Decrease in Workforce in Unorganized Retail Stores

H_{03} – There is no significant difference between retail stores having 10 and less than 10 years of experience and more than 10 years of experience on the opinion on various reasons for reduction of workforce

Table 7: Status of Workers in Unorganized Retail Stores

Sl. No.	Reason for Reduction in Workforce	Experience in Years			F-Test Results
		10 and Less than 10	More than 10	Total	
1	No. one is ready to undertake the job	1.6	3.5	2.87	27.157*
2	I cannot afford for their expected salary	2.6	3.6	3.27	5.930*
3	I cannot offer other benefits things like PF, ESI and so on	5	4.3	4.53	18.575*
4	Employees notion of getting better status while working in supermarkets so they do not prefer our shop	2.2	3.25	2.9	6.949*
5	Due to decline in sales and profit	4	3.6	3.73	1.089
6	In order to reduce the expenditure	3.7	2.1	2.63	33.106*
7	Intention of workers to remain idle due to availability of free and subsidized ration through ration shop	1.6	2.45	2.17	7.100*

* Significant at 5 percent level

Source: Computed primary Data

The above table shows the various reasons for reduction of workforce. In the opinion of the unorganized retailers important reason for reduction in workforce is the inability to offer benefits like PF, ESI and the like as their mean score is 4.53. The second major reason for reduction of workforce in the opinion of retailers is decline in sales and profit which secured the mean score of 3.73 and the third important reason is inability to provide better salary, which scored 3.27 as its mean score. In the opinion of the respondents other reasons for reduction do not get much weightage.

While analyzing the reduction of workforce from the point of view of experience of workers, it is identified that important reason for reduction of workforce among the shops with 10 and less than 10 years and shops with more than 10 years of experience is the inability to offer benefits like PF, ESI and the like and respective mean score is 5 and 4.53. The second important reason for reduction of workforce among the both type of retailers is decline sales and profit and their respective mean score is 4 and 3.6.

The opinion on reduction of workforce may differ between the retailer with 10 and less than 10 years of experience and more than 10 years of experience. In order to know the difference in opinion and to identify the reason on which both categories of retailers have same opinion, One-way ANOVA analysis made. The following null hypothesis has been formulated in this connection and the results are given the table 7.

In the analysis among seven reasons F-test results were significant on 6 reasons except on decline in sales and profit. This analysis shows that opinion of retailers differ on all reasons except reduction in sales. We can infer from the mean score and the F-test analysis that decline in sales and profit are the reasons for reduction of workforce.

Table 8: Socio Economic Profile of the Customers of the Unorganized Retail Stores before and after Commencing Supermarkets

Sl. No.	Class	Before		After	
		Frequency	Percentage	Frequency	Percentage
1	Upper class	0	0	0	0
2	Middle Class	36	31.3	28	24.3
3	Lower Class	22	19.1	63	54.8
4	Mixed	57	49.6	24	20.9
	Total	115	100.0	115	100.0

Source: Primary Data

Table 8 exhibits that before commencing supermarkets near to unorganized retail stores 49.6 percent of customers in unorganized retail stores are mixed class of customers, 31.3 percent of customers are middle class customers and 19.1 percent of customers are lower class customers. After commencing supermarkets 54.8 percent of customers are lower class customers, 24.3 percent of customers are middle class customers and 20.9 percent of customers are mixed class customers. It is inferred from the above that in the opinion of the unorganized retailers upper class buyers never patronize the unorganized retail stores. It is also found that there exists a shift of customer base from middle class segment to lower class segment of customers in unorganized retail stores. In short in Tirunelveli in majority of the unorganized retail stores there is shift of segment of customers from middle class to lower class after the commencement of supermarkets.

Table 9: Average Buyer Patronage in Unorganized Retail Stores in Week Days before and after Commencing Supermarkets

Sl. No.	Customers	Before		After	
		Frequency	Percentage	Frequency	Percentage
1	25 and Less than 25 customers	6	5.2	31	27.0
2	26-50 customers	52	45.2	59	51.3
3	51-75 customers	15	13.0	4	3.5
4	76-100 customers	9	7.8	2	1.7
5	Above 100 customers	33	28.7	19	16.5
	Total	115	100.0	115	100.0

Source: Primary Data

The above table represents the average customer patronage in unorganized Retail stores in weekdays i.e. Monday to Friday. The table is classified by the aspect of before and after commencing the supermarket. By this data before commencing of supermarket, there are 45.2 percent of the unorganized retailers are facing an average of 26-50 customers in the week days. And also 33 unorganized retailers out of the 115 retailers are receiving Above 100 customers in the week days.

By this data after commencing of supermarket, there are 51.3 percent of the unorganized retailers are facing an average of 26-50 customers in the week days. And also 31 unorganized retailers out of the 115 retailers are receiving 25 and less than 25 customers in the week days. Calculating average of the customers, the small retailers are facing 66 customers per day in weekdays before commencement of supermarkets. But after the commencement the average customers became decline from 66 to 46 i.e. 20 are reduction in the customer base. It is concluded from the above that in Tirunelveli the quantum of patronage of unorganized retail stores has considerably reduced during the week days. It is evident that patronage of more number of buyers during the week days has mostly reduced to 26-50 customers per day. In short, there is a reduction of buyer patronage during the week days in unorganized retail stores.

Table 10: Average Buyer Patronage in Unorganized Retail Stores in Sundays and Holidays before and after Commencing Supermarkets

Sl. No.	Customer	Before		After	
		Frequency	Percentage	Frequency	Percentage
1	25 and Less than 25 customers	17	14.8	42	36.5
2	26-50 customers	25	21.7	30	26.1
3	51-75 customers	30	26.1	20	17.4
4	76-100 customers	20	17.4	14	12.2
5	Above 100 customers	23	20.0	9	7.8
	Total	115	100.0	115	100.0

Source: Primary Data

The above table represents the average customer patronage in unorganized Retail stores in week end i.e. Sunday, Saturday and holidays also. The table is classified by the aspect of before and after commencing the supermarket.

By this data before commencing of supermarket, there are 26.1 percent of the unorganized retailers are facing an average of 51-75 customers in the week end. And also 25 unorganized retailers out of the 115 retailers are receiving above 26-50 customers in the week end

By this data after commencing of supermarket, there are 36.5 percent of the unorganized retailers are facing an average of 25 and less than 25 in the week end. And also 30 unorganized retailers out of the 115 retailers are receiving above 26-50 customers in the week end.

In order to know the average number of buyer patronage on Sundays or holidays, weighted average mean has been used. The mean score revealed that before commencing a supermarket near to unorganized retail stores on an average 65 buyers were visiting unorganized retail stores per day during Sundays or holidays. But after the commencement of supermarkets the weighted average score has declined to 45 i.e. there is a reduction of 20 customers i.e. 30.77 percent of buyers stopped patronage of supermarkets. It can be revealed from the above that due to the commencement of supermarkets near to unorganized retail in Tirunelveli there is a reduction of buyer patronage leading to reduction of sales volume and ultimately reduction of profit.

The collected data further screened and data have been analyzed from the angle of 'No change in buyer patronage' and 'decrease in buyer patronage' during the Sundays and holidays after commencing supermarkets. The results are revealed as under.

Table 11: Impact of Supermarkets on Unorganized Retail Stores in Terms of Changes in Customer Base during Sundays and Holidays

Sl. No.	Impact	Frequency	Percentage
1	No change in Customer base	54	47.0
2	Decrease in Customer base	61	53.0
	Total	115	100.0

Source: Computed Primary Data

This table shows that the changes in the customer patronage in the week end. 53 percent of the unorganized retail shop facing the reduction of customer patronage problem by the commencement of supermarkets. It can be deduced from the above majority of unorganized retailers are of the opinion that during Sundays and holidays there is a reduction of buyer patronage. It is further concluded that since the sales level normally higher during holidays or Sundays for traders, the reduction of customer base during the Sundays and holidays has made a negative impact on unorganized retail stores leading to reduction of sales and profit.

Table 12: Sales Turnover in Unorganized Retail Stores before and after Commencing Supermarkets

SI No.	Sales	Before		After	
		Frequency	Percentage	Frequency	Percentage
1	Less than Rs. 1,00,000	56	48.7	64	55.7
2	Rs. 1,00,001- Rs. 1,50,000	19	16.5	33	28.7
3	Rs. 1,50,001-Rs. 2,00,000	22	19.1	8	7.5
4	Rs. 2,00,001-Rs. 2,50,000	8	7.0	6	5.2
5	Above Rs. 2,50,000	10	8.7	4	3.5
	Total	115	100.0	115	100.0

Source: Primary Data

The above table represents the approximate sales in unorganized Retail stores in a month. The table is classified by the aspect of before and after commencing the supermarket.

By this data before commencing of supermarket, there are 48.7 percent of the unorganized retailers are having an approximate sales turnover of less than Rs. 1, 00,000 in a month. And also 19.1 percent of unorganized retailers are having Rs. 1, 50,001- Rs. 2, 00,000 sales turnover.

By this data after commencing of supermarket, there are 55.7 percent of unorganized retailers are having an approximate sales turnover of less than Rs. 1, 00,001 in a month. And also 33 unorganized retailers out of the 115 retailers are having Rs. 1, 50,001- Rs. 2, 00,000 sales turnover.

In order to know the monthly average sales turnover weighted average method has been adopted and it is found that before commencement of supermarkets the monthly average sales of unorganized retail stores are Rs. 1, 32,826. But after the commencement the average monthly sales turnover has declined from Rs. 1, 32,826 to Rs. 1, 04,130 i.e. 28,696 is the reduced in the sales turnover. It is 21.6 percent decline in the monthly sales turnover in unorganized retail by commencement of supermarket.

It can be concluded from the above that a clear evidence of reduction of sales volume has occurred in unorganized retail stores due to the commencement of supermarkets in their vicinity.

Table 13: Approximate Monthly Profit in Unorganized Retail Stores before and after Commencing Supermarkets

Sl. No.	Profit	Before		After	
		Frequency	Percentage	Frequency	Percentage
1	Less than Rs. 10,000	38	33.0	66	55.7
2	Rs. 10,000-Rs. 15,000	27	23.0	15	13.0
3	Rs. 15,001-Rs. 20,000	14	12.2	0	0.0
4	Rs. 20,001-Rs. 25,000	10	8.7	32	27.8
5	Above Rs. 25,000	26	22.6	4	3.5
	Total	115	100.0	115	100.0

Source: Primary Data

Table 13 shows that before commencing a supermarket near to the unorganized retail stores 33 percent of retailers earned a profit of less than Rs. 10,000, 23 percent of shops earned a monthly profit of in between Rs. 10,001 and Rs. 15,000; 12.2 percent of retailers earned a monthly profit of in between Rs. 15,001 and Rs. 20,000; 8.7 percent of respondents earned an approximate monthly profit of in between Rs. 20,001 and Rs. 25,000 and 22.6 percent of unorganized retail stores were able to earn a profit of above Rs. 25,000. It is concluded that majority of the unorganized retail stores were earning less than Rs. 15,000 per month.

After the commencement of supermarkets in the vicinity of unorganized retail stores, 55.7 percent of unorganized retailer earned a monthly profit of less than Rs. 10,000; 13 percent of respondents earned Rs. 10,000 and Rs. 15,000 per month as profit, 27.8 percent of respondents earned a monthly profit of in between Rs. 20,001 and Rs. 25,000 and 3.5 percent of unorganized retail stores earned a monthly profit of Above Rs. 25,000. It is concluded that majority of the unorganized retail stores were earning less than Rs. 15,000 per month. Even though before and after commencing supermarkets majority of buyers earn less than Rs. 10,000, percent of unorganized retail stores which were earning higher profit before commencing supermarkets has declined considerably.

In order to have better idea the weighted aver mean profit has been calculated. It is found that the monthly profit of the unorganized retailers, was Rs. 17,326 before commencement of supermarkets. But after the commencement the average monthly profit became decline from Rs. 17,326 to Rs. 13,152 i.e. Rs. 4,174 is the reduction in the sales turnover. It is 24.1 percent decline in the monthly profit in unorganized retail due to the commencement of supermarkets.

It can be concluded from the above that unorganized retail stores in Tirunelveli have witnessed a reduction in profit due to the commencement of supermarkets.

Table 14: Reduction in the Number of Customers Visiting the Retail Store after the Commencement of a Supermarket

Sl. No.	Response	Frequency	Percent
1.	Yes	87	75.7
2.	No	28	24.3
	Total	115	100.0

Source: Primary Data

The above table shows that the customers are reduced after the commencement of supermarkets nearer to the shop is more (75.7 percent) and rest 24.3 percent are told not reduced. One can understand from the above that in the opinion of majority of unorganized retailers the number of buyers visiting their shops is getting reduced after the commencement of supermarkets near to their stores.

Table 15: Reduction of in Frequently Visiting Customer Base

Sl. No	Response	Frequency	Percent
1.	Yes	97	84.3
2.	No	18	15.7
Total		115	100.0

Source: Primary Data

In the above table, 84.3 percent respondents feel that most visiting customer base is reduced and 15.7 percent respondents feel that the customers are not reduced in their shops. We can conclude from the above that in the opinion of unorganized retailers due to the supermarkets there is a reduction of frequently visiting buyers. In other words loyal customers relinquished their patronage.

Table 16: Resumption of Patronage by Departed Customers

Sl. No	Response	Frequency	Percent
1.	Yes	68	70.1
2.	No	29	29.9
Total		97	100.0

Source: Primary Data

In the above data, 70.1 percent respondents told that departed customers revisited the shops and rest 29.9 percent respondents told they not revisited the shops. It is interesting to note that in majority of unorganized retail stores the departed loyal customers resumed their usual patronage. The below mentioned chart also explains this.

Table 17: Buying Frequency of Revisiting Customer

Sl. No.	The Customer Patronage	Frequency	Percent
1.	Regular Purchase	27	39.7
2.	Occasional Visit	25	36.8
3.	Very rare visit	16	23.5
Total		68	100.0

Source: Primary Data

The above table clears that 39.7 percent of revisiting buyers make regular visit to the unorganized retail stores, 36.8 percent of revisiting buyers make occasional visit and 23.5 of revisiting buyers show a very rare visit. The combined result of occasionally visiting and very rarely visiting such buyers are 60.3 percent.

It can be deduced from the above that majority of the departed buyers have not showed a renewed patronage with the unorganized retail stores. It can be assumed that such revisiting customers buy from the older unorganized retail stores in order to fulfil their occasional need or daily top-up need. The below mentioned chart also explains this.

H_0 04 – There is no significant difference between more experienced and lesser experienced unorganized retailers on the opinion of various reasons for the reduction of sales

Table 18: Reason for the Reduction of Sales Volume Due to the Commencement of Supermarkets

Sl. No.	Reasons	Experience in Years		Total	F-Test Results	Sig.
		10 and Less than 10	More than 10			
1.	Wide Door Delivery by the Supermarkets	4.16	4.49	4.36	3.464	0.065
2.	Facility of Self Service	4.07	3.19	3.97	1.784	0.184
3.	Loyalty Card in Supermarkets	3.58	3.83	3.73	1.856	0.176
4.	Huge Inventory of Supermarkets	5	4.29	4.57	52.143	0.0
5.	Brand Value of Supermarkets	3.47	4.19	3.9	25.089	0.0

Table 18: Contd.,

6	Discount offers in Supermarkets	3.44	4.66	4.18	130.493	0.0
7.	Size of the Supermarkets	3.87	4.44	4.22	33.723	0.0
8.	Usage of Technology by Supermarkets	3.09	4.17	3.75	49.292	0.0
9.	All under one roof	4.69	4.77	4.74	0.959	0.330
10.	Wide assortment in Supermarkets	3.76	4.24	4.05	19.767	0.0
11.	Strong Capital base of Supermarkets	4.47	4.46	4.46	0.005	0.945
12.	Parking facilities	3.8	4.44	4.19	26.390	0.0
13.	Attractive Display in Supermarkets	3.36	4.57	4.1	82.515	0.0
14.	Fresh stock in the supermarkets	2.67	1.47	1.94	35.821	0.0
15.	Ambience of Supermarkets	3.13	2.99	3.04	1.121	0.292
16.	Average	3.7689	4.0610	3.9467	17.057	0.0

Source: Computed Primary Data

The above table shows the various reasons for reduction of sales. In the opinion of the unorganized retailers important reason for reduction in sales is there are all under one their mean score is 4.74. The second major reason for reduction of sales in the opinion of retailers is huge inventory of supermarkets which secured the mean score of 4.57 and the third important reason is strong capital base of supermarkets, which scored 4.46 as its mean score. And also the other reasons which are wide door delivery of supermarkets, size of the supermarkets, discount offers of supermarket, parking facilities and attractive display of supermarkets got scored above 4. In the opinion of the respondents other reasons for reduction do not get much weightage.

While analyzing the reduction of sales, it is identified that important reason for reduction of sales among the shops with 10 and less than 10 years and shops with more than 10 years of experience is the inability to offer all products under one roof like supermarkets respective mean score is 4.69 and 4.77. The second important reason for reduction of sales among the both type of retailers can't maintain huge inventory like supermarket their respective mean score is 5 and 4.29.

The opinion on reduction of sales may differ between the retailer with 10 and less than 10 years of experience and more than 10 years of experience. In order to know the difference in opinion and to identify the reason on which both categories of retailers have same opinion, One-way ANOVA analysis made. The results revealed that the formulated hypothesis has been rejected on the reasons such as huge inventory of supermarkets, discount offers in supermarkets, size of the supermarkets, parking facilities and attractive display in supermarkets. In other words there is a significant difference between the opinion of unorganized retailers having less than 10 years of experience and more than 10 years of experience on the above reasons.

The weighted average mean score and the F-statistics results reveal that all under one roof, huge capital base and wide assortment in SKUs (stock keeping units) are the reason for the reduction of sales in unorganized retail stores.

Table 19: Extent of Loyal Customers

Sl. No.	Class	Before		After	
		Frequency	Percentage	Frequency	Percentage
1	Less than 25 %	6	5.2	6	5.2
2	25 - 50 %	56	48.7	99	86.1
3	51 - 75 %	22	19.1	10	8.7
4	76 – 100	31	27.0	6	5.2
	Total	115	100.0	115	100.0

Source: Computed primary data

It can be understood from the above that before commencing a supermarket, 5.2 percent of unorganized retail stores have less than 25 percent of their customers as the loyal customers, 48.7 percent of unorganized retail stores have 25 - 50 percent of their customers as loyal customers; 19.1 percent of respondents have 51-75 percent of their customers as loyal customers; 27 percent of retail stores have 76-100 percent of their customer as their loyal customers.

It is inferred that majority of the unorganized retail stores have more than 50 percent of their customers as loyal customers. After the commencement of supermarkets 5.2 percent unorganized retailers have less than 25 percent of their customers as the loyal customers, 86.1 percent of unorganized retail stores have 25 - 50 percent of their customers as loyal customers; 8.7 percent of respondents have 51-75 percent of their customers as loyal customers; 5.2 percent of retail stores have 76-100 percent of their customer as their loyal customers.

It is inferred that majority of the unorganized retail stores have 25- 50 percent of their customers as loyal customers. It can be inferred from the above that after the commencement of supermarkets the loyal customer base has reduced in unorganized retail stores.

Table 20: Quantum of Sales Volume in the Last Two Years

Sl. No.	Class	Before		After	
		Frequency	Percentage	Frequency	Percentage
1	Increased	78	67.8	24	20.9
2	Decreased	0	0	68	59.1
3	Remained same	37	32.2	23	20.0
	Total	115	100.0	115	100.0

Source: Primary Data

It is clear from the above that before commencing supermarkets, for 67.8 percent of retailers the sales was increasing and for 32.2 of re the sales was stable. It is concluded that there was an increasing trend of sales before commencing supermarkets in Tirunelveli.

After the commencement of supermarkets, for 20.9 percent of unorganized retailers the sales is increasing; for 59.1 percent of retailers the sales volume was declining and for 20 percent of respondents the sales remain stable. It can be concluded that the sales volume during the last two years is declining in Tirunelveli for the unorganized retailers.

Table 21: Hope for Business Growth in Future

Sl. No.	Response	Frequency	Percent
1.	Yes	30	26.1
2.	No	21	18.3
3.	Unsure	64	55.7
	Total	115	100.0

Source: Primary Data

From the above table, 55.7 percent respondents are unsure about business' grow in future, 26.1 percent told the business may be grow in future and 18.3 respondents told that the business will not grow in future. It can be inferred from the above that in the views of majority of unorganized retailers the future business growth is unsure in Tirunelveli.

Table 22: Decreased Sales Volume Only Due to the Commencement of a Supermarket

Sl. No.	Response	Frequency	Percent
1.	Yes	96	83.5
2.	No	19	16.5

Table 22: Contd.,

	Total	115	100.0
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Source: Primary Data

In the above table, 83.5 percent of respondents opined that the sales volume has reduced after the commencement of a supermarket near their shops and rest 16.5 percent respondents told there is no supermarket near the shops. It is inferred from the above that in the opinion of the unorganized retailers the volume of sales has decreased due to the commencement of a supermarket.

Table 23: Extent of Decrease in Sales Volume

Sl. No.	Decrease	Frequency	Percent
1.	Less than 10 %	21	21.9
2.	10 -25 %	54	56.3
3.	26 -50 %	14	14.6
4.	Above 50 %	7	7.3
	Total	96	100.0

Source: Primary Data

From the above table, 56.3 percent respondents told that their volume of decrease is 10 percent-25 percent, 21.9 percent respondents told that their decrease percent is less than 10 percent, 14.6 percent respondents told 26 percent-50 percent and rest 7.3 percent respondents told above 50 percent decrease. It is concluded from the above that the extent of decrease in sales volume is more than 25 percent. The following chart also explains this.

Reason for Decrease in Sales Due to Supermarkets

Table 24: Number of Responses on Ranks Scored on the Reasons for Sales Decreased Due to the Commencement of a Supermarket Near to the Shop

Sl. No.	Reason	Ranks								Total
		1	2	3	4	5	6	7	8	
1	Supermarkets are attractive than my shop	34	14	13	8	14	13	0	0	96
2	Only lesser varieties of commodities are kept in my shop	21	24	26	8	8	0	9	0	96
3	My shop is very smaller than their shop	25	37	6	0	22	0	0	6	96
4	We cannot provide door delivery facility	0	6	0	23	0	10	0	57	96
5	We cannot sell commodities at lesser prices as compared to supermarkets	0	0	25	10	13	14	26	8	96
6	People think that buying commodities at a supermarket gives a sense of pride so they preferred supermarkets than us	0	0	7	8	0	25	38	18	96
7	We could not display all the commodities as in supermarkets	8	15	0	29	20	18	6	0	96
8	The 'mega' feeling of supermarkets attracts people	8	0	19	10	19	16	17	7	96
	Total	96	96	96	96	96	96	96	96	

Source: Primary data

Table 25: Weighted Garrett Score and Garrett Ranks on the Reasons for Sales Decreased Due to the Commencement of a Supermarket Near to the Shop

Sl. No.	Reason	Ranks								Total Weighted Garrett Score	Weighted Average	Rank
		1	2	3	4	5	6	7	8			
1	Supermarkets are attractive than my shop	2720	952	780	424	658	520	0	0	6054	63.0625	I
2	Only lesser varieties of commodities are kept in my shop	1680	1632	1560	424	376	0	297	0	5969	62.17708	III

Table 25: Contd.,

3	My shop is very smaller than their shop	2000	2516	360	0	1034	0	0	120	6030	62.8125	II
4	We cannot provide door delivery facility	0	408	0	1219	0	400	0	1140	3167	32.98958	VIII
5	We cannot sell commodities at lesser prices as compared to supermarkets	0	0	1500	530	611	560	858	160	4219	43.94792	VI
6	People think that buying commodities at a supermarket gives a sense of pride so they preferred supermarkets than us	0	0	420	424	0	1000	1254	360	3458	36.02083	VII
7	We could not display all the commodities as in supermarkets	640	1020	0	1537	940	720	198	0	5055	52.65625	IV
8	The 'mega' feeling of supermarkets attracts people	640	0	1140	530	893	640	561	140	4544	47.33333	V

Source: Computed Primary data

Majority respondents said that supermarkets are attractive than their shops and so they ranked 1 for this. Also they feel that their shop is smaller than the supermarkets by ranking it 2nd. They feel they can keep only lesser varieties of commodities, so it got 3rd rank. They told that there is no way to display all the commodities as in supermarkets. So they ranked it as 4th. Shoppers feel that the customers are attracted by the mega feeling of supermarkets, and so they ranked it as 5th. The shoppers told that they cannot sell commodities at lesser prices as compared to supermarkets, so it got 6th rank. Also, shoppers told that the customers think that buying commodities at a supermarket gives a sense of pride so they preferred supermarkets than small retailers, so it got 7th rank. Some shoppers told that they cannot provide door delivery for customers so it got 8th rank. It is concluded from the above that the attractive feature of Supermarkets, size of Supermarkets and inability to keep more varieties in unorganized retail stores are the major reason for unorganized retailers.

Table 26: Any Change in the Weekly Holiday of the Shop after the Commencement of a Supermarket Near to the Shop

Sl. No.	Response	Frequency	Percent
1.	Yes	49	42.6
2.	No	66	57.4
	Total	115	100.0

Source: Primary Data

In the above data, 42.6 percent respondents told that change in the Weekly Holiday of the Shop after the Commencement of a Supermarket near to the Shops and rest 57.4 percent told there is no change. Majority of the unorganized retail stores have not made any change on the weekly holidays of the shops even after the commencement of Supermarkets.

Table 27: Change in the Commencing Time and Working Hours of the Unorganized Retail Shops after the Commencement of Supermarkets

Sl. No.	Response	Frequency	Percent
1.	Yes	24	20.9
2.	No	91	79.1
	Total	115	100.0

Source: Primary Data

From the above table, 79.1 percent respondents said that there is no change in the Commencing time and working hours of the shop after the commencement of a Supermarket near of the Shops and 20.9 percent said there is a change. It can be understood from the above table that majority of the unorganized retail stores have made no changes in their store opening time and the duration of working hours even after the commencement of supermarket.

H_{005} – There is no significant difference between unorganized retail stores having 10 and less than 10 years of experience and the stores having more than 10 years of experience on the introduction of various changes in the business

Table 28: Changes in the Unorganized Retail Shops after the Commencement of a Supermarkets

Sl. No.	Changes	Experience in Years		Total	F-Test Results
		10 and Less than 10	More than 10		
1.	Introduced Door Delivery facility	1.00	1.00	1.00	-
2.	Started to give price discount to customers	1.00	1.77	1.47	30.525
3.	More credit facility	1.58	1.6	1.59	0.019
4.	Increased variety of commodities	2.47	3.31	2.98	16.081*
5.	Enlarged the Shop	1.27	1.81	1.60	2.384
6.	Computerised billing introduced	1.00	1.34	1.21	5.705*
7.	Neat pre-packing introduced	2.02	1.69	1.82	4.490*
8.	Uniform for the salesman	1.00	1.00	1.00	-
9.	Interior decoration for the shop	1.89	1.64	1.74	2.025
10.	Made more advertisement	1.00	1.94	1.57	27.579*
11.	Neat display of commodities	2.78	2.9	2.85	0.0254
12.	Shop kept open even on festival days	1.84	2.57	2.29	13.081*
13.	Find it difficult to get a worker	1.27	2.14	1.80	16.808*
14.	Workers quit job from the shop	1.4	1.97	1.75	8.657*
	Average	1.53	1.91	1.76	25.027*

Source: Computed primary data

In the case of the changes the views of the respondents are collected using the four point scale. The results of the above table can be assumed as ‘changes certainly due to supermarket’ if the mean value is 3.5 – 4.00; if the mean value is in between 2.5 – 3.5, the view can be assumed as ‘it is due to Supermarket’; if the score is in between 1-2, the views can be assumed as ‘Yes, but not due to Supermarket’ and if the means score is 1, then the response can be taken as ‘1’.

Table 28 reveals that in the opinion of unorganized retail stores, neat display of commodities and increased variety of commodity are the two changes made due to the commencement of Supermarket near to them. In the case of changes such as more credit facility, increased variety of commodities, enlarged the shop, neat pre-packing introduced, interior decoration for the shop, shop kept open even on festival days, find it difficult to get a worker and workers quit job from the shops, the changes is not primarily due to Supermarket. It is also found that no unorganized retail stores in Tirunelveli have introduced door delivery facility and uniform to salesman.

The F-test results are rejected in the case of changes such as increased variety of commodities, computerized billing introduced, neat pre-packing introduced, made more advertisement, shop kept open even on festival days, find it difficult to get a worker and workers quit job from the shop. It is concluded that there is a difference between lesser experienced retail stores and more experienced stores on the introduction of such changes. Since the increased commodity variety was rejected in the F-test result that change cannot be taken as a change due to the Supermarkets. It can be concluded from the weighted average mean scores and the F-statistics results that after the commencement of supermarkets in Tirunelveli unorganized retail stores have made only one change that is neat display of commodity.

FINDINGS

- Most of the unorganized retail stores in Tirunelveli are assisted by family members.
- Average number of workers employed before the establishment of a supermarket is 4.
- After establishing a supermarket the average number of workers are 3
- After the establishment of supermarket, there is a reduction of workforce in the unorganized retail stores. The inability to employ more workers reveals the reduced financial strength of the retail stores. Thus supermarkets paved the way for weakening the financial strength of unorganized retail stores and thereby lead to the reduction of workforce. Moreover, establishment of supermarkets might have contributed some share in aggravating the unemployment problem in the region, as we cannot expect all the employees who lost their job might be re-employed at such supermarkets.
- Commencement of supermarkets significantly reduced workforce in unorganized retail stores.
- Commencement of supermarkets significantly influenced the unorganized retailers to involve more family members in the conduct of their shops after the commencement of supermarkets.
- In majority of the unorganized retail stores, the number of workforce has been reduced.
- The major reasons for the reduction of workforce were due to the decline in sales, profit and ability to offer benefits like PF, ESI, etc.
- In the opinion of the unorganized retailers upper class buyers never patronize the unorganized retail stores. It is also found that there exists a shift of customer base from middle class segment to lower class segment of customers in unorganized retail stores. In short in Tirunelveli in majority of the unorganized retail stores there is shift of segment of customers from middle class to lower class after the commencement of supermarkets.
- That patronage of more number of buyers during the week days has mostly reduced to 26-50 customers per day. In short, there is a reduction of buyer patronage during the week days in unorganized retail stores.
- Due to the commencement of supermarkets near to unorganized retail in Tirunelveli there is a reduction of buyer patronage leading to reduction of sales volume and ultimately reduction of profit.
- Majority of unorganized retailers are of the opinion that during Sundays and holidays there is a reduction of buyer patronage. It is further concluded that since the sales level normally higher during holidays or Sundays for traders, the reduction of customer base during the Sundays and holidays has made a negative impact on unorganized retail stores leading to reduction of sales and profit.
- Before commencement of supermarkets the monthly average sales of unorganized retail stores are Rs. 1, 32,826 and after the commencement the average monthly sales turnover has declined to Rs. 1, 04,130 i.e. 28,696 is the reduced in the sales turnover.
- Reduction of sales volume has occurred in unorganized retail stores primarily due to the commencement of supermarkets in their vicinity.

- Monthly profit of the unorganized retailers was Rs. 17,326 before commencement of supermarkets, but after the commencement the average monthly profit became decline to Rs. 13,152 i.e. reduction in the sales turnover of Rs. 4,174.
- Unorganized retail stores in Tirunelveli have witnessed a reduction in profit due to the commencement of supermarkets.
- In the opinion of majority of unorganized retailers the number of buyers visiting their shops is getting reduced after the commencement of supermarkets near to their stores.
- In the opinion of unorganized retailers due to the supermarkets there is a reduction of frequently visiting buyers. In other words loyal customers relinquished their patronage.
- In majority of unorganized retail stores the departed loyal customers resumed their patronage.
- Majority of the departed buyers have not showed a renewed patronage with the unorganized retail stores. It can be assumed that such revisiting customers buy from the older unorganized retail stores in order to fulfil their occasional need or daily top-up need.
- All under one roof, huge capital base and wide assortment in SKUs (stock keeping units) are the reason for the reduction of sales in unorganized retail stores.
- The sales volume during the last two years is declining in Tirunelveli for the unorganized retailers.
- In the views of majority of unorganized retailers the future business growth is unsure in Tirunelveli.
- In the opinion of the unorganized retailers the volume of sales has decreased due to the commencement of a supermarket.
- The attractive feature of Supermarkets, size of Supermarkets and inability to keep more varieties in unorganized retail stores are the major reason for unorganized retailers.
- Majority of the unorganized retail stores have not made any change on the weekly holidays of the shops even after the commencement of Supermarkets.
- Majority of the unorganized retail stores have made no changes in their store opening time and the duration of working hours even after the commencement of supermarket.
- After the commencement of supermarkets in Tirunelveli unorganized retail stores have made only one change that is neat display of commodity.

CONCLUSIONS

Supermarkets in Tirunelveli have created several impacts on unorganized retail stores. Major impacts are reduction in sales volume, reduction in profit and involving family members in the business in order to avoid the recurring cost through the salary of workers. The number of workforce has been considerably reduced in unorganized retail stores. However, in the opinion of the unorganized retailers the reason for the reduction of work force not primarily due to the Supermarkets.

Another major negative impact created by the Supermarkets on unorganized retail stores is the considerable reduction of loyal customer base. Due to the commencement of Supermarkets near to the unorganized retail stores there is a reduction of sales, profit, customer base and loyal customers. Day by day the unorganized retail stores are losing the class of customers visiting their shop. These will lead to the slow death of the unorganized retail stores.

No positive impact has been created by the Supermarkets on the unorganized retail stores. Only positive change is neat arrangement. On the part of unorganized retailers they have made no change in their stores. Some of the changes they have introduced are not due to the commencement of Supermarkets. No unorganized retail store is offering door delivery facility which is offered by the Supermarkets in Tirunelveli. In addition, the duration of working hours and operation during the holidays are not followed. All the unorganized retailers are uncertain about their future trade.

SUGGESTIONS

- Unorganized retail stores should introduce the door delivery facility.
- Price discounts may visibility given
- Unorganized retail stores should modernize their stores by introducing computerized billing system whereby the customers may know the savings in their money when discounts offered.
- The unorganized retail stores can form a cartel, by which they can purchase commodities at reduced prices.
- Unorganized retail stores can try to offer the facilities like car parking facility, self-service facility and so on.
- Government should take steps to control the prices.
- Major cosmetic companies like Unilever, Nestle, Coco cola, etc. may avoid supplying commodities directly to such Supermarkets which helps them to get commodities at lesser prices.

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