CHAPTER 1

INTRODUCTION

Retailing in simple terms refers to sale of goods and services to the end users. The term retailing comes from the French term retailer which means breaking of bulks. Retailing can also be referred to as selling small quantities of goods and services to large number of customers instead of small number of customers ordering bulk quantities of products. Retailing generally occurs in busy streets, roadside, shopping malls or shopping streets. Mail order and online shopping are also other forms of retailing. It is the first hand transaction with the end users. The Indian retail industry is growing at a faster phase. The competitions are higher. Retail sector consist of both organized and unorganized retailers. Organized retailers refer to the big retailers and chain stores who sell defined products to customers. A major share of Indian retail industry lies with the unorganized retailers. It refers to those retailers who run their own small and medium level shops in their locality to earn a livelihood. They may lack knowledge or proper training in the field. Due to heavy competition and many other factors these small unorganized retailers find it difficult to prosper in their business. The study tries to analyses the problems faced by small town retailers in India and the possible solutions that can be adopted to support these retailers to gain their share of profit.

In this study an attempt has been made to highlight the impact of the increasing trend of online shopping over the various fixed shop retailers. Retailers comprise of a large section of the population and a larger population is dependent upon these retailers. But the advent of e-stores with their attractive incentives and wide varieties has slapped on their face the fear of uncertainty and helplessness. This study looks into the various aspects about how retail businesses are being affected and also the various recovery mechanisms they are coming up with to counter those e-stores in their race of survival. And it also tries to find out the basic motives for customer preference towards online buying and to explore the product sectors in which online trading dominate the conventional system. Although the periodicity of the study is less yet an effective attempt has been made to enlighten the scenario along with concrete suggestions.

1.2 SIGNIFICANCE OF THE STUDY

This study is very much relevant to present times as this will make awareness about the impact of e-stores upon retail stores. The sudden surge in online shopping and customers have adjusted to it to a greater extent which it a real cause of concern for the thousands of retailers who have a small shop offering a small variety of products which are their source of livelihood.

1.3 STATEMENT OF THE PROBLEM

"A study on challenges of small retailers in the wake of emerging online retail trading with special reference to Kannur Corporation" This study wants to unravel the real scenario and also look into the threat that looms over the various small scale retailers. It's time the retailers start thinking deep into this aspect and come up with better and advanced strategies.

1.4 OBJECTIVES OF THE STUDY

- To study the business issues faced by the Retailers from the online trading system
- To analyze the methodology adopted by the retailers to attract the customers
- To Identify Challenges Faced by Small-Scale Retailers in the Online Marketplace

1.5 SCOPE OF THE STUDY

The study focuses on challenges faced by the small retailers in the wake of emerging online retail trading. And it also tries to find out the basic motives for customer preference towards online buying and to explore the product sectors in which online trading dominate the conventional system. The scope of the study is confined to Kannur Corporation. Questionnaires were prepared for collecting information from retailers. The study was conducted with the help of 100 retailers in Kannur Corporation.

1.6 RESEARCH METHODOLOGY

This study is exploratory in nature. It intends to explore the challenges faced by the small retailers in the wake of emerging online retail trading. And it also tries to find out the basic motives for customer preference towards online buying and to explore

the product sectors in which online trading dominate the conventional system. The data for the study was gathered from primary and secondary sources.

1.6.1 SOURCE OF DATA

PRIMARY DATA:

The primary data was collected by using a structured questionnaire. For collecting information two types of questionnaires were prepared and one is for collecting information from retailers and the other one is for collecting information from online customers. The study was conducted with the help of 100 retailers in Kannur Corporation.

SECONDARY DATA:

Secondary data were also used for smooth conduct of the study. It is collected through internet, magazines, books and newspapers.

1.6.2 SAMPLING METHOD

Convenient sampling method is used for this study.

1.6.3 TOOLS USED FOR DATA COLLECTION

Questionnaire method is used for collecting data.

1.6.4. TOOLS USED FOR DATA ANALYSIS

Percentage method is used for analyzing the data.

1.7 LIMITATIONS OF THE STUDY

- The study was limited to Kannur Corporation only. Hence findings may be differing from other parts of the country.

- Due to time constraint, the sample size was restricted to 100 retailers which were too small to represent the population of the Kannur Corporation.

- Some of the respondents might have been biased in their responses as such analysis could vary to some extent.

1.8 CHAPTER SCHEME

- Chapter 1- Introduction deals with the significance of the study, objective, scope of the study, research methodology and limitation of the study.

- Chapter 2- Theoretical Frame Work gives an over view about online and off line retail industries.
- Chapter 3 Data Analysis and Interpretation deals with the analysis and interpretation of collected data.
- Chapter 4 – Findings, Suggestions and Conclusions.