



A STUDY ON THE PROBLEMS FACED BY THE UNORGANISED RETAILERS IN KERALA

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ABSTRACT

This research articles has analyzed the problems faced by the unorganized retail traders in Kerala by the large scale entry of organized retailers. The entry of organized retail sector in the Kerala market has created enormous amount of anxieties and apprehensions in the mind of traditional retailers, venders, consumers, political parties and the general public at large. There are five types of problems that are faced by the unorganized retailers by the entry of organized retailers. These include infrastructure problems, product related problems, price related problems, promotion related problems and operation related problems. Of which price related problems are the most prominent problem and that alone contribute 70 percent of the overall problems. The study proved that the existence of unorganized retailers in Kerala is challenging and they face severe competition from the organized retailers and they will be compelled to close down their outlets in the near future.

Introduction

Retailing has an important role in our everyday life because we get everything through retail organizations. Every country is enjoying their economic and social progress through the retail sectors operating there. A retailer is a person, agent, agency, company or organization which is instrumental in reaching the goods, merchandise or service to the ultimate consumer. Retailers perform specific activities like anticipating customer needs, bringing assortments of different products, acquiring market information, raising necessary finance, establishing warehouse facilities, distributing the products among different customer groups and taking risks in the distribution process (Chetan Bajaj, Rajnish Tuli & Nidhi Varma Srivastava 2012). It can be say that retailing is the final step in the distribution chain of merchandise for consumption by the end users. To put it briefly, any firm which sells products to the final consumer is doing the function of retailing. It includes all activities involved in the marketing of goods and services directly to the consumers for their personal, family or household consumption (Swapna Pradhan 2012). Retailers provide a collection of service benefits to their customers such as being located in convenient places, editing product ranges according to shopping tasks, and selling goods in quantities that match personal consumption levels (Rafiq Mohammed & Varley Rosemary 2009).

The Indian retail industry is divided into organized and unorganized sectors.

Organized Retailing

These are retailing activities undertaken by those outlets that are established, run and managed by large corporations of India and foreign. These are chain organizations having huge capital investment and better infrastructure and deal in large variety of branded and non-branded products. It has developed supply chain and well qualified and professional management. The sales men in these outlets are well trained and keep good etiquette and manners to the consumers. It has branches in international markets and finds the sources of its products from other countries also. These types of organizations are established in government, co-operative and private sector. Examples of these outlets are Aditya Birla Retail, Bharti-Walmart, McDonalds, Pantaloon Retail Ltd, Spencer's Retail Ltd, Reliance Retail Ltd, Margin Free Super Market, Kerala State Civil Supplies Corporations, Thriveni Store, Neethi Store etc.

Unorganized retailing

Unorganized retailing is the retailing activities undertaken by the small and medium scale retail business organizations and managed by its owner for earning his livelihood. The nature of this forms of business firms are generally sole proprietorship and is run by his family members. The amount of capital investment, number of workers and number of products assortments are

very low in this form of organizations compared to organized retail outlets. The supply chain and the sourcing of goods and services are usually taken by these firms locally and are meet the local needs. Examples of these organizations are the nearby grocery shops, fruits and vegetable shops, stationery shops, textile shops, footwear and bag shops, readymade garment shops, bakeries, general electronic shops and outlets that deal with house hold items etc.

Importance of Unorganised Retailing in India

Retailing is India's major occupation, after farming. It employs 40 million people. India is a country of traditional formats of retailing and local kirana shops, paanbeedi shops, weekly hats, hardware stores and bazaars. The Indian retail industry is highly fragmented and there are 11 million outlets that are operating in the country and only 4 % of those outlets are being larger than 500 sqft in size. A sizeable majority of owners/employees are in the business because of the lack of other opportunities. According to global consultancy firms AC Nielson and KSA Techno Park, India has the highest shop density in the world. In 2001 it was estimated that there are 11 outlets for every 1000 people (Mohan Guruswami, Kamal Sharma, JeevanPrakashMohanty and Thomas J korah (Feb. 2005). Also McKinsey & Company and the Confederation of Indian Industry reported that global retail giants like Tesco, Kingfisher, Carrefour and Ahold were waiting to enter into the Indian retail market (Mohan Guruswami, Kamal Sharma, Jeevan PrakashMohanty and Thomas J korah (2005). The major threat to majority is from organized retailers who predominantly cater to the growing middle and high income groups of society, whose incomes are steadily going up as well as their expectations of living standards. The entry of the corporate retailers in a large scale will adversely affect the large class of small retailers who get displaced and deprived of their daily bread. (E A S Sarma 2005).

The FDI – driven 'modern' retailing will displace the labour because it can expand only by destroying the traditional retail sector. The entry of foreign players will most definitely disrupt the current balance of the economy, rendering millions of retailers, jobless by closing the small window of opportunity available to them. The corporate retailers with their super market will typically sell everything from fruits and vegetables to the latest electronics gadgets, at very low prices and that will most likely undercut those in nearby local stores selling similar goods. (Mohan Guruswami, Kamal Sharma, Jeevan Prakash Mohanty and Thomas J korah (Feb. 2005)

Statement of the problem

From the review of literature it could be understood that the entry of organized retailers in a large scale in the Indian retail market creates serious threats to the unorganized retailers. The unorganized retailers of Kerala believe that the large scale organized retailers with huge capital base, variety of products, economies of large scale production, advanced technology; low production cost and low price will attract the middle and high income group of the society towards their outlets. Since the customers get good quality products at lesser price and enjoy comfortable shopping experience in organized retail shops, they are sure to turn to the fold of organized retail outlets. This will lead to the reduction of unorganized retailers' sales and to the consequent closure of their shops. The organized retailers purchase fresh agricultural products directly from the farmers and offers them to the market at considerable discounts and offers, the customers will naturally prefer to buy their items from the organized retail outlets.

In Kerala there are 5, 97,374 (6th economic census as on 2013) unorganized retail traders who conduct various forms of businesses. In Kerala, Corporate retail companies like Pantaloons Retail Ltd, Tata Group, RPG Group, and Reliance, AV Birla Group are already in operation. Now the Indian market is completely opened for FDI. This will make the situation more complex for unorganized retailers. In this contest it is imperative to address this issue and to see whether the unorganized retail traders in Kerala faces any problem in managing their outlets by the large entry of organized retailers in the Kerala market.

Objectives of the study

1. To identify the major contemporary problems confronted by the retailers in the unorganized retail sector in Kerala.

Research Hypotheses

H01. The extent of contemporary problems faced by the unorganized retailers in Kerala is not serious.

Ha1. The extent of contemporary problems faced by the unorganized retailers in Kerala is serious.

Methodology

The study is descriptive and analytical in nature. Both primary and secondary data has been collected for the study. Primary data was collected from the unorganised retail traders of Kerala. For the collection of data structured interview schedule was used. Multistage random sampling has been used for selection of the samples from the population. The population consists of the total number of unorganised retail traders in Kerala as per the list supplied by the Economic and Statistics department, Government of Kerala.

The state of Kerala is divided into Southern Region, Central Region and Northern Region. From each Region two districts were selected randomly and that districts again divided into Corporations, Municipalities and Panchayaths. From this, One Corporation, one Municipality and one Panchayath were selected randomly and from each of such group one ward each is randomly selected for choosing unorganised retail traders. Accordingly from one district a total of 100 retailers were selected from all the segments...i.e. Corporation, Municipality and Panchayath. So a total of 600 retailers were selected for the study.

For the analysis of the collected data, descriptive statistics like mean, standard deviation and inferential statistics like multiple regression analysis has been used. Factor analysis is used as a data reduction technique.

Contemporary Problem

Contemporary problems are those problems that are obstacles in the smooth running of business. The contemporary problems faced by the unorganized retail outlets in Kerala are classified into five heads namely infrastructure related problems,

product related problems, price related problems, operation related problems and promotion related problems. A brief explanation of such problems is discussed below.

Infrastructure-related problems

Infrastructure means the basic requirements needed for carrying out the operation of the business successfully and conveniently. The business outlet with sufficient infrastructure facilities can run their business without any fear and they can attract more customers to their business than those who do not have required infrastructure. The large scale organisations like organised retailers provide such basic requirements in their outlets in a better manner. But the unorganised retailers of the state of kerala cannot establish such facilities as expected by the consumers.

Product- related problems

These are the constraints faced by the unorganised retailers of kerala nowadays. These obstacles cause the lose customers and low profitability to these organisations. These problems include absence of wider choice of products in their shops, lack of one stop shopping experience for customers, lack of most modern weights and measures, stock of expired products with them, lack of warrantee & guarantee and absence of franchisee business.

Price- related problems

The pricing of the product is a most important matter in retail marketing. The sales of the business depend on the prices charged by the outlet. While charging price, various factors like organisation's pricing policy, cost of production, rate of return required, demand of the product, competitor's price should be take into consideration.

Promotion- Related Problems

By promotion we mean the programmes introduced by the manufacturer or seller such as advertisement, self-service, discounts, sales promotional contests, home delivery, prompt services, comfortable packaging, catalogues and promotional activities. The unorganised retailers cannot do this type of promotional programmes because of their low scale of operation and limited financial resources.

Operation- related problems

These are challenge faced by the traditional retailers in their day to day conduct of their business such as low sales volume, shift of customers to organised retail shops, increase of running cost, discontinuation of sales of some product due to the stringent competition from large organised shops and lack of capital accessibility on liberal terms.

Results and discussion

From the table given below, it is seen that 70 % unorganized retailers believe that the small size of their shops creates problems to them. The mean score found out is 3.83 and it shall vary between 3.78 and 3.89 (Mean \pm 1.96*SE). It shows the severity of the factor 'small size' in creating infrastructure problem. As the average value is more than 3, this variable has been taken for further analysis. 74 % agree that they feel the absence of developed supply chains systems. The average value is 3.89 and it may vary between 3.83 and 3.94 (Mean \pm 1.96*SE).

35 % retailers agree that their outlets are situated in an inconvenient place and 9 % do not have any opinion in this regard. The average value is 2.86 and which will vary between 2.76 and 2.97 (Mean \pm 1.96*SE). The majority of the retail traders, 409 (68 %) agree that they are not able to provide sufficient parking facilities to their customers. Therefore there is shift of customers from their business to other businesses. The average value, mean score (3.81) is above the standard limit and its value may vary between 3.75 and 3.86 (Mean \pm 1.96*SE). The average value gives the picture that providing parking facilities is a big problem.

The table values show that 62 % retailers are not affected by the absence modern payment methods. The average score attained for this variable is 2.3 and this value may vary between 2.24 and 2.36 (Mean \pm 1.96*SE). So it can be understood that lack of providing payment methods are not a problem to the unorganised retailers. 67 % of the retailers admit that their retail shops are not attractive compared with the other organised retail formats

63 % retailers opined that the warehouse system they are following is not adequate to keep the products in good condition. The average value obtained is 3.67 (Mean \pm 1.96*SE)

Table-1

Opinion of respondents regarding Infrastructure Related Problems																
	Small outlet		Non-developed supply chain		Inconvenient location		Absence of parking facility		Lack of payment options		Unattractive appearance		Lack of warehouse facility		Lack of hygienic environment	
	No	%	No	%	No	%	No	%	No	%	No	%	No	%	No	%
STRONGLY DISAGREE	0	0	0	0	54	9.0	0	0	71	11.8	0	0	0	0	62	10.3
DISAGREE	9	1.5	10	1.7	280	46.7	16	2.7	303	50.5	21	3.5	32	5.3	276	46.0
NO OPINION	168	28.0	149	24.8	55	9.2	175	29.2	199	33.2	177	29.5	193	32.2	77	12.8
AGREE	338	56.3	340	56.7	116	19.3	318	53.0	27	4.5	319	53.2	317	52.8	96	16.0
STRONGLY AGREE	85	14.2	101	16.8	95	15.8	91	15.2	0	.0	83	13.8	58	9.7	89	14.8
TOTAL	600	100.0	600	100.0	600	100.0	600	100.0	600	100	600	100.0	600	100.0	600	100.0
MEAN	3.83		3.89		2.86		3.81		2.3		3.77		3.67		2.79	
SD	.674		.686		1.2796		.717		0.7341		.723		.723		1.2591	
Mean +/- 1.96* SE	3.89	3.78	3.94	3.83	2.97	2.76	3.86	3.75	2.36	2.24	3.83	3.72	3.73	3.61	2.89	2.69

Source: Primary Data

Which may vary in between 3.61 and 3.73? It is assumed that the lack of proper warehouse is a persistent problem to the unorganised retailers. Regarding hygienic condition of the outlet, the majority (56 %) say that their outlets are clean and free from hygiene problems. Only 31 % say that there are certain hygienic problems exist in their outlet. The average value arrived is only 2.79 and it may vary between 2.69 and 2.89. Therefore, it could be understood that lack of hygiene environment is not a significant problem in unorganised retail outlets.

Table-2

Opinion of respondents regarding Product Related Problems												
	Lack of wider choices of products		Lack of one stop shopping experience		Improper weight and measure		Sale of out dated products		Lack of warrantee & Guarantee		Absence of franchisee business	
	No	%	No	%	No	%	No	%	No	%	No	%
STRONGLY DISAGREE	0	0	0	0	128	21.3	156	26.0	168	28.0	0	0
DISAGREE	28	4.7	32	5.3	326	54.3	308	51.3	281	46.8	55	9.2
NO OPINION	212	35.3	192	32.0	86	14.3	71	11.8	87	14.5	263	43.8
AGREE	279	46.5	283	47.2	47	7.8	49	8.2	40	6.7	244	40.7
STRONGLY AGREE	81	13.5	93	15.5	13	2.2	16	2.7	24	4.0	38	6.3
TOTAL	600	100.0	600	100.0	600	100.0	600	100.0	600	100.0	600	100.0
MEAN	3.69		3.73		2.15		2.10		2.12		3.44	
SD	.761		.785		.918		.968		1.020		.747	
Mean +/- 1.96* SE	3.749	3.627	3.791	3.666	2.225	2.078	2.179	2.024	2.2	2.037	3.501	3.382

Source: Primary Data

The majority (75 percent) opined that they are keeping proper weights and measures in their shop. The average value of the mean score given is less than 3 which is not within the standard limit. So it is inferred that keeping proper weights and measures is not a problem to the unorganized retailers. The majority (77 per cent) of the retailers said that they did not sell expired product at all. As the average values of the responses is 2.10, which is not a satisfactory one. Its value may be varied from 2.02 to 2.17 (Mean +/- 1.96*SE). This shows that the unorganized retailers are not in a trouble of selling outdated products with their outlet.

The table shows that 75 per cent retailers are selling those products that have proper warrantee and guarantee. As the vast majority of the retailers sell products with proper warrantee and guarantee, it is understood that warrantee and guarantee is not a problem to the 50 organized retailers. 47 per cent retailers agreed that they cannot undertake franchisee from large business

groups and 44 per cent does not expressed opinion. But, only 9 per cent said that they can take franchisees business. So it can be said that this factor is a big problem encountered by the unorganized retailers.

Table-3

Opinion of respondents regarding Price Related Problems								
	High price		Predatory Pricing		Price Competition		Lack of commercial economy	
	No	%	No	%	No	%	No	%
STRONGLY DISAGREE	11	1.8	19	3.2	13	2.2	13	2.2
DISAGREE	105	17.5	64	10.7	73	12.2	48	8.0
NO OPINION	211	35.2	256	42.7	263	43.8	271	45.2
AGREE	229	38.2	190	31.7	199	33.2	196	32.7
STRONGLY AGREE	44	7.3	71	11.8	52	8.7	72	12.0
TOTAL	600	100.0	600	100.0	600	100.0	600	100.0
MEAN	3.32		3.38		3.34		3.44	
SD	.908		.937		.879		.882	
Mean +/-1.96* SE	3.389	3.244	3.458	3.308	3.41	3.27	3.514	3.373

Source : Primary Data

From the above table it can be seen that 45 per cent retailers agreed that the price charged by them are higher than that of the 51organized retailers. The average value arrived is 3.32(Mean+/-1.96*SE) which may vary between 3.24 and 3.28. From this information it is understood that pricing of products is a big problem to the 51organized51d retailers.

As regards the predatory price, 44 per cent retailers agree that they are affected seriously by the act of predatory price by the 51organized retailers. The average value obtained is 3.38 which show the intensity of the variable 'predatory pricing' as a problem to unorganized retailers. 42 % retailers are unable to decrease the price of their products if unorganized retailers make a sudden reduction in their price. 14% said that they can offer products at reduced prices. The average value obtained 3.34 is much higher than the required value. Therefore, it is inferred that the price competition from organized retailers is a problem to the unorganized retailers. 45 % of traditional retailers said that they did not get the concession of bulk purchase compared to the 51organized retailers. Therefore, they cannot give price reduction that can be adjusted from the benefits of bulk purchase. But10% retailers admit that they get benefits of bulk purchase from traders. But 45 % respondents did not disclose their opinion in this matter. The average value obtained (3.44) shows that the lack of bulk purchase and the associated benefits are denied to the unorganized retailers to a great extent and hence it is believed that the unorganized retailers of kerala are badly affected by lack of bulk purchase.

Table-4

Opinion of respondents regarding Promotion Related Problems														
	Lack of self-service facility		Lack of credit Sales		Lack of home Delivery		Lack of Prompt Service		Uncomfortable Packaging		Lack of Catalogues		Lack of Promotional Activities	
	No	%	No	%	No	%	No	%	No	%	No	%	No	%
STRONGLY DIAGREE	7	1.2	71	11.8	3	.5			4	.7	36	6.0	4	.7
DISAGREE	51	8.5	231	38.5	80	13.3	16	2.7	31	5.2	289	48.2	43	7.2
NO OPINION	253	42.2	107	17.8	228	38.0	278	46.3	272	45.3	268	44.7	275	45.8
AGREE	239	39.8	159	26.5	247	41.2	273	45.5	255	42.5	7	1.2	246	41.0
STRONGLY AGREE	50	8.3	32	5.3	42	7.0	33	5.5	38	6.3	0	.0	32	5.3
TOTAL	600	100.0	600	100.0	600	100.0	600	100.0	600	100.0	600	100.0	600	100.0
MEAN	3.46		2.75		3.41		3.54		3.49		2.41		3.43	
SD	.810		1.130		.824		.642		.722		.621		.732	
Mean +/-1.96* SE	3.521	3.392	2.84	2.66	3.474	3.342	3.59	3.487	3.544	3.429	2.46	2.36	3.49	3.373

Source: Primary Data

The above table tells that 48 per cent retailers do not promote self-service in their shops and it has been adversely affecting their business. At the same time 10 per cent do not believe that the lack of self service facility has adversely affected their business in any way. But 42 per cent do not reveal their views on this matter. 50 per cent retailers are not affected by the lack of credit sales, but 32 per cent of them are of the view that their business has been affected because of the insufficient credit allowed by them. 18 per cent retailers have not expressed their opinion in this matter.

48 per cent retailers are affected by the absence of home delivery systems in their business but 14 percent opined that they are not affected by the non-implementation of home delivery in their shops. At the same time 38 % have not expressed their views. As regards prompt service 51 per cent agreed that their business is badly affected due to lack of prompt service while, 3 per cent disagreed to this view. But 46 per cent of the retailers refused to express their opinion.

49 per cent of the retailers support the view that good packaging is an important factor in the promotion of sales which they are unfortunately not able to keep but 6 per cent is of the view that the present style of packing which they use now is not at all a hindrance to the sale of their products. It should also be mentioned that 45 per cent of the retailers did not express their opinion. 54 per cent of the retailers are of the opinion that catalogue is not at all an issue in retail marketing of traditional retailers. While 1 per cent said that lack of catalogue is a problem for them. But 45 per cent did not express their opinion in this matter. 46 per cent of the retailers said that promotional activities are very essential for their survival in the retail field, but they are lacking it. 8 per cent retailers do not support this view. But 46 per cent retailers did not express opinion in this matter.

Table-5

Opinion of respondents regarding Operation Related Problems										
	Low Sales Volume		Shift of Customers		Discontinuation of Products		Increased Operation Cost		Less Capital Accessibility	
	No	%	No	%	No	%	No	%	No	%
STRONGLY DISAGREE	0	.0	0	.0	0	.0	0	.0	8	1.3
DISAGREE	6	1.0	3	.5	9	1.5	7	1.2	89	14.8
NO OPINION	201	33.5	204	34.0	215	35.8	211	35.2	223	37.2
AGREE	330	55.0	338	56.3	335	55.8	334	55.7	228	38.0
STRONGLY AGREE	63	10.5	55	9.2	41	6.8	48	8.0	52	8.7
TOTAL	600	100.0	600	100.0	600	100.0	600	100.0	600	100.0
MEAN	3.75		3.74		3.68		3.71		3.38	
SD	.647		.621		.620		.626		.887	
Mean +/-1.96* SE	3.802	3.698	3.791	3.692	3.73	3.63	3.755	3.655	3.449	3.307

Source: Primary Data

The majority (66 per cent) of the retailers says that their sales volume has been reduced considerably in the recent times. Only 1 per cent of the retailers have the opinion that their sales volume has not been reduced considerably. 33 per cent retailers have not expressed their views in this matter. 65 per cent of the retailers agreed that they have lost a great number of customers. Only 1 per cent retailers said that they have not lost any customers to any other shops. 34 per cent did not express their experience.

63 per cent retailers have discontinued the sale of certain products while only 2 per cent has not discontinued the sale of those items due to less demand. 35 per cent of the retailers did not express their opinion. 64 per cent of the retailers say that the operation cost of their outlets has increased due to the changes made by them to face the threat raised by the organised retailers. Only 1 per cent has not made any change in their shops for better competition. 35 per cent of the retailers have not expressed their opinion on this matter. 47 per cent of the retailers said that they did not get sufficient capital for the investment in business. Only 16 per cent is not affected by capital accessibility and 37 per cent refused to express their views.

Table-6

Table showing the Contemporary Problems faced by the unorganised Retailers with Intensity							
		Infrastructure	product	price	operation	Promotion	Over all
		(Out of 5)	(Out of 5)	(Out of 5)	(Out of 5)	(Out of 5)	(out of 25)
Mean		3.79	3.62	3.37	3.65	3.46	17.9
High Effect (Scores >= 3.00)	No out of 600	573	533	461	555	517	561
	Percentage	95.5	88.83	76.83	92.5	86.17	93.5
Low Effect (Scores < 3.00)	No out of 600	27	67	139	45	83	39
	Percentage	4.5	11.17	23.17	7.5	13.83	6.5

Source: Primary Data

From the table it is understood that 573 retail traders (95.5percentage) out of 600 have severe problems associated with their infrastructure facilities. The mean score value 3.79 is very high than the minimum required value of 3. This high mean score shows that problems related with infrastructure are very crucial among the unorganized retail traders. Only a negligible amount of retailers (4.5percentage) was not affected by such kinds of problems. Regarding product related problems, 533 retailers (89 percentages) have problems in relation to their products. The mean score value of 3.62 make it clear that this is also a pertinent problem among them. Only 11 per cent retailers have a difference of opinion in this regard. As regards the price, 461 respondents (77percent) face acute problems in pricing matters. The average obtained (3.37) signifies that fact in a better way. Only a small number of retailers (23 percent) do not have problems associated with price. Coming to the operation related problems it can be seen that 555 (93percentage) retailers faces serious issues in the proper management of their outlets. The average value obtained is high enough than the standard value and hence it can be inferred that problems associated with operation of outlets are very severe. As regards promotion of the products 517 (86percent) admit that they have difficulties in the proper promotion of their products. The average value 3.46 is an indicator of the severity of the problem. The overall mean score value (17.9) is much higher than the standard value of 15. So it can be concluded that the unorganized retailers of the kerala are facing very serious problems in the proper functioning of their outlets. Out of the total 600 respondents selected for the study a lion share (94 percent) of the retailers have the opinion that they have acute problems in their business.

To analyze the extent of contribution of each problem in the overall problem faced by the unorganised retailers in Kerala, a multiple linear regression analysis is performed on the contemporary problems by considering the overall problems as the dependent variable and each component of contemporary problem as the independent variables. The various regression coefficients derived from the multiple linear regression analysis indicates the extent of contribution of each problem to overall problem is stated below.

Table-7

Table showing Contribution of Each Problem in Overall Problem			
No		Co-efficient (Percentage)	Sig.Value
1	Price problem	.696	.000
2	Operation problem	.153	.000
3	Product problem	.068	.000
4	Infrastructure Problem	.041	.000
5	Promotion Problem	.042	.000

Primary Data

Considering the table 6.16 it is seen that all coefficients calculated based on linear multiple regression on various problems are found to be highly significant. Also, the variables expressed as contemporary problems provide maximum explanation to the independent variable measured as overall problem. It may be seen that overall problem is positively related to all its components with varying regression coefficients indicating the extent of contribution of each on the overall problem. From the coefficients it may be inferred that price related problems are the most crucial problem among the unorganized retailers as this component constitute 70 percentages of the entire problems. It has the highest positive coefficient of 0.696 followed by operations related problems 0.153 (15percentage); product related problem 0.068(7percentage); Promotion related problem 0.042 (4percentage) and infrastructure related problem 0.041(4percentage)

The statistical test result (Mean score) shows that the infrastructure problem, product related problem, price related problem, operation related problem and promotion related problem are very serious among the retailers of Kerala as its average values are very high. As per the multiple regression analysis also it is found that these problems are high among the unorganised retail traders. Therefore, the null hypothesis (H01) that the “extent of contemporary problems faced by the unorganised retailers in Kerala is not serious” stands rejected and the alternate hypothesis (Ha1) that “the extend of contemporary problems faced by the unorganized retailers in Kerala is serious” stands accepted.

Conclusion

From the study it is understood that the unorganized retailers of Kerala are facing serious threats from the organized retailers. The wide spread entry of organized retailers in the Kerala market has reduced the sale and profit of the unorganized retail traders. In Kerala, a vast majority of the people are working in the unorganized retail sector due to lack of better other opportunities. The entry of organized retailers in a large scale will dislocate them in the near future and they will be compelled to give up their business and to find other means to earn their livelihood.

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