



## A STUDY ON IMPACT OF CORPORATE RETAILING ON SMALL TRADERS IN COIMBATORE CITY

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### 1.1 Introduction

Corporate retail industry in India is at the crossroads and is fast emerging as one of the most dynamic and fast paced industries with several multinational as well as national players entering the market. Retailing encompasses the business activities involved in setting goods and services to their customers for their personal family or households use. Corporate retail has entered India as seen in sprawling shopping centers, multi-storied malls and huge complexes offering shopping, entertainment and food all under one roof. The major impact which the retailing has made in India is that it has changed the whole concept of shopping in terms of setup, customer buying habits and small traders activities of business. The impact of corporate retailers on the small business is really very big. Since the corporate use their money power to buy more stock and bargain to reduce the price and sell the same at lower rates for certain commodities only, whereas they do not do the same with all products and the customer are cheated and they do not move to small business people feeling that the corporate are the true people. The effect is very bad and the results are to be seen yet. The researcher has to measure the impact of corporate retailers on customer's like's varieties of product, timing, fairest price and So on. The research also seeks to study the impact of corporate retailers on small traders like reduction in prices, added new product lines, reduced business volume, and increased store space and So on. All these have risen a curiosity in the researcher to undertake this study to know the impact of corporate retailers on customers and small traders. Hence the present study has been carried out to examine the above enquiries and offer solutions.

### 1.2. Objective of the Study

1. To analyze the impact of corporate retailers on consumers and small traders in Coimbatore city.

### 1.3. Research Methodology

The Methodology and design adopted for the study was as follows:

The primary objective of the study is to analyze the impact of corporate retailers on consumers and small traders in Coimbatore city. The primary data were collected through questionnaire for customers and small traders and secondary information were collected from different sources like newspapers, magazines, journals, books, websites, pamphlets, etc., for which the researcher has approached various institutions like., Periyar University , Bharathiar University Library, Coimbatore and Research Learning centre, PSG Institute of Management, Coimbatore.

#### 1.3.1 Sample Selected for the Study

The study is to examine the impact of corporate retailers on consumers and small traders in Coimbatore city. A study of this nature required the selection of a suitable place. To fulfil this, collection of primary data was done from the corporate retailer customer and small traders from Coimbatore city. For this purpose, a list of corporate retailer and small traders operating within the Coimbatore city was prepared. To prepare this list, the unpublished records were referred, which were obtained from association of



traders of Coimbatore city. Hence, around 150 small traders were selected in and around these retail outlets.

### 1.3.2. Sampling Techniques

For the purpose of analysis, the data was collected from one hundred and fifty small traders in Coimbatore city. The above said samples were selected on the basis of random sampling method. The data were tabulated and statistically interpreted whenever and wherever needed.

### 1.3.3 Statistical Tools used for analysis

The primary data have been collected from the potential respondents from different areas and has been properly sorted, classified, edited, tabulated in a proper format and analyzed by deploying appropriate statistical tools. The statistical tests are conducted at 5 per cent and 1 per cent level of significance. The following statistical tools are used.

1. Reliability analysis
2. Factor analysis.

## 1.4 Summary of Findings

**Table -1: Reliability of Scales and Item-Construct Loadings for Impact of Corporate Retailing on Small Traders**

S.No	Items	Scale Mean If Item Deleted	Cronbach's Alpha If Item Deleted
1	Reduced prices	57.29	.739
2	Reduced expenses	57.01	.761
3	Reduced staff	57.65	.759
4	Added new product lines	57.28	.782
5	Discontinued few produce lines	57.37	.759
6	Increased number of brands	57.09	.751
7	Better display	57.11	.751
8	Introduced self-service	57.51	.737
9	Reduced profit margin	57.64	.750
10	Improved home deliver	57.47	.746
11	Increased store deliver	57.10	.807
12	Increased price for few consumers	57.25	.718
13	Reduced business volume	57.50	.792
14	Emphasis credit facility to customers	57.04	.756

15	Others reasons	57.11	.785
		<b>Mean</b>	<b>61.39</b>
		<b>Variance</b>	<b>43.756</b>
		<b>Std. Deviation</b>	<b>6.615</b>
		<b>Cronbach's Alpha</b>	<b>.773</b>
		<b>No Of Items</b>	<b>15</b>

In the above table, the reliability of scales used in this study was calculated by Cronbach's coefficient alpha. The coefficient alpha values exceeded the minimum standard of 0.70. It's provided good estimates of internal consistency reliability. As shown in Table 1, coefficient alpha values ranged from 0.718 to 0.807 for all the constructs indicating that the scales used in this study were reliable. It should also be noted that an alpha of 0.773 is probably a reasonable goal. It should also be noted that while a high value for Cronbach's alpha indicates good internal consistency of the items in the scale, it does not mean that the scale is unidimensional. Factor analysis is a method to determine the dimensionality of a scale.

**Table 2: Loading of Impact of Corporate Retailing on Small Traders - Measurement Scale Items on Extracted Factors**

S.NO.	Variables	Factor I	Factor II	Factor III	Factor IV	Factor V	Factor VI	C <sub>2</sub>
X <sub>8</sub>	Introduced self-service	<b>.918</b>	.068	-.022	-.037	-.023	.060	0.853
X <sub>13</sub>	Reduced business volume	<b>.887</b>	.110	.005	-.009	.018	.064	0.803
X <sub>9</sub>	Reduced profit margin	<b>.745</b>	.323	-.026	.012	-.017	-.084	0.668
X <sub>14</sub>	Emphasis credit facility to customers	<b>.723</b>	.436	.027	.142	.069	-.025	0.739
X <sub>12</sub>	Increased price for few consumers	.168	<b>.871</b>	-.004	.140	.087	.066	0.818
X <sub>7</sub>	Better display	.253	<b>.855</b>	.001	-.018	.059	-.068	0.803
X <sub>5</sub>	Discontinued few produce lines	.269	<b>.779</b>	-.045	-.372	-.084	.008	0.827
X <sub>2</sub>	Reduced expenses	-.021	-.006	<b>.956</b>	-.012	.032	-.080	0.922
X <sub>4</sub>	Added new product lines	.007	-.026	<b>.955</b>	-.082	.013	-.131	0.937
X <sub>6</sub>	Increased number of brands	-.021	.039	-.084	<b>.915</b>	.053	.077	0.855
X <sub>11</sub>	Increased store deliver	.078	-.089	-.008	<b>.895</b>	-.007	-.113	0.828
X <sub>10</sub>	Improved home deliver	.087	-.007	.000	.034	<b>.913</b>	.061	0.846
X <sub>15</sub>	Others	-.071	.086	.032	.016	<b>.906</b>	-.010	0.835
X <sub>3</sub>	Reduced staff	.004	.033	.015	-.028	-.097	<b>.909</b>	0.838



X <sub>1</sub>	Reduced prices	.035	-.050	-.355	-.008	.217	<b>.755</b>	0.747
Kaiser-Meyer-Olkin Measure of Sampling Adequacy -						<b>0.624</b>		
Bartlett's test of sphericity		Approx Chi-Square			<b>1238.963</b>			
		Df			<b>105</b>			
		Sig.			<b>.000</b>			

**Extraction Method: Principal Component Analysis.**

**Rotation Method: Varimax with Kaiser Normalization, Rotation converged in 6 Iterations**

It can be observed from the above table that 84.27 per cent of total variation in X<sub>8</sub> (Introduced self-service) is accounted by Factor I. Similarly, it is seen that nearly 78.68 per cent, 55.5 per cent, and 52.27 per cent variations in X<sub>13</sub> (Reduced business volume), X<sub>9</sub> (Reduced profit margin) and X<sub>14</sub> (Emphasis credit facility to customers) respectively. Factor II, it is seen that the 75.86 per cent, 73.1 per cent, and 60.68 of total variations in X<sub>12</sub> (Increased price for few consumers), X<sub>7</sub> (Better display) and X<sub>5</sub> (Introduction of new methods of customer service is required.) respectively. Similarly, X<sub>2</sub> (Reduced expenses) and X<sub>4</sub> (Making change is required to satisfy customers.) have relatively high factor loading with Factor III as 91.39 per cent and 91.2 per cent. The variable X<sub>6</sub> (Increased number of brands) and X<sub>11</sub> (Small traders can become a franchisee of corporate retailers) dominant variable in Factor IV as its factor loading is as high as 83.72 per cent and 80.1 per cent. Next, X<sub>10</sub> (Improved home deliver) and X<sub>15</sub> (Small traders can match competitor and corporate retail prices.) have relatively high factor loading with Factor V as 83.36 per cent and 82.08 per cent. Finally, X<sub>3</sub> (Reduced staff) and X<sub>1</sub> (Others reasons) have relatively high factor loading with Factor VI as 82.63 per cent and 57 per cent.

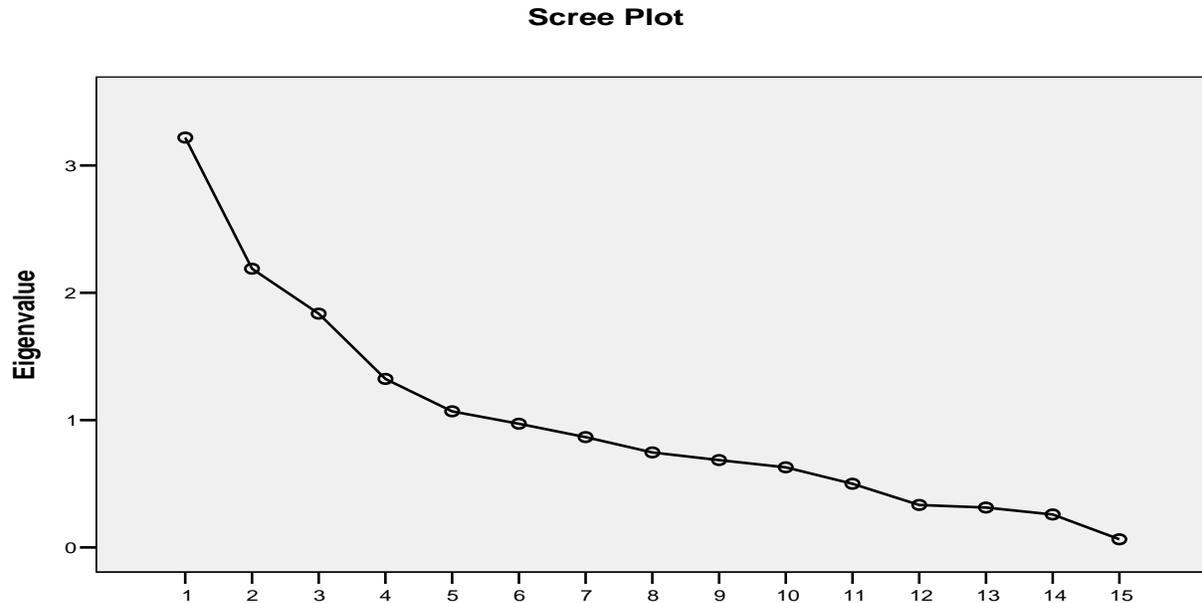
**Table - 3. Eigan Values and Proportion of Total Variance of Each Underlying Factors of Impact of Corporate Retailing on Small Traders.**

component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.964	26.428	26.428	3.964	26.428	26.428	2.890	19.265	19.265
2	2.284	15.229	41.657	2.284	15.229	41.657	2.428	16.185	35.450
3	1.897	12.647	54.304	1.897	12.647	54.304	1.965	13.102	48.552
4	1.717	11.446	65.751	1.717	11.446	65.751	1.827	12.178	60.730
5	1.345	8.968	74.719	1.345	8.968	74.719	1.739	11.591	72.321
6	1.107	7.381	82.100	1.107	7.381	82.100	1.467	9.779	82.100

**Extraction Method: Principal Component Analysis**

The principal component analysis is used in the above table. It is a multivariate technique for identifying the linear components of a set of variances. The principal component analysis have extracted six factors, there are 6 factors that have Eigen values more than 1; i.e., 3.964, 2.284, 1.897, 1.717, 1.345 and 1.107. The six factors extracted together account for 82.1 per cent of the total variance under Rotation Sums of Squared Loadings, which is a good sum. The number of variables has been economized from 15 to 6 underlying factors. Only while 17.9 per cent of the information content has been lost (82.1 per cent is retained by the 6 factor extracted out of the 15variables). This is a very less percentage and can be ignored.

Chart1



The scree plot is the diagrammatic representation of the total variance explained based on the variance in the Eigen values of the fifteen components using Principal Component Analysis. This chart states the high influence of the one factor based on their Eigen value is greater than one.

### 1.5 Conclusion

The results of the study reveal that reduced business volume, self service facility to consumers, profit margin and credit facility to consumers are some of the main problems faced by small retail traders. Besides, majority small traders are dissatisfied with their present business due to stiff competition from the organized retailing. Based on the results of the surveys, if small retail traders concentrate on providing self service facility, goods at reduced margins, variety in products, they can increase their market competition and survive in this world of corporate marketing.