IOSR Journal of Business and Management (IOSR-JBM)
e-ISSN: 2278-487X, p-ISSN: 2319-7668. Volume 23, Issue 4. Ser. II (April 2021), PP 01-14
www.iosrjournals.org

Impact of Structural Transformation on Unorganized Small Kirana Retailers and Street Vendors

Dr. Aditi Amrit
Ph.D in Economics & Independent Researcher

Abstract
The present study has been focused on unorganized kirana retailers and street vendors. Ten years ago, small retailers had restricted and unsold stocks at the end of the year. There was a lack of retail space and efficient supply chain management, as they suffered of low margins and low skill development. Talking about street vendors, they started doing small businesses in order to survive their livelihood due to their income constraints. With the arrival of big giant supermarket chains, sales and turnover of small stores had diminished. They started repairing and redefining themselves in order to exist with the organized retailers. Street vendors had customer's good will and did not fear competition as customers came to them from every corner due to their fixed spots. Talking about average income people, more than half of the shoppers generally preferred traditional stores. It was found that geographical position of 12 million small retail outlets were established in the current time period. Higher income groups generally preferred these kirana stores as adults were included in it, whereas the young generation preferred big giant organized chains. People having annual income less than 5 lakhs, generally preferred mom and pop stores.
Keywords: *structural transformation, unorganized small kirana retailers, street vendors, average income group.*

Date of Submission: 22-03-2021 Date of Acceptance: 06-04-2021

I. Introduction

India transformed and secured as the 12th prime marketplace of customers in the world (Gupta, 2012)[1].Talking about unorganized retailers, mom and pop stores run 97 percent of their production. It was found that Indian retail sector was extremely fragmented and unorganized in old times. Unorganized sector was the main foundation of employment, subsequent to agriculture. These traditional stores produced about 10 percent of India's GDP. Previously, retailing was prepared by kirana stores or mom and pop stores with restricted stock. As far as these traditional retailers, apparel shops, footwear shops, pavement vendors, local Kirana and provisional shops, hand cart hawkers, paan beedi shops, etc. are concerned, all were unorganized retailers. In context with 'Mandi areas', number of food and grocery items were sold by huge bunches of open kiosks and stalls. Customer's familiarity and proximity of the store were the two main rewards that run from generation to generation (Raghavendra, n. d.)[2].

It has been observed that the Indian economy was dominated by unorganized sector as there was a lack of efficient supply chain management, good infrastructure and lack of retail space. It was found that retail space was very small in comparison with international standards, i.e., less than 500 square feet as compared to international standards. Talking about the initial years, sale and profit of these small mom and pop retailers were diminishing due to arrival of big giant organized chains, whereas there was some decline in the north and west region (Mathew, 2008)[3]. Big giant chains induced unfair trade practices like predatory pricing, create monopoly and promote cartel and give rise to cut throat competition, etc., which ultimately brought competitive prices for them due to which there was reduction in the margin of these traditional retailers. As far as big stores offer number of varieties as well as branded products, parking facilities, home deliveries, multiple counters, fix price policy, good ambiance , trial room facilities, digital payment facilities, more discounts, etc., which eventually brought a matter of worry for these mom and pop stores. It was very difficult for small retailers to repair and redefine themselves in order to establish a business or shop as more amount of capital was needed which was very difficult for them to afford (Yadav, 2016)[4].

With reference to kirana stores, it was observed that they assured all the needs of their customers, whereas these traditional stores had been dominating in India. Customers did not wish to transform their childhood small shops that offered them discounts for the last 20 years. Moreover, traditional stores had their well-built customer base as they had the good will of their customers. Taking about mom and pop stores, majority of the daily wagers favored them at the end of the day for buying daily needed items like dal, sugar, wheat, rice, etc. They were unable to acquire bulk item that was why they did not buy from big giant chains. In order to attain customer's loyalty, small mom and pop stores started extending more credit (Joseph, 2008)[5]. In the case of unemployment period, seasonal workers purchased daily food items from mom and pop stores on credit basis. They cleared their dues when they got back to their jobs. Maximum customers preferred proximity stores, whereas it was very difficult for them to cover long distances for big stores, as these giant stores were located in the central parts of the city. That was why people living far away were not able to take the advantage of these big giant stores. Kirana stores were prepared with advanced marketing strategies and business practices. They were modernizing their stores by using new technologies by using credit card and debit card machines (Yadav and Verma, 2016)[6].

In context with the data of street vendors, ten years ago, 1500-2000 street vendors were recorded, whereas there were no cataloged street vendors in the current period as per the standard of Municipal Corporation in Jammu district. Roads became crowded as street vendors shift from one place to another which was the foremost barrier for transportation. It was observed in the current period that licenses were not issued to these street vendors as they did not retain their constant place. Moreover, vendors were not capable to applying for licenses if they did not have state subject. Appropriate registration forms should be filled as registration was permissible only under vending zones. Gandhi Nagar, Trikuta Nagar and Akhnoor were the key areas of Jammu city in which vending zones were established. Street vending was allowed under these zones only. It was found that 700 street vendors were registered ten years ago, whereas in the current time period, 415 street vendors were registered. It was also observed that some residential areas protested against these vending zones those who were near to these zones. Moreover, government trampled the push carts of those vendors who did not have any licenses and those who did not follow these vending zones. It was observed that first precedence was to construct traffic free zone as revenue was decreased as per the direction of High Court to Municipal Corporation and Traffic Commissioners (Secondary data from Jammu Municipal Corporation, 2017)[7].

Small traditional stores located near the big giant stores suffered a lot due to switching over of their buyers towards big stores. On the other hand, small stores located near to residential areas did not affected at all in terms of their sales and turnover. Many qualified customers who purchased items in bulk and also spent more income favored big stores, whereas in case of average income people, more than half shoppers generally preferred traditional stores. Instead of competition and being rivals of one another, both the retailers cooperated with each other and worked with mutual cooperation. Moreover, both were complementary and supplementary to one another (Yadav, 2016).[8]

In the case of traditional or unorganized retailers, kirana retailers and street vendors have been discussed in this paper.

Objective of the Study

To analyze the impact of structural transformation on unorganized small retailers.

Hypothesis

Unorganized retailers will gain in the long run from the structural transformation.

Research Methodology and Data Sources

Primary and secondary data were used in the study. An interview schedule was framed in order to collect primary data. For Jammu city, secondary data were collected from Municipal Corporation. A time period from 2008 to 2018 was selected. Current and previous time period (10 years back) was shown in the data of 10 years.

Selection of Area: In the case of small retailers, kirana stores and street vendors were enclosed from Jammu district and primary data were collected from them. Eight areas were enclosed and divided into four different zones, i.e., East, West, North and South. North zone sheltered Sanjay Nagar and Gandhi Nagar, East zone sheltered Sainik Colony and Channi, West zone sheltered Rehari and Bakshi Nagar and South zone sheltered Trikuta Nagar and Gandhi Nagar.

Selection of sample: This study selected a sample of 48 respondents of small retailers. In the case of traditional retailers, data from 24 kirana stores and 24 street vendors was collected. From North zone, 6 retailers were selected from Sanjay Nagar, 6 retailers from Gandhi Nagar. From East zone, 6 retailers were selected from Sainik colony and 6 from Channi. From West zone, 6 retailers were selected from Rehari and 6 from Bakshi Nagar. From South zone, 6 retailers were selected from Trikuta Nagar and 6 from Nanak Nagar.

Method of Enquiry and Collection of Data: In the case of method of enquiry, the survey method was incorporated. Personal meetings, observations and discussions with the unorganized retailers like kirana retailers and street vendors had also been included. Tabulation and simple percentage method were used in order to analyze and interpret data. Talking about hypotheses, Chi square test was used depending on the nature of the data.

Small Retailers

Data regarding unorganized retailers have been discussed through different tables under different subheadings.

Table 1. Year of Establishment of Kirana Store Retailers.		
Particulars	No. of stores Established	%age
1960-1970	1	4.1
1971-1980	0	0
1981-1990	6	25.0
1991-2000	5	20.8
2001-2010	12	50.0
2011-2020	0	0
Total-	24	100

Source: Field Survey.

In table 1, taking about the year of establishment of kirana retailers, amongst 24 stores were selected, 4.1 per cent kirana stores were established in 1960-1970, 25.0 per cent kirana stores were established in 1981-1990, 20.8 per cent kirana stores were established in 1991-2000, 50.0 per cent kirana stores were established in 2001-2010.

Table 2. Year of Establishment of Street Vendors.		
Particulars	No. of street Vendors	%age
1990-2000	3	12.5
2001-2010	17	70.8
2011-2020	4	16.6
Total-	24	100

Source: Field Survey.

In table 2, amongst the total street vendors, 12.5 per cent street vendors were established in 1990-2000, 70.8 per cent street vendors were established in 2001-2010 and 16.6 per cent street vendors were established in 2011-2020.

Table 3: Geographical Position of Kirana Retailers Locality.				
Particulars	Retailer's Response			
	P	%age	C	%age
NZR 1) SN	3	100	3	100
2) GN	3	100	3	100
EZR 3) SC	3	100	3	100
4) Channi	2	66.6	3	100
WZR 5) BN	3	100	3	100
6) Rehari	2	66.6	3	100
SZR 7) TN	3	100	3	100
8) NN	3	100	3	100
Total-	22	91.6	24	100

Source: Field Survey.

In table 3, talking about geographical position of kirana retailers, amongst total number of kirana retailers in all the zones and areas, 91.6 per cent of the kirana retailers in the previous period and 100 per cent retailers in the current period were surveyed. It was found that geographical position of 12 million small retail outlets were established in the current time period. Higher income groups generally preferred these kirana stores as adults were included in it, whereas the young generation preferrd big giant organized chains. People having annual income less than 5 lakhs, generally preferred these mom and pop stores. At the very initial stage, many years ago, corner grocery stores were the only store for people. But due to arrival of big stores, more and more outlets were opened. Moreover, small retailers did not feel disheartened and start repairing and redefining themselves in order to locate in front of organized retailers.

Table 4. Geographical Position of Street Vendors Locality.

Particulars	Street Vendor's Response			
	P	%age	C	%age
NZR 1) SN	3	100	3	100
2) GN	3	100	3	100
EZR 3) SC	3	100	3	100
4) Channi	2	66.6	3	100
WZR 5) BN	3	100	3	100
6) Rehari	2	66.6	3	100
SZR 7) TN	3	100	3	100
8) NN	1	33.3	3	100
Total-	20	83.3	24	100

Source: Field Survey.

In table 4, amongst the total street vendors in all the zones and areas, 83.3 per cent of the street vendors were surveyed in the previous period and 100 per cent of the Street vendors were surveyed in the current period.

Table.5. Trend of Kirana Retailer's Sale at Present.

Particulars	Declining				Normal				Increasing				None	
	P	%	C	%	P	%	C	%	P	%	C	%	P	%
NZR 1) SN					2	66.7	2	66.7	1	33.3	1	33.3		
2) GN			1	33.3	3	100					2	66.7		
EZR 3) SC					3	100	1	33.3			2	66.7		
4) Channi			1	33.3	1	33.3	1	33.3	1	33.3	1	33.3	1	33.3
WZR 5) BN					3	100					3	100		
6) Rehari			1	33.3	2	66.7	2	66.7					1	33.3
SZR 7) TN	1	33.3	1	33.3			1	33.3	2	66.7	1	33.3		
8) NN	2	66.7	1	33.3					1	33.3	2	66.7		
Total-	3	12.5	5	20.8	14	58.3	7	29.2	5	20.8	12	50	2	8.33

Source: Field Survey.

In table 5, amongst the total number of kirana retailers, there was about 40 per cent increase in the declining trend of sale in the current period as compared to the previous one. It was found that kirana stores did not have more stocks as like big stores. Therefore, at the end of the year, kirana stores were overflowing with unsold stocks. As they suffered due to low margin and low skill development due to change in price, they rarely offered home deliveries, special discounts and free gifts to the customers. They also sold products at lesser prices, which eventually diminished their profit margin. It was found that these small traditional stores were not capable to place in front of the discounts of big stores.

Talking about the current period, there was about 50 per cent decrease in the normal trend of sale. It was found customers generally went to purchase the product from big giant chains, which they looked in the nearby traditional store due to low prices in big store. As the customers were very cunning, they preferred big stores due to good quality assurances, discount and coupon offers and one stop shopping under one roof. Kirana stores also hid actual price from their customers and rarely sold original products to them, which eventually led to decrease in sales as well as turnover.

In the increasing trend of sale, there was about 58.3 per cent increase in the increasing trend of sale in the current period as compared to previous one. It was observed that small stores imitate big stores by offering quality assurances, low prices, discounts, credit facilities, home deliveries, etc., in order to raise their sale and customers loyalty due to competition arising between big and small stores. Small stores also shared emotional attachment with the customers. They also offered digital facilities, long purchasing hours, installment payments, occasional discounts, handle customers complaints, returns on replacement, exchange policy, customer services, bargaining facilities, good ambience, etc. Kirana stores were preferred more by customers from their childhood due to which the trust ratio was higher. They were easily available in the residential areas and knew about customer preferences. For instance, customers always went to nearby kirana store, if they wanted to satisfy the hunger of their children, which eventually saved their time due to proximity. Furthermore, 2 kirana retailers did not reply for anything in the previous period and no replies were recorded in the current period.

Table 6. Trend of Street Vendors' sale at present.

Particulars	Declining				Normal				Increasing				None	
	P	%	C	%	P	%	C	%	P	%	C	%	P	%
NZR 1) SN	1	33.3			2	66.67					3	100		
2) GN			1	33.3	2	66.67			1	33.3	2	66.7		
EZR 3) SC			1	33.3	3	100					2	66.7		
4) Channi					2	66.67					3	100	1	33.33
WZR 5) BN	1	33.3			2	66.67	1	33.3			2	66.7		
6) Rehari			2	66.7	2	66.67			1	33.3	1	33.3		
SZR 7) TN	1	33.3			1	33.33	1	33.3			2	66.7	1	33.33
8) NN	1	33.3	1	33.3	1	33.33					2	66.7	1	33.33
Total-	4	16.7	5	20.8	15	62.5	2	8.33	2	8.33	17	70.8	3	12.5

Source: Field Survey.

In table 6, in context with trend of sale, amongst the total number of street vendors, there was about 20 per cent increase in the declining trend of sale in the current period as compared to the previous one. It was found that street vendors moved from street to street, whereas the items which they sold were of poor quality. Moreover, some customers showed egoistic nature as they did not wish to stand near or talk with these poor vendors, which eventually led to diminished sales of street vendors.

As far as street vendors were concerned, there was about 86.6 per cent decrease in the normal trend of sale in the current period. It was found that vegetables displayed in sabzi mandi were of diverse grades-A, B and C which were purchased by many street vendors as well as vegetable retailers. Low cost vegetables were purchased by street vendors, whereas vegetable sellers in the market always bought fresh vegetables or A grade vegetables. That is why, maximum customers preferred vegetable retailers in the market. It was found that street vendors were shifted to vending zones and those vendors who were without licenses were removed in the current period due to which their sale diminished. Moreover, rich people also purchased fruits and vegetables from big stores as employed ladies cooked frozen vegetables ready to cook were accessible in big stores. Due to this, sales of street vendors diminished.

In context with increasing trend of sale, there was about 88.2 per cent increase in the increasing trend of sale in the current period as compared to previous one. It was observed that all the low income customers purchase their vegetables and fruits from street vendors only. Due to their income constraints, they were not able to purchase superior or A graded perishable items which eventually raise the sale of these street vendors. It was also observed that lower class, middle class as well as high class customers purchased their products from street vendor as every Indian customer purchased from them. It was observed that street vendors move from place to place and to reach to their customers. On the other hand, only 5 percent share was occupied by perishable items in big giant stores. That was why huge number of customers purchased fruits and vegetables from street vendors only. Moreover, 3 street vendors did not reply to anything in the previous period and no replies were found in the current period.

Table. 7: Decline in Sale of Kirana Retailers due to Mall Culture.

Particulars	Retailer's Response											
	Yes				No				None			
	P	%	C	%	P	%	C	%	P	%	C	%
NZR 1) SN			3	100	3	100						
2) GN			3	100	3	100						
EZR 3) SC			3	100	3	100						
4) Channi			3	100	2	66.67			1	33.3		
WZR 5) BN			3	100	3	100						
6) Rehari			3	100	2	66.67			1	33.3		
SZR 7) TN			3	100	3	100						
8) NN			3	100	3	100						
Total-			24	100	22	91.67			2	8.33		

Source: Field Survey.

In table 7, in context with sales decline in small shops due to mall culture, amongst the total number of kirana retailers, no replies were found in the previous period, whereas 24 retailers believed that sales declined in small shops due to mall culture in the current period. Talking about kirana stores, those who were located near to big stores were affected a lot in terms of their business and turn over. Well qualified customers who were brand conscious always purchased their product items from big stores as compared to small stores. It was observed that with the arrival of big stores, that was change in the life style, rise in the standard of living, and increase in purchasing power of customers. It was also observed that there was change in the trend of shopping due to appearance of one stop shopping or malls. Talking about nutritional food, it was replaced by fast food and junk food. It was observed that food ready to cook was only available in malls or a big giant store, that was why customers got attracted more towards big stores as compared to kiranas. Moreover, fresh bakery and grinding items, fresh juice corners, vegetables, wide choices of fruits, etc, were only available in big stores , whereas kiranas were not able to provide all these items. That was why sales of kirana were affected a lot due to arrival of malls.

On the other hand, 22 retailers believed that sales did not decline in small shops due to mall culture in the previous and current period. It was observed that before ten years, no mall culture exists in Jammu due to which sale of kirana stores did not get affected in the previous period. Furthermore, 2 kirana retailers did not reply anything in the previous period and no replies were recorded in the current period.

Table. 8: Decline in Sale of Street vendors due to Mall Culture.

Particulars	Street Vendor's Response											
	Yes				No				None			
	P	%	C	%	P	%	C	%	P	%	C	%
NZR 1) SN					3	100	3	100				
2) GN					3	100	3	100				
EZR 3) SC					3	100	3	100				
4) Channi					3	100	3	100				
WZR 5) BN					3	100	3	100				
6) Rehari					3	100	3	100				
SZR 7) TN					3	100	3	100				
8) NN					3	100	3	100				
Total-					24	100	24	100				

Source: Field Survey.

Table 8 shows that amongst the total number of street vendors in all the zones and areas, sales of street vendors did not decline due to mall culture in the current and previous period.

Table 9: Kirana Retailers preference for Customers' Bargaining.												
Particulars	Retailer's Response											
	Yes				No				None			
	P	%	C	%	P	%	C	%	P	%	C	%
NZR 1) SN	1	33.33	1	33.3	2	66.7	2	66.7				
2) GN	1	33.33	1	33.3	2	66.7	2	66.7				
EZR 3) SC	1	33.33	1	33.3	2	66.7	2	66.7				
4) Channi			1	33.3	2	66.7	2	66.7	1	33.3		
WZR 5) BN	3	100	3	100								
6) Rehari			1	33.3	2	66.7	2	66.7	1	33.3		
SZR 7) TN	1	33.33	1	33.3	2	66.7	2	66.7				
8) NN	1	33.33	1	33.3	2	66.7	2	66.7				
Total-	8	33.33	10	41.7	14	58.3	14	58.3	2	8.33		

Source: Field Survey.

In table 9, in context with bargaining of retailers, amongst total number of kirana retailers, there was about 20 per cent increase in the responses of retailers who recommended bargaining in the current period as compared to previous one. It was observed that in order to retain customers, retailers had to bargain so that their sales and profit margin could increase as the margins of small retailers were very less on some grocery goods. It was also found that goods sold by kirana retailers having MRP on the goods as compared to their actual cost were very high. They also sold duplicate goods, whereas the goods were not of fine quality. Customer knew that there was a great margin of profit, so they did bargain. There was no change in the responses of kirana retailers who did not offer any bargaining in the previous and current period. Furthermore, 2 retailers did not reply to anything in the previous period and no replies were recorded in the current period.

Table 10: Street Vendors Preference for Customers' Bargaining.												
Particulars	Street Vendor's Response											
	Yes				No				None			
	P	%	C	%	P	%	C	%	P	%	C	%
NZR 1) SN					3	100	3	100				
2) GN	2	66.7	2	66.67	1	33.3	1	33.3				
EZR 3) SC					3	100	3	100				
4) Channi					2	66.7	3	100	1	33.3		
WZR 5) BN	2	66.7	2	66.67	1	33.3	1	33.3				
6) Rehari	3	100	3	100								
SZR 7) TN	2	66.7	2	66.67	1	33.3	1	33.3				
8) NN					2	66.7	3	100	1	33.3		
Total-	9	37.5	9	37.5	13	54.2	15	62.5	2	8.33		

Source: Field Survey.

Data in table 10 reflected that amongst total number of street vendors, there was no change in the responses of street vendors who offered bargaining in the previous and current period. Every day in the morning, street vendors purchased perishable items daily from the '*mandies'*. As they had to purchase their eatable items next day again, so they had to sell all their fruits and vegetables till night. Therefore, higher prices charged from the customers up to evening, but they charged fewer prices in the late hours. Customers also indulged in bargaining as they remained in benefit by paying low prices.

On the other hand, there was about 13.3 per cent increase in the responses of vendors who did not offer bargaining in the current period as compared to previous one. It was observed that due to family background nature, genetic behavior, egoistic nature, personal arrogant behavior, some retailers did not bargain. Moreover, some vendors had their good will in their society as they were popular in their society or well established, so they did not bother about any bargaining as customers coming to them from every corner. On the other hand, some vendors replied that they had very least margin in every item, whereas their goods were also of fine quality, so they did not bargain. Moreover, 2 vendors did not reply anything in the previous period and no replies were found in the current period.

Table 11: Kirana Retailers offering Home Delivery Facility to Customers.

Particulars	Retailer's Response										
	Yes				No				None		
	P	%	C	%	P	%	C	%	P	%	C
NZR 1) SN			1	33.3	3	100	2	66.7			
2) GN	1	33.3	1	33.3	2	66.7	2	66.7			
EZR 3) SC			1	33.3	3	100	2	66.7			
4) Channi			2	66.7	2	66.7	1	33.3	1	33.3	
WZR 5) BN	1	33.3	2	66.7	2	66.7	1	33.3			
6) Rehari			1	33.3	2	66.7	2	66.7	1	33.3	
SZR 7) TN	1	33.3	1	33.3	2	66.7	2	66.7			
8) NN	2	66.7	2	66.7	1	33.3	1	33.3			
Total-	5	20.8	11	45.8	17	70.8	13	54.2	2	8.33	

Source: Field Survey.

In table 11, amongst total number of kirana retailers, there was about 54.5 per cent increase in the home deliveries offered by retailers in the current period as compared to previous one. It was observed that due to appearance of big stores, kirana retailers started offering free home deliveries. Customers would just call up the kirana store and the items got delivered at their door step with in just ten minutes. A delivery person would come every weak or every month to collect orders from customers home. Retailers in their free time would go for home deliveries on their bicycle or sometimes send their servant.

In context with the current period, on the other hand, there was about 23.5 per cent decrease in the responses of retailers who did not offer home deliveries to their customers. It was observed that according to the opinion of some customers there was no good ambience and no good hygienic conditions in kirana stores. Many products were filled with dirt particles. Moreover, all the demands of customers were not satisfied due to less stock available in the store. As far as, 2 retailers did not reply anything in the previous period and no replies were found in the current period.

Table 12: Street Vendors offering Home Delivery Facility to Customers.

Particulars	Street Vendor's Response											
	Yes				No				None			
	P	%	C	%	P	%	C	%	P	%	C	%
NZR 1) SN					3	100	3	100				
2) GN					3	100	3	100				
EZR 3) SC	3	100	3	100								
4) Channi					2	66.7	3	100	1	33.3		
WZR 5) BN	1	33.3	1	33.3	2	66.7	2	66.7				
6) Rehari	1	33.3	1	33.3	2	66.7	2	66.7				
SZR 7) TN	2	66.7	2	66.6	1	33.3	1	33.3				
8) NN	2	66.7	3	100					1	33.3		
Total-	9	37.5	10	41.6	13	54.2	14	58.3	2	8.33		

Source: Field Survey.

In table 12, amongst total number of street vendors, there was about 10 per cent increase in the home deliveries offered by street vendors in the current period as compared to previous one. It was observed that street vendors moved from place to place sell their commodities at customers door step or at their premises. They started wandering in different localities to reach their customers. On the other hand, there were some static street vendors who had their fixed spots from last many years as customers would come to them from every corner. They were well established and had customer's good will. They made their deliveries with the help of their family members.

On the other hand, there was about 7.14 per cent increase in the responses of street vendors who did not offer home deliveries to their customers in the current period as compared to previous one. It was observed that static street vendors did not offer home deliveries as they did not have any extra employee or delivery boy, whereas other family members were also busy in their own work. Moreover, the street vendors were alone at their push carts, whereas they did not believe in getting payments later on. Moreover, 2 Street vendors did not reply anything in the previous period and no replies were recorded in the current period.

Table:13: Kirana Retailers offering Seasonal Discounts on Products.

Particulars	Retailer's Response															
	2				5				6				7			
	P	%	C	%	P	%	C	%	P	%	C	%	P	%	C	%
NZR 1) SN					3	100	3	100								
2) GN					3	100	3	100								
EZR 3) SC					3	100	3	100								
4) Channi					2	66.7	3	100					1	33.3		
WZR 5) BN					3	100	3	100								
6) Rehari					2	66.7	3	100					1	33.3		
SZR 7) TN									3	100	3	100				
8) NN	2	66.7	2	66.7	1	33.3	1	33.3								
Total-	2	8.33	2	8.33	17	70.8	19	79.2	3	13	3	13	2	8.33		

Note- 1) 0 to 10, 2)11 to30, 3) 31 to 40, 4) 41 to 50, 5) none, 6) Vary from product to product,

7) Store not established.

Source: Field Survey.

In table 13, amongst total number of kirana retailers, there was no change in the responses of retailers who offered 11 to 30 per cent of the occasional discount to their customers in the current period as compared to previous one. Discounts were offered by the company on different schemes for a period or season like theme based offer. On the other hand, there was no change in the responses of retailers who believed that seasonal discount varied from product to product in the current period and only 2 kirana retailers replied that 'store was not established' in the previous period and no replies were recorded in the current period. It was found that kirana stores offered very less discounts as compared to big stores. Due to their income constraints, they offered discounts only to their nearby friends, relatives as well as buyers. Even if other discounts offered, were only of few pennies. It was also observed that customers generally preferred their known retailers who offered them discounts for the last 20 years. The quantity of products which the small stores bought from the whole sale market was generally less as compared to big stores. There was decrease in the profit margin because the commodities which these small stores bought from the market involved intermediaries. Due to very low margins, they could not afford to give heavy discounts as like big stores. In order to retain loyal customers, it was the choice of retailer to offer either 10 percent or 5 percent discount to their customers. Example- if the printed rate on MRP was Rs.70, the retailer offered the same item in Rs. 60, by offering 10 percent discount as per company. Therefore, the retailer had completed his profit margin with facing any loss. As far as, there was about 10.5 per cent increase in the responses of retailers in current period who did not reply anything.

Table: 14: Street Vendors offering Seasonal Discounts on Products.

Particulars	Street Vendor's Response											
	0 to 10				None				No store			
	P	%	C	%	P	%	C	%	P	%	C	%
NZR 1) SN	1	33.3	1	33.3	2	66.67	2	66.7				
2) GN					3	100	3	100				
EZR 3) SC	1	33.3	1	33.3	2	66.67	2	66.7				
4) Channi					2	66.67	3	100	1	33.3		
WZR 5) BN					3	100	3	100				
6) Rehari					3	100	3	100				
SZR 7) TN					3	100	3	100				
8) NN					2	66.67	3	100	1	33.3		
Total-	2	8.33	2	8.33	20	83.33	22	91.7	2	8.33		
Note- 1) 0 to 10, 2) 11 to 30, 3) 31 to 40, 4) 41 to 50, 5) none,												
6) vary from product to product, 7) store not established.												

Source: Field Survey.

In table 14, amongst total number of street vendors, there was no change in the replies of the retailers who offered 0 to 10 per cent of the occasional discount to their customers in the current period. It was observed that very rarely discounts were offered by street vendors only to their relatives, friends and family members. It was also found that currently the credit was reduced with the supplier whereas previously, they offered credit to vendors. Talking about supply chain, in the vegetable market, the customers must pay the vendor and vendor must pay the supplier. On the other hand, if the vendor offered discounts to the customers, then how would they pay to the supplier? There was about 9.09 per cent increase in the responses of vendors in current period as compared to previous one who did not reply anything. Furthermore, 2 Street vendors in the previous period replied that they had not started street vending and no replies were recorded in the current period.

Table. 15. Rise in competition for Kirana Retailers due to rise in number of shops.

Particulars	Retailer's Response											
	Yes				No				None			
	P	%	C	%	P	%	C	%	P	%	C	%
NZR 1) SN			3	100	3	100						
2) GN			3	100	3	100						
EZR 3) SC	2	66.7	3	100	1	33.3						
4) Channi			3	100	2	66.7			1	33.3		
WZR 5) BN			3	100	3	100						
6) Rehari			3	100	2	66.7			1	33.3		
SZR 7) TN			3	100	3	100						
8) NN	1	33.3	3	100	2	66.7						
Total-	3	12.5	24	100	19	79.2			2	8.33		

Source: Field Survey.

In table 15, amongst the total number of Kirana retailers, there was 87.5 per cent increase in the responses of retailers in the current period as compared to previous one. It was observed that due to unemployment, even qualified customers were not able to get suitable jobs. In order to upgrade self employment schemes, various types of loans were offered by the government since liberalization. Therefore in the current period, many retail shops were opened by unemployed youths in Jammu. In context with retail customer’s loyalty, they set prices according to the expectation of the customers. Due to arrival of big stores, they had chased out the many customers of small stores which results in diminish sales of traditional stores. Incoming of big stores gave rise to competitive waves as they sold products at low price and offered heavy discounts, which eventually pressurized small traditional stores. Even due to low skill development and low margins, they had to do the same thing as like big stores in order to survive. Due to rise in number of shops, there existed no monopoly for small stores as customers could shift if they did so.

It was observed that 19 kirana retailers did not face more competition due to large number of shops in the previous period, whereas no replies found in the current period. It was observed that ten years ago, there was very rare competition among both the retailers as the number of shops was less. Ten years ago, kirana retailers had their good will in the society as they were well established in their particular locality from the last 20 years. They did not bother about any competition due to their position in the market as they had their own customer base. They usually sold loose items at low rates, offered credit facility and discounts to the customers and offered bargaining specially for ladies. Kirana stores located near the residential areas did not affected at all in terms of their business and turn over, whereas stores located near the big stores were affected a lot in the previous period. Moreover, 2 kirana retailers did not reply anything in the previous period, whereas no replies were found in the current period.

Table 16: Rise in Competition for Street Vendors due to Rise in Number of Shops.

Particulars	Street Vendor's Response											
	Yes				No				None			
	P	%	C	%	P	%	C	%	P	%	C	%
NZR 1) SN			1	33	3	100	2	67				
2) GN			3	100	3	100						
EZR 3) SC	1	33.3	3	100	2	66.7						
4) Channi			1	33	2	66.7	2	67	1	33.3		
WZR 5) BN					3	100	3	100				
6) Rehari			1	33	3	100	2	67				
SZR 7) TN			2	67	3	100	1	33				
8) NN	2	66.7	2	67			1	33	1	33.3		
Total-	3	12.5	13	54	19	79.2	11	46	2	8.33		

Source: Field Survey.

In table 16, amongst total number of street vendors, there was 76.9 per cent increase in the responses of vendors who faced more competition due to large number of shops in the current period as compared to previous period. It was observed that street vendors were less in number in the previous period or ten years ago due to which competition was also low. But in the current time period, number of outsiders had increased like U.P. people, Bihari, Rajasthani and migration of unemployed people in Jammu city, due to which there was increase in the number of street vendors at a large scale. In order to survive their livelihood, they started doing small businesses. Static as well as moving street vendors sold their products at many squares. Rise in the number of street vendors brought rise in the number of customers.

There was 42.1 per cent decrease in the responses of vendors who did not face more competition due to large number of shops in the current period as compared to previous one. With the permission of Municipal Corporation, street vendors chose their fixed permanent spots or chowks. Due to their good will, customers were coming to them from every corner. There was increase in the profit margin and sales due to increase in the number of customers. As these street vendors were serving the society from many years so they felt no fear of competition. Moreover, 2 vendors did not reply to anything in the previous period, whereas no replies were recorded in the current period.

Table 17. Impact of Competitors' Price Change on Kirana Retailers.

Particulars	Retailer's Response							
	Yes				No			
	P	%	C	%	P	%	C	%
NZR 1) SN	3	100	3	100				
2) GN	3	100	3	100				

EZR 3) SC	2	66.7	2	66.7	1	33.3	1	33.3
4) Channi	3	100	3	100				
WZR 5) BN	1	33.3	1	33.3	2	66.7	2	66.7
6) Rehari	3	100					3	100
SZR 7) TN			3	100	3	100		
8) NN	1	33.3	3	100	2	66.7		
Total-	16	66.6	18	75	8	33.3	6	25

Source: Field Survey.

In table 17, amongst total number of kirana retailers, there was about 11.1 per cent increase in the responses of retailers who were affected by competitors price change in the current period as compared to previous one. Competition among retailers was increased due to increase in the number of shops in the current period. In order to survive and earn their livelihood, small retailers had to sell their products below the MRP as they were compelled to reduce their profit margin in order to gain customer's loyalty. As far as the wave of cut throat competition was also raised between small retailers and their competitors. In this competition, they sold their product by diminishing their profit margin. For instance, if first retailer sold the product for Rs.10, then his competitor sold the similar product for Rs.9. Again the first retailer retaliated and sells the same product for Rs. 8. This process continued until both the retailers reached at the actual cost price paid by the retailer to the manufacturer as they could not survive the price beyond that limit. With reference to avoid price wars, manufacturer's retail price strategy should be adopted by retailers and their competitors so that they would be able to attain maximum profits. As far as, there was about 25 per cent decrease in the responses of retailers who were not influenced by competitors price change in the current period as compared to previous one.

It was observed that kirana retailers adopted one price policy as they sold more products like chocolate, gems, fruit juice, ice-cream at one price, i.e., for Rs. 20 so that consequences of their competitors would be reduced. Due to appearance of one price policy, customers started purchasing goods in bulk quantity. Moreover, some traditional retailers were well established as they did not worry about small losses. Due to their goodwill in the society, these mom and pop stores earned lot of money.

Table 18. Impact of Competitors' Price Change on Street vendors.

Particulars	Street Vendor's Response											
	Yes				No				None			
	P	%	C	%	P	%	C	%	P	%	C	%
NZR 1) SN	1	33.3	2	66.7	2	66.7	1	33.3				
2) GN	1	33.3	3	100	2	66.7						
EZR 3) SC	1	33.3	3	100	2	66.7						
4) Channi			2	66.7	2	66.7	1	33.3	1	33.3		
WZR 5) BN	1	33.3	3	100	2	66.7						
6) Rehari	1	33.3	2	66.7	2	66.7	1	33.3				
SZR 7) TN	1	33.3	2	66.7	2	66.7	1	33.3				
8) NN	2	66.7	2	66.7			1	33.3	1	33.3		
Total-	8	33.3	19	79.2	14	58.3	5	20.8	2	8.33		

Source: Field Survey.

In table 18, amongst total number of street vendors, there was about 57.8 per cent increase in the responses of vendors who were affected by competitors price change in the current period as compared to previous one. It was observed that competition was increased due to increase in the number of street vendors as they had no distribution centre to hoard their perishable goods like ice-cream, golgappa, tikki, fruits and vegetables, etc. Street vendors had to sell all the perishable items which they had purchased from Mandies at the end of the day or at night. In the evening time, all the street vendors reduced their prices, which eventually gave rise to competitive waves of cut throat competition between them. Example- Taking about capsicum vegetables, if one vendor sold the vegetable for Rs. 25 per kg, then the second one sold the same vegetable for Rs.20 per kg and the third sold the capsicum for Rs.15 per kg and so on in the mandi market of perishable goods. It was observed that street vendors suffered a lot because of their opposite competitors who stand opposite to them.

As far as, there was about 64.2 per cent decrease in the responses of vendors who did not suffered by competitors price change in the current period as compared to previous one. It was observed that some street vendors are well established due to customer's good will as they were popular in their own locality from the last 20 years. They sold superior quality products as customers prefer hygienic items. As they had good name and fame, they did not bother about what their competitors were doing. If the competitors offered discounted price, these well established vendors did not suffer as customers coming to them from every corner due to their fixed spots. Moreover, 2 vendors did not reply anything in the previous period, whereas no replies were found in the current period.

Hypotheses Testing

Hypothesis can be discussed as under:

Null hypothesis: Unorganized retailers gain in the long run from the structural transformation.

Alternative hypothesis: Unorganized retailers do not gain in the long run from the structural transformation.

To test hypothesis, chi-squared test was employed by using the observed values depicted in table19. This table shows Observed Values with respect to Sales and Incomes of Unorganized Retailers in Last 10 Years.

Table 19:Observed Values with respect to Sales and Income of Unorganized Retailers in Last 10 Years.

Trends of Small Retailers' (Unorganized) Sales and Incomes in Last 10 Years.	Observed Values of Different Categories of Small Retailers (Unorganized)			Total	Average of observed values
	Kirana Retailers	Street vendors	Provisional Retailers		
Declining	3	8	2	13	0.18
Constant	2	3	1	6	0.08
Inclining	19	13	21	53	0.73
Total	24	24	24	72	

Source: Field Survey.

Expected values were calculated based on observed values, as shown in table 20.

Table 20: Expected Values with respect to Sales and Incomes of Small Retailers (Unorganized) in Last 10 Years.

Trends of Small Retailers' (Unorganized) Sales and Incomes in Last 10 Years	Expected Values of Different Categories of Small Retailers (Unorganized)		
	Kirana Retailers	Street vendors	Provisional Retailers
Declining	4.33	4.33	4.33
Constant	2.00	2.00	2.00
Inclining	17.6	17.6	17.6

Source: Author's calculations.

Given the degree of freedom of 4 and the critical value of 9.488, at 5.0 per cent level of significance, the test statistics calculated was 0.101. Null hypothesis has been accepted and alternative hypothesis has been rejected, because the calculated test statistics is less than the critical value.

II. Suggestions

Small traditional retailers should buy number of varieties from the wholesaler so that more compensations and discounts will be easily available to the buyers.

Mom and pop stores should also offer credit facilities to their loyal customers.

Government should organize training programs for these traditional stores. Professional training should be offered to the employees so that they talk fluently with the buyers.

Mom and pop stores should also offer low rate loan facility.

Small unorganized retailers should sell original items to their buyers in order to win customer's loyalty. Buyers should be properly informed about the newly launched products.
Bulk Purchases and quality assurances should be offered to the customers. As far as special occasions, free coupons, offers and discounts should be provided to the customers.
ATM cards should be accepted in small stores.
Retail stores should also be opened in remote areas in proper locations as customers generally prefer proximity.
Hygienic atmosphere should be preserved in every small store.
Sellers should have the information about creditworthiness of buyers prior to allowing credit to buyers. Friendly relationship should be developed with the customers so that bad debt will be minimized. Credit facility should be offered only to regular customers.
There should be availability of long purchasing hours so that medicines are accessible for patients even at late hours. Home deliveries should be offered during emergencies.
Increasing price competition, rigid government policies and diminishing share of traditional Indian retailers due to arrival of organized retailers are the threats and weaknesses which should be removed.
Kirana stores should adopt modern technologies in order to run their business.
Government should framed consolidation policy for these traditional retailers so they will be able to open a big store through partnership and divide their turnover.
Small retailers should offer superior services by selling branded as well as non-branded products at low price as compared to their competitors.

III. Conclusion

It can be concluded that traditional retailers located close to big store were affected a lot due to maximum customers being chased out by these big giant organized chains. But on the other hand, mom and pop stores positioned near to residential areas did not get affected at all, in terms of their sales and turn over. It was observed that trust ratio was more for these small stores as customers favored them from their childhood. Due to appearance of big giant chains, small retailers did not feel disheartened and started repairing and redefining themselves in order to stand in front of these supermarket chains. Traditional stores started modernizing their shops by the means of new technologies. They equipped themselves with sophisticated promotional strategies and trade practices. Mom and pop stores started offering home deliveries free as they delivered items at customer's door step with in just ten minutes. Talking about static street vendors, they had fixed spots as customers rushing them from every corner. They were well established due to customer's good will as they were serving the society from the last 20 years. They felt no fear of competition as they did not bother about what their competitors were doing. In order to gain customer's loyalty, many times, mom and pop stores also sold their items by reducing their profit margin. Instead of competition, both the retailers would coexist in the economy in the coming years or in the current period.

References

[1]. Gupta, H., Dubey, N., & Patani, P. (2012). Effect of organized retail on unorganized retail in Indian retail market. *Research Journal of Management Sciences,1(*1), 7-13.

[2]. Raghavendra R.H. (n.d.). An overview of unorganized retail sector in India. Phd research scholar, department of commerce, schools of Management, Pondicherry university, raghavpondivni@gmail.com. HTTPS://WWW.ELKJOURNALS.COM/MASTERADMIN/UPLOADFOLDER/6.%20AN%20OVERVIEW%20OF%20UNORGANIZED%20RETAIL %20SECTOR %20IN %20INDIA/6. %20AN %20OVERVIEW %20OF %20UNORGANIZED %20RETAIL %20SECTOR %20IN %20INDIA.PDF

[3]. Joseph, M., Soundararajan, N., Gupta, M., and Sahu, S. (2008), "Impact of Organised Retailing on the Unorganised SECTOR", ICRIER Report.

[4]. Yadav, R. K., Verma, M., & Singh, S. (2016). Impact of organized retail on neighbourhood kirana stores; a case study of Malwa region in Madhya Pradesh. *World Scientific News, 46,* 1-18.

[5]. Joseph, M., Soundararajan, N., Gupta, M., and Sahu, S. (2008), "Impact of Organised Retailing on the Unorganised Sector", ICRIER Report.

[6]. Yadav, R. K., Verma, M., & Singh, S. (2016). Impact of organized retail on neighbourhood kirana stores; a case study of Malwa region in Madhya Pradesh. *World Scientific News, 46,* 1-18.

[7]. Secondary data (2017) collected for small retailers.

[8]. Yadav, R. K., Verma, M., & Singh, S. (2016). Impact of organized retail on neighbourhood kirana stores; a case study of Malwa region in Madhya Pradesh. *World Scientific News, 46,* 1-18.

Dr. Aditi Amrit. "Impact of Structural Transformation on Unorganized Small Kirana Retailers and Street Vendors." *IOSR Journal of Business and Management (IOSR-JBM)*, 23(04), 2021, pp. 01-14.