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CHAPTER IV

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CHAPTER IV

PROBLEMS OF RETAILERS AND CONSUMERS

4.1 INADEQUATE FINANCE

It is noticed that the majority of the retailers (50 percent) have different sources of side income. In spite of this additional income, which in turn is invested by them in retailing, is found to be inadequate to sustain their business. Secondly, the retailers which have no income from other sources, do not wish to take the risk of borrowed capital.

Due to unhealthy competition and no surety of increase in sales, the borrowed capital is not profitable to these retailers. In short, the retailers face the problem of inadequate finance. Therefore, they must search other source of income or should make their minds to borrow capital to solve the problem of paucity of funds.

4.2 LACK OF NEW TECHNIQUE

It seems that retailers have ignored the advantages of new technique in doing their business. They cannot attract more and more customers as well as capture new areas. The local Government should try to establish new industrial sector and promote not only the industrial growth but increase employment. This will not only increase employment opportunities but develop industrial colonies, increasing the scope for marketing to the retailers in Karad town.

4.3 ABSENCE OF MARKETING PLANNING

The stocking pattern revealed that much of the capital is block up in slow moving items. This indicates that there is absence of marketing planning. Such items in these cases, should be minimised and in place of that fast moving items should be replaced. This will ensure optimum utilisation of capital. For this, it is necessary that the retailers acquire some knowledge on scientific marketing techniques to get the maximum benefits from their locked capital.

4.4 COMPETITION

In Karad town, except few shops all the retail shops are located in Shaniwar Peth, which is the central area. Such a situation has resulted in cut-throat competition among the retailers, who normally trade in the same type of commodities. Furthermore, it has given rise to certain unhealthy competition in Karad, which in fact, is harmful to the trade development.

4.5 NEGLIGENCE OF SHOP ESTABLISHMENT IN NEW COLONIES

As stated earlier, majority of the shops are concentrated in one locality resulting in tough competition. Some new colonies have been establishing in and around Karad town. In view of this, the present retailers in Shaniwar Peth can move to these new places and try to develop their business more comfortably than slogging in present state.

4.6 COMPETITION FROM DEPARTMENTAL STORES

Recently some departmental stores have been started in the town. These however, provide healthy competition to other traders but not with the retailers who run their business on limited finance. This has now therefore, proved to be damaging to most of the retailers, since many customers opt to visit these stores rather than purchase goods at the retailers shop, for one reason or the other. The only option left to the existing retailers is to build up their finance and increase their resources in a manner similar to the departmental stores so as to survive in the competition.

4.7 PROBLEM OF WORKERS / LABOURERS

Some of the retailers in the area under study reported that they face the problem of non-availability of workers to help in their shops. They claim that the workers do not work honestly, properly and for longer duration. Day by day availability of workers with cesirable qualities is becoming rare and difficult for the retailers to cope up with.

4.8 PROBLEM OF CREDIT

Generally, retailers confessed that they discourage the business on credit. However, due to old relations, cut-throat competition and any other reason they are compelled to extend credit facility to selected customers. This not only reduces their working capital but there is no



guarantee of payment in due time. In case, if credit is not extended to the customers, they shift from one shop to the other, where credit facility is extended to them. Thus, both ways the retailers are in a fix.

4.9 PROBLEM OF LICENCE

Retailers confessed that they have to face variety of difficulties in getting different types of licences to deal in business of various kinds of goods in their shops.

4.10 PROBLEMS OF BUSINESS LOCATION AND HIGH RENTS

It is revealed from the investigation that at least 20 percent of the retailer respondents have the problem of appropriate business location. Since all the shopping is centered in Shaniwar Peth (the heart of marketing in Karad town), it is very difficult to secure a place and carry out business they have to pay heavy rents to the landlords.

PROBLEMS OF CONSUMERS

4.11 LACK OF SERVICES FROM RETAILERS

The consumers are expected to get services like market information (price, quality, novelty, quantity, etc.,) credit facilities, door delivery, packing, and so on. But these services are not enjoyed by and large by the customers in Karad town. They are therefore, dissatisfied with their retail shop-keepers.

4.12 ADULTRATED GOODS

It is reported by the ultimate consumers that when they use the goods they sometimes find that the same are adulterated. It is further disgraceful that even such adulterated commodities are sold at higher prices.

4.13 HIGH PRICES

Majority of the consumer respondents retorted that, the retailers some times in the name of quality, local taxes, etc., change prices at a higher extent. Even the higher price tags are pasted on the printed price and the goods are noticed to be sold.

4.14 CONCENTRATION OF RETAILERS

Majority of the retail shops in Karad town are centered in one locality namely, Shaniwar Peth. The customers from nearby area face no problem but those who reside at distant places have to come all the way for their purchases. The traders some how or the other are reluctant to go outside the age-old locality in the out-skirts of Karad town, where new colonies have been constructed.

4.15 RELATION BETWEEN RETAILERS & CONSUMERS

The customers are of the opinion that the retailers should provide quality goods at standard prices. In contrast to this stand, the

retailers always try to optimise the profit by adopting different tactics. In this, the customers feel that they are overcharged and are provided low quality or adulterated goods, manipulated in weights and measures, etc. Due to all these reasons, the consumer-retailer relations in Karad town seem to be not so good as expected ideally.

4.16 LACK OF COUNSELLING

Certain articles are purchased by the consumers for a longer period. In this event, the customers are required to be guided properly by the retailers either in selection, price, alternatives, benefits, quality, etc. The consumers feel normally they are not guided by the concerned retailers.

4.17 SELECTION OF THE GOODS

In case of cosmetics or consumer durables, there are varieties of articles meant for the same purpose. Though, the purpose is same there are different features such as prices, quality, quantity, etc., which make the customer to puzzle while selecting the exact as per their wants. The consumers expect some kind of guidance from the retailers. The retailers on the other hand, leave this matter to the ultimate consumer. Finally, the consumer has to make decision based on his limited knowledge about the product details.

4.18 SELECTION OF THE SHOP

The customers do not know the behaviour and the tendency of the retailer. They naturally, expect effective and prompt after-sales service after the purchase of commodities. This is the result of selection of wrong shop while making the purchases, which the poor customer realises only after the sale when the services are needed. The customer then faces series of difficulties in getting the required after-sales service.

4.19 LACK OF PRICE LIST BOARDS

The compulsion for the shop-keepers to display the stock and prices of the commodities existing in their establishment through Govt. emergency measure, is found to be not adhered to strictly by the retailers in Karad town. It is reported that more than 20 percent of such shops exist in Karad. This gives chance for the retailers to manipulate the prices of goods according to their will.

4.20 LOW INCOME

Approximately, 16 percent of the consumers face the problem of low income level, which necessitates them to opt for credit purchases. In this situations, it is a common experience of the consumers that the retailers invariably charge at higher rates.

4.21 LACK OF KNOWLEDGE OF STANDARD GOODS

The survey revealed that most of the respondents were not aware of ISI Standards and AG Mark. This results in many times purchase of inferior and adulterated goods.

4.22 WEIGHT AND MEASURES

Majority of the respondents face the problem of wrong weighment and measurements leading not only to less quantity but indirectly more price of the goods. This results in injustice to the consumers.

4.23 PROBLEM OF DUPLICATE GOODS

Majority of the consumers complained that retailers supply duplicate, low quality goods in place of original. They only come to know after they use the same. And at that time they are not in position to do anything against the retailers.

4.24 PROBLEM OF EXCHANGE OF GOODS

Most of the customers in Karad town complained that since they cannot make a perfect decision in selecting the goods among several alternatives/substitutes, at times, they feel after the purchase to replace the goods. Many retailers however, do not extend the facility of replacing the goods once they are purchased.

4.25 RESPECT

The consumers in the present survey at large, experience that they though are the whole and sole decision makers in selecting the commodities. They are never respected by the retailers. In spite of the respect being given by the retailers, the traders exploit the customers because of lack of market information and illiteracy and prove their dominancy.