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CONVERTING KIRANA STORE INTO ORGANIZED STORE

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ABSTRACT

The study has been conducted in Viman Nagar, Pune in order to analyze the Kirana stores and the problems they are facing presently which is restricting them to convert into the organized stores. The study also covers the aspect that how developed the Kirana stores are in Viman Nagar. The study has been conducted by considering the no. of employees, sex ratio of the employees, nearness of the stores to each other, no. of days, the inventory is stocked for, type of inventory stock, channel of procurement, use of technology, satisfaction level of the Kirana store owners by the incentives given by the companies they buy goods of, payment mode of purchasing the product, credit period offered by the companies, the reason for not upgrading the stores and the mode that the Kirana stores would choose to upgrade their store. An analysis has been drawn accompanied by some suggestions for the Kirana Stores.

INTRODUCTION

Retailing is an essential element of the Indian GDP accounting for 14 to 15 percent of the Indian GDP is divided into organized and unorganized sector. (R.H) The unorganized sector contributes to 95 percent of the total retail revenues. (Shodhganga) The small stores with limited goods are popular as Kirana stores or the mop-and-pop-stores. (R.H) The Kirana stores in the unorganized sector form the integral part of the trade industry in the country and are able to manage their business and run a profitable venture without any external support and funding. (Maheshwari, 2016). The retail stores which are owned by some franchise or even a single store which exceeds some basic points are referred to as the Organized stores. (Reurbanist, 2012). Kirana stores have an advantage of selling loose items, giving credit facilities to the consumers and even providing free home delivery but the organized sector is taking an upper hand on the unorganized retail sector since people believe more in the quality of the fruits and vegetables they buy from super markets. (Chandramana, 2016).

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The research study has been carried out in order to understand the prevailing condition of the Kirana Stores in the Viman Nagar, Pune and some parameters are put in the study which gives an impression of how these retail stores can be converted into the organized stores.

Research Methodology

The research has been carried out though a close ended questionnaire filled by the Kirana Store owners.
The questionnaire consisted of 15 questions which have been used to analyze the Kirana stores.

Practical Approach

The paper shall help people understand the status if unorganized sector Kirana stores and how can they convert into the organized sectors, the paper also explains the problems, Kirana stores face to shift to an organized sector. The data has been obtained after surveying and understand the Kirana Stores in the Viman Nagar, Pune.

Problem Statement

The paper discusses the problems of the unorganized sector stores and the stiff competition they are facing from the super

markets. The store owners are not aware about the ways of implementing ways by which they can convert themselves into an organized store and compete with the supermarkets.

Objective

- The objective of the paper is to analyze the problems of the unorganized Kirana stores.
- The objective of the paper is to suggest ways, the Kirana stores can convert into an organized sector and compete with other organized stores and supermarkets.

Limitations

The sample size is 22 stores only.
The study deals with the Viman Nagar in Pune.

Sample Details

22 responses have been recorder of the local unorganized Kirana store owners in Viman Nagar in Pune.

DISCUSSION

The data has been collected from 23 respondents, who own a Kirana store in Viman Nagar, Pune in order to analyze the problems being faced by the Kirana store owners and the various parameters required for upgrading to an organized sector store. A general profiling of the store owners was covered in the research including their name, age and year of establishment of the store. Some specific questions included the no. of female and male workers in the store, location and size of the store, stock selection, duration of keeping the stock, use of technology, the incentives given by the companies and the type of incentives offered, discount given to the customers, the reason for not upgrading to the Kirana store and the way, they would choose to upgrade to an organized store.

Analysis

- Age group of the owners of retail shops

Table 1.

Age groups of the people	No. of people
21	1
24	1
26	1
28	1
29	2
30	3
32	1
33	1
35	3
38	1
39	1
40	2
45	1
46	1
50	1
52	1
53	1

Mean

Mean for various age groups = 35.68182

Mean indicates the average age group of the people who are currently working as the owner of various Kirana stores. Since,

the value is quite legitimate, the average number of people who are running these Kirana stores are majorly young people.

Median

Median value for age groups = 34
This indicates the most central value of the age groups.

Mode

Mode for the various age groups = 30
Mode of the age groups is 30, which means that the value which is most likely to be sampled is 30, thus the people of 30 years of age are most likely to be the owners of Kirana stores.

Kurtosis

Kurtosis value for age groups = -0.61287

Skewness

Skewness value for various age groups = 0.507958

Kurtosis and skewness

In statistics, kurtosis is a measure of the "tailedness" of the probability distribution of areal-valued random variable. In a similar way to the concept of skewness, kurtosis is a descriptor of the shape of a probability distribution and, just as for skewness; there are different ways of quantifying it for a theoretical distribution and corresponding ways of estimating it from a sample from a population.

Formula for kurtosis is

Kurtosis for age group = -0.61287

This means the age group of the owners of Kirana stores has a flatter distribution as the value is negative.

Skewness for age group is 0.507958

This means the age group is moderately skewed i.e. moderately symmetrical. Age groups are majorly even, very less variation exists.

Gender of the owners of Kirana stores:

Table 2.

Gender	No. of workers
Females	03
Males	19

The table significantly indicate that the males are more incline towards running a Kirana stores or we can say that the males have dominated the Kirana store business over females in India.

Marital Status:

Table 3.

Marital Status	Frequency
Married	16
Unmarried	06

The table clearly indicates that most of the owners of Kirana stores are married. Average 78% of the owners of Kirana stores are married.

Year of Establishment of the stores

Table 4.

Year of establishment	Number of stores established	Average of the year
Before 1990	02	-
1990 – 1995	06	1992
1995 – 2000	06	1997
2000 – 2005	04	2002
2005 – 2010	03	2007
2010 – 2015	02	2012

The table clearly shows the percentages of the number of stores that were established in particular years. As per our analysis maximum numbers of the stores was established during 1990 – 1995 and 1995 – 2000 which is 26 %.

Number of employees working in your store

Table 5.

No. of employees	Number of stores	Average number of employees
1-5	17	03
6-10	04	08
11-15	01	15
Above 15	00	00

- The above analysis screens that there are 17% of the total analysed stores who possess average of 3 employees , 18% of those who possess average of 8 employees and 13% of those who have average of 13 employees and further none of the Kirana stores have 15 or above workers in their stores.
- The Kirana stores are underdeveloped , as major number of stores possess very less number of employees and same can be considered as the part of disadvantage and the reason for being still developing store. It is very important to note that if the number of employees are increased in a store there can be a scope for further development but at the same time consideration should also be given to the fact that to increase employees one needs to take the store to a higher reach.

Number of male workers in your store

Table 6.

No. of male workers	Number of Kirana stores in favour of male workers
None	01
1-3	19
4-7	02
Above 8	00

The above data indicates that the major percentage of the Kirana stores is occupied by masculine gender. There is only 5% of the total sample that that has no male employee but there is still a major percentage (86%) that is occupied by almost 1 – 3 male employees in store. Here, we may state that the male workforce in the Kirana store is sufficient as per the size and the revenue and other considerable things of the store.

Number of female workers in your store

Table 7.

No. of female workers	Number of Kirana stores in favour of female workers
None	19
1-3	02
4-7	01
Above 8	00

- The data indicates that around 86% of the stores do not prefer female employees. But still 9% of the sample has around 1 to 3 female workers.
- The fact that female workers are mostly not promoted in retail shops is because of the actuality that Indian society still does not allow feminine gender to grow in an open vent. But still 14%of the retail shops have female workers working.

Location of the store

Table 8.

Location of the store	No. of Stores
Main Road	09
Near Public Place	08
First corner of the street	01
Others	04

- The main purpose of this question was to know how the location of the stores effects their development.
- The above information defines that there are 36% of the stores that are located in public places and are receiving good footfall on the regular basis while as those on the corner 5% are receiving pretty less attention of the consumers.
- Even the retail shops that are on the main road, around 41% of the sample receive good footfall of the customers.

Size of the Store

Table 9.

Size of the store	No. of Stores
0 - 200 sq. ft.	02
200 – 400 sq. ft.	04
400-600 sq. ft.	09
600-800 sq. ft.	03
More than 800 sq. ft.	04

- The motive of this question was to determine whether the area occupied by the stores affect the development of the store.
- So the conclusion made by the sample survey done is that the stores having less space i.e. 14% and 18% have less variety of things comparatively. But those with more space i.e. 41% of the total sample, have more variety of the products hence having better perspective of attracting customers than those with less area.
- It also promotes a psychological factor that people believe that the stores that are large in area have better quality products but the same cannot be true, some of them also believe that the large store helps maintaining their social standard better.

- Items which are stored for inventory and the no. of days they are kept

Table 10.

Stock	No. of days				
	0-4	4-7	7-14	14-30	TOTAL
Vegetables	19	02	00	00	22
Food Items	00	06	09	07	22
Non-Food Items	00	00	02	20	22
Others	00	00	00	22	22

- This question was added to analyse whether the stock inventory has any impact on the development of the stores or not.
- The analysis clearly indicates that the maximum no of stores 19 out of 22 store the vegetables and all such regular edible items for very less time , so as to serve it fresh, hence this attracts more and more customers toward them, therefore this factor is positively in favour of Kirana stores. Hence they should encourage this factor.
- Moreover, again the consumer behaviour comes in the picture. To maintain the standard of their living they would prefer the retail shop, to buy same vegetables and regular edible things.

Procurement of Goods

Table 11.

	Never	Sometimes	Often	Very Often	Always
Distributors	0	0	0	11	0
Wholesalers	0	0	05	0	0
Sales person	0	0	0	0	0
Personal Visits	0	0	0	03	0
Others	0	03	0	0	0

- The purpose of this question was to know how the purchase of the Kirana stores from various means determine their development.
- The conclusion of the analysis, as depicted by the sample, says that most of the Kirana stores rely upon distributors for their purchase but there are also few who depend upon wholesalers and other personal visits.
- This means that the stores development depend upon the kind of goods they are being served by their distributors, wholesalers, and other sources.
- If they want to completely satisfy their consumers, they have to be very careful about the goods they are selling.
- Hence, procurement has to play a major role in development of the Kirana store, as by selling better quality products they can enhance their sale easily.

Reason for the use of technology

Table 12.

Reason for use of technology	Frequency of usage				
	Never	Sometimes	Often	Very Often	Always
Accounting	00	00	01	00	21
Customer Management	02	20	00	00	00
Sales	00	02	01	19	00
Inventory Management	20	01	01	00	00
Others	00	0	00	00	00

- The purpose of this question was to know the impact of technology used by the Kirana stores on their development.
- As the analysis of the question indicates that most of the Kirana stores use technology mostly for accounting purpose only and very less technology is used by the Kirana stores on other requirements.
- These Kirana stores need to improve their technology to modify their current systems for sale, customer management and other purposes to serve their customers better and hence to develop their stores.

Satisfaction level by the incentives given by the companies

Table 13.

Completely Dissatisfied	Dissatisfied	Neutral	Satisfied	Highly Satisfied
00	02	09	11	00

- The purpose of this question was simply to know how satisfied are the Kirana stores with the service they are provided by the companies.
- The answers evidently say that the satisfaction level is moderate and most of the Kirana stores 55% are satisfied with their companies.

Types of incentives offered by the companies and its frequency

Table 14

Types of incentives	Frequency of incentives				
	Never	Sometimes	Often	Very Often	Always
Quantity Discount	02	02	18	0	00
Freebie	08	05	01	02	00
Gifts & voucher	01	01	3	17	00
Others	00	00	04	02	00

- The purpose of this question was to get acknowledged about how frequently the companies provide offers to their customers and what is the impact of the same on the consumers.
- As a result of the analysis the companies do provide discounts, gift vouchers and other incentives to attract customers often. It is an effective way to grab attention from the consumers as well as it is beneficial for enhancement of Kirana stores as the more and more employees come to the store ,more efficiently it works.

Payment mode on which you are purchasing your products

Table 15.

	Cash	Credit	Both
Yes	0	0	22
No	0	0	0

- The purpose of this question was to know about convenience of the consumers with respect to payment.
- According to analysis 100% of the Kirana stores were providing the most convenient way for payment to their consumers. They were providing both cash as well as credit facilities.

Table 16.

	0-15 Days	15-30 Days	30-45 Days
Yes	16	4	2
No	00	00	00

Table 17.

Reasons	Level of Acceptance				
	Completely Disagree	Disagree	Can't Say	Agree	Completely Agree
Lack of knowledge	22	00	00	00	00
Financial Problem	01	03	04	00	14
No successor	19	02	01	00	00
Massive Overhead expenditure	00	00	01	03	18
Competitors	00	08	05	07	02
Warehousing & Transportation	06	05	03	04	02
License Problem	04	08	00	08	02
Lack of Human resource	00	02	05	03	12
Not ready to take the risk	03	12	05	02	00
Due to less sustainability of the products	00	04	04	06	08
Lack of customers	17	00	00	02	01
Goods not available at a cheaper rate	02	07	00	00	13
Others	00	00	00	00	00

Table 18.

Way of converting	Decision	
	Yes	No
Become a franchise of a super store	16	16
Take a loan from a bank	2	20
Take Loans from relatives	16	06
Invest your own resources to upgrade	18	04
Others	00	00

Credit period offered by the companies to the Kirana Stores

- The purpose of this question was to check the convenience provided by the companies to the Kirana stores.
- As the data above indicates, the period of 15 days is provided to almost 73% of the total sample to pay their credit money, which is a sufficient time, and others are provided more as well.
- Hence, we may conclude by acknowledging that there is no deficiency from the company side as far as convenience of the stores is concerned.

Reasons for not upgrading to an organised store

- The above question was put forward to analyse various factors responsible for not allowing Kirana stores to upgrade to large departmental stores.
- As the figures above provide the clear reasons as specified by various owners of the Kirana stores. As perspectives and way of life is different for different people, similarly, depending upon the same, the reasons vary.
- Suggestion that could be made on looking at the above figures is that, there should be fund provision, there should be availability of goods at cheaper rate, at least for early developers, there should be risk taking capability among the people who want to develop.

Decision to be made to convert into an organised store and the way to convert

The above question was asked to analyse the ways and methods that these Kirana general stores want to use to become a well-established departmental store.

Conclusion

The research was conducted by taking a small sample of 22 stores in total from Pune. The research done gave us various conclusions which are given on the basis of analysis done for each question, under the same. Each and every question had its own importance and the analysis and result of the same were familiar for some and at the same time were astonishing. The figures seem to be really small but the data is worth full. The research proves that most of the Kirana Stores are male dominated and they are controlled by married people. Most of the stores have come up in the year 1990-2000, the reason for this could be the economy was moving towards growth. It was seen that there is very less involvement of female members. In retail, the store location plays an extremely important role thus most of the stores were located near public spaces receiving a huge footfall. There is a direct proportion of store size & sales in retail business, kirana owners think if they have a bigger store they can do more business. The procurement can be improved by just not depending upon the distributor but also finding alternative suppliers who can provide the same product at a cheaper rate. Technology is used just for two key purposes to manage accounts and sales but it should be used for inventory management and preparing a weekly requirement for purchase etc. It was noticed that most of the retailers were satisfied with the incentives given by the companies. To upgrade the stores into organised stores a cheaper method of financing has to be found and in the coming years managing human resource at the entry level is going to be difficult, thus a sustainable model has to be developed were less man power shall be required.

REFFERENCE

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Appendix

Questionnaire

<u>Profile based questions</u>:

Name: _____

Age: _____

Gender: _____

Place: _____

Marital status:

a.   Married
b.   Unmarried

1.   In which year was your stored established :

A.   Before 1990
B.   1990-1995
C.   1995-2000
D.   2000-2005
E.   2005-2010
F.   2010-2015

2.   Number of employees working in your store :

A.   1 – 5
B.   6 – 10
C.   11 - 15
D.   Above 15

3.   Number of male workers in your store :

A.   None
B.   1 – 3
C.   4 – 7
D.   Above 8

4.   Number of female workers in your store :

A.   None
B.   1 – 3
C.   4 – 7
D.   Above 8

5.   Location of your store :
A.   Main road
B.   Near to a public place
C.   First corner of the street
D.   Others

6.   Your store size:

A. 0-200 sqft
B. 200-400 sqft
C. 400-600 Sqft
D. 600-800 sqft
E. above 800 sqft

4. You stock your inventory for:

	NO.OF .DAYS			
	0-4	4-7	7-14	14-30
Vegetables				
Food Items				
Non-Food Items				
Others				

5. You procure/source your goods from:

	Never	Sometimes	Often	Very Often	Always
Distributors					
Wholesalers					
Sales person					
Personal Visits					
Others					

6. You use technology for:

	Never	Sometimes	Often	Very Often	Always
Accounting					
Customer Management					
Sales					
Inventory Management					
Others					

7. You are satisfied by the incentives given to you by the company:

Completely Dissatisfied	Dissatisfied	Neutral	Satisfied	Highly Satisfied

8. You are offered the following incentives from the company:

	Never	Sometimes	Often	Very Often	Always
Quantity Discount					
Frebie					
Gifts & voucher					
Others					

9. Payment mode on which you are purchasing your products:

	Cash	Credit	Both
Yes			
No			

10. You are offered the following credit period by the companies :

	0-15 Days	15-30 Days	30-45 Days
Yes			
No			

11. You offer discounts to your customers or give them all the services :

	Completely disagree	Disagree	Can't say	Agree	Completely agree
Discount on monthly bills					
Schemes					
Free delivery					
Others					
t					

12. You have not Upgraded to an organised store due to the following reasons:

	Completely Disagree	Disagree	Can't Say	Agree	Completely Agree
Lack of knowledge					
Financial Problem					
No successor					
Massive Overhead expenditure					
Competitors					
Warehousing & Transportation					
License Problem					
Lack of Human resource					
Not ready to take the risk					
Due to less sustainability of the products					
Lack of customers					
Goods not available at a cheaper rate					
Others					

15. You would choose the following to upgrade your store:

	Yes	No
Become a franchise of a super store		
Take a loan from a bank		
Take Loans from relatives		
Invest your own resources to upgrade		
Others		

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