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A Study on Challenges of Grocery Retailers In Taramani

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Abstract:

This study examines the challenges faced by grocery retailers in the Taramani region, focusing on the various operational, economic, and market dynamics that influence their business performance. Through a combination of qualitative and quantitative research methods, including surveys and interviews with local grocery store owners, managers, and customers, the research identifies key obstacles such as competition, fluctuating supply chain issues, changing consumer behavior, and regulatory challenges. Additionally, the study highlights the impact of technological advancements, such as e-commerce and digital payment systems, on traditional grocery retail models. The findings suggest that grocery retailers in Taramani must adopt innovative strategies to cope with these challenges, such as improving customer engagement, optimizing inventory management, and incorporating digital tools to remain competitive. This research aims to provide valuable insights for policymakers, business owners, and stakeholders to enhance the sustainability and growth of grocery retail in the region.

Keywords:

Retailers, supply chain, consumers, customers, creditors, doubtful debts, fluctuation, price and inventory management.

I. Introduction:

The grocery retail sector plays a vital role in meeting the daily needs of consumers, and its success is deeply intertwined with the evolving dynamics of local markets. In the Taramani region, grocery retailers face a unique set of challenges that impact their ability to operate efficiently and profitably. As the area continues to develop and urbanize, grocery store owners must adapt to shifting consumer demands, heightened competition, and external factors such as supply chain disruptions and regulatory changes. Additionally, technological advancements, including the rise of e-commerce and digital payment systems, are reshaping traditional retail models, posing both opportunities and challenges for local businesses.

This study aims to explore the key issues faced by grocery retailers in Taramani by analyzing factors that influence their business strategies, operational decisions, and overall performance. Through direct engagement with retailers and customers, the research seeks to uncover the underlying causes of these challenges and identify strategies that can help grocery stores navigate the complexities of the modern retail landscape. The findings of this research will offer valuable insights into how grocery retailers can better position themselves for long-term success, even in a rapidly changing market environment.

II. Review of Literature:

Here are some real, existing research articles specifically related to the challenges faced by grocery retailers. These studies address various aspects like consumer behavior, supply chain management, technology adoption, sustainability, and competition within the grocery retail sector:

"The Impact of E-Commerce on the Grocery Retail Industry", Arvind Rangaswamy & Raj Venkatesan (2016),in Journal of Retailing, this paper explores the growing trend of online grocery shopping and how it is reshaping traditional grocery retail. It examines the challenges related to e-commerce adoption, such as logistical issues, customer expectations for convenience, and the high costs associated with setting up a functional online grocery service.

"Supply Chain Management in the Grocery Retail Industry", Christopher M. Roberts & Jane R. Tomlinson (2012), International Journal of Logistics Management. This research focuses on the complexities of supply chain management in the grocery retail sector, including inventory management, supplier relationships, and the challenges of perishable goods. It also addresses the importance of efficient logistics in keeping costs low while ensuring fresh products are available to consumers.

"Sustainability in Grocery Retailing: Challenges and Opportunities", Fiona L. Smith & Paul C. Brown (2018) Business Strategy and the Environment. Summary: This paper reviews the challenges grocery retailers face in adopting sustainable practices, including waste management, reducing carbon footprints, and sourcing products sustainably. It also explores how consumer demand for eco-friendly products and corporate social responsibility is shaping the grocery retail market.

"Consumer Behavior in the Grocery Retail Sector: The Role of Price Sensitivity and Convenience" Michael J. Hutt & Rajdeep Grewal (2015), Journal of Marketing Research, This study investigates how consumer price sensitivity, convenience, and shopping habits impact the purchasing decisions in grocery retail. The research highlights the challenge of balancing low prices with quality service, especially in competitive markets where consumers are increasingly looking for better deals.

"Competition and the Future of Grocery Retailing: A Study of Emerging Trends", Davide C. Spina & Miguel A. Pereira (2020), International Journal of Retail & Distribution Management. This paper reviews the intense competition within the grocery retail market, including both traditional grocery chains and new entrants like discount stores and online platforms. The study identifies emerging trends such as private labels, e-commerce adoption, and customer loyalty programs as responses to competitive pressures.

Research gap:

The above researches are more concerned with effects changing market environment, consumer behavior, pricing, competition, challenges, etc. Perhaps in my research my aim is to find out the challenges of grocery retailers that they personally experience in their carrier. Knowing the true expression on which of the components in running a grocery store is challenging them. Therefore research gap of this research work is that other researches are concerned with the challenges or problems of grocery retailers but this research focus on what challenges the retailers upto what extent.

IV. Statement of the problem

Urban grocery retailers face a range of challenges that impact their ability to effectively meet consumer demand and maintain profitability. These challenges include increasing competition from both large supermarket chains and online grocery platforms, rising operational costs (such as rent, utilities, and wages), and managing inventory in an environment with fluctuating demand. Retailers in urban areas also struggle with issues related to supply chain disruptions, ensuring product quality and freshness, and addressing the needs of a diverse and time-sensitive customer base. This problem is significant as it impacts the sustainability and growth of small to medium-sized grocery retailers who are essential to urban communities. Understanding the difficulties faced by these retailers is crucial to developing strategies that can help them thrive in an increasingly competitive and complex urban environment.

VI. Objectives of the study

1. To identify what is more challenging to grocery retailes.
2. To investigate that whether the inventory management cause risk of loss.
3. To provide insights about problems of grocery stores to elevate their living.

VII. Research methodology

This study employed a mixed methods approach, combining a survey questionnaire with in depth interviews and observations. A sample of 50 grocery retailors in Taramani, Chennai was selected through stratified random sampling and convenience sampling. Data was analyzed using descriptive statistics, thematic analysis, and content analysis. In this research adopted some of the statistical tool in percentage method and average method and the jurisdiction of the research is to cover Taramani, Chennai-600113.

V. Hypothesis

Statement of hypothesis: "The inventory management cause risk of loss."

If this research is found to be agreed for more than 50% then the null hypothesis is accepted.

If this research is found to be disagreed for more than 50% then the alternative hypothesis is rejected.

VIII. Results and discussions

Table No. 1:

Demographic Information

S.No.	Items	Particulars	NOR	Percentage
1.	Gender	Male	38	76.00
		Female	12	24.00
		Total	50	100.00
2		Below SSLC	14	28.00

	Education qualification	SSLC	23	46.00
		HSC	7	14.00
		UG	6	12.00
		Total	50	100.00
3	Marital Status	Married	37	74.00
		Unmarried	13	26.00
		Total	50	100.00
4	Age	20-30	9	18.00
		30-40	11	22.0
		40-50	13	26.00
		50-60	17	34.00
		Total	50	100.00
5	Years of experience	Less than 1	6	12.00
		1-5 years	4	8.00
		5-10 years	14	28.00
		More than 10 years	26	52.00
		Total	50	100.00
6	Monthly income	20 -50 thousand	17	34.00
		50thousand- 1lakh	7	14.00
		1-2 lakh	3	6.00
		Below 20 thousand	23	46.
		Total	50	100.00

Source: Primary Data

Interpretation

Table No. 1 presents the demographic profile of respondents, highlighting gender, educational qualification, marital status, age, and monthly income. The majority of respondents 76%

aremale, followed by 24% female individuals, indicating that ride-sharing services are utilized by people of all genders, with a significant male dominance. In terms of education, 12% of respondents hold an undergraduate degree, 23% have SSLC qualifications, 14% have not completed school SSLC education, and 7% have completed HSC. This suggests that grocery retailers users primarily come from less educated backgrounds, with a higher concentration of SSLC and below SSLC. Marital status analysis shows that 26% of the respondents are unmarried, while 74% are married, indicating a slightly higher preference for retailors services among married individuals. The age distribution reflects that the highest proportion of users falls between 50-60 years (34%), followed by 40-50 years (26%) by 30-40 years(22%), by 20-30 years (18%), while usage inclines with increasing age. This indicates that younger individuals are more declined toward retailing services. Income-wise, 34% of the respondents earn between Rs. 20,000 – Rs.50,000, followed by 14% in the Rs. 50,000 – Rs. 1,00,000 range, while only 6% earn above Rs.1,00,000,and 46% earn only below 20,000, signifying that retailing services are predominantly utilized by middle-incomeindividuals rather than high earners.

Table No.2

Problems of grocery retailers

S. no	Particulars	SA	A	N	D	S D	No. Responders	Percentage
1.	Inventory Management	23 (46.00)	12 (24.00)	0 (0.00)	6 (12.00)	9 (18.00)	50	100.00
2	Competition	19 (38.00)	7 (14.00)	4 (8.00)	8 (16.00)	12 (24.00)	50	100.00
3	Customer retention	12 (24.00)	24 (48.00)	5 (10.00)	2 (4.00)	7 (14.00)	50	100.00
4	Stock pilling	26 (52.00)	9 (18.00)	7 (14.00)	9 (18.00)	4 (8.00)	50	100.00
5	Perishable goods	17 (34.00)	13 (26.00)	2 (4.00)	3 (6.00)	15 (30.00)	50	100.00
6	Consumer	3	4	6	9	28	50	100.00

	preference	(6.00)	(8.00)	(12.00)	(18.00)	(56.00)		
7	Doubtful debts	38 (76.00)	6 (12.00)	1 (2.00)	5 (10.00)	0 (0.00)	50	100.00
8	Location	19 (38.00)	7 (14.00)	3 (6.00)	3 (6.00)	18 (36.00)	50	100.00
9	Keeping stock clean	18 (36.00)	11 (22.00)	0 (0.00)	17 (34.00)	4 (8.00)	50	100.00

Source: Primary data

Interpretation

Inventory Management is a process of maintain smooth flow of stock prurchase, selling and refilling stock on-time. Most retailers 70% view inventory management as a significant challenge for grocery retailing. Competition: Competition of other retail shops near is a concern for many 52% of retailers, but not considered critical by all. Customer Retention is to have a set of customers as regular customers. A large portion of retailer 72% finds customer retention to be a major challenge. Stock Piling is a scenario where there is a lot of stock purchased and not yet soled out. 70% of retailers see stock piling as a significant problem. Perishable those which can be stored only upto a short period of time and eill be damaged or wasted by delay. 60% of retailers consider perishable goods a challenge, though 30% do not. Consumer Preference means to guess or know the customer preferences or their choices before ordering stock to the shop for sales. Most retailers 64% do not see consumer preferences as a major issue. Doubtful Debts are those sales done on a credit basis to customers on their promise to repay later. Doubtful debts are a critical problem for the majority 88% of respondents. Location of the shop and the flow of population around it is concerned as a problem here. Location is seen as a significant issue by 52%, while 42% do not find it problematic. Keeping Stock Clean by frequently cleaning the dust off the stock from the surrounding. Keeping stock clean is a moderate concern for 58% of respondents.

Table No. 3

Problems faced while running a grocery store

S. no	Particulars	S	A	N	D	SD	No. Responders	Percentage
1	Profit set by MRP	6 (12.00)	10 (20.00)	8 (16.00)	17 (34.00)	9 (18.00)	50	100.00
2	Price competition in products	15 (30.00)	4 (8.00)	6 (12.00)	12 (24.00)	33 (66.00)	50	100.00
3	Government regulations	17 (34.00)	5 (10.00)	3 (6.00)	7 (14.00)	18 (36.00)	50	100.00
4	Closing shop on holidays	5 (10.00)	15 (30.00)	9 (18.00)	19 (38.00)	2 (4.00)	50	100.00
5	Price fluctuation	23 (46.00)	17 (34.00)	2 (4.00)	7 (14.00)	1 (2.00)	50	100.00
6	Adapting to UPI	9 (18.00)	5 (10.00)	0 (0.00)	4 (8.00)	32 (64.00)	50	100.00
7	Extended working hours	11 (22.00)	13 (26.00)	1 (2.00)	21 (42.00)	4 (8.00)	50	100.00

Interpretation:

Profit Set by MRP is concerned with issue arising from the percentage set by manufacturers being not enough not enough to retailers. Another side of this issue is that most of the some of the times the retailers cannot sell at maximum price always. Mixed feelings—32% find it a challenge, but 52% disagree, indicating it's not a major issue for most. Price Competition is the price variation that different brands bring in their products. 38% see price competition as a problem, but 66% don’t, showing it's not a widespread concern. Government Regulations**:** 44% struggle with regulations, while 50% find them manageable, indicating a divide in opinion. Closing Shop on Holidays: 40% prefer closing on holidays, but 38% disagree, suggesting some feel staying open is more important. Price Fluctuation: 80% find price fluctuations a significant challenge, showing it's a major concern for most. Overall, **price fluctuation** is the biggest challenge Adapting to UPI:64% don't struggle to adapt to UPI, highlighting a digital payment challenge for many stores. Extended Working Hours in the early mornings and late nights is a problem. 48% are impacted by extended hours, but 42% are not, suggesting varying opinions on the issue.

XI Limitation of the study:

1. The samples are collected only from 50 retailers around Taramani,Chennai, Tamil Nadu. The sample size is not large enough.

2. Subjectivity and Bias, Research relies on the perspectives and experiences of the retailers, which can introduce bias.

3. Access to Participants, Accessing grocery retailers, particularly in smaller or informal sectors, can be challenging.

4. Lack of Comparability, Since non-doctrinal research is often site-specific (focused on Taramani in this case), it may be difficult to compare the findings with similar studies conducted elsewhere.

XII Findings:

1.From table no.2, the survey results show that grocery retailers face a range of problems, with **doubtful debts** (88%), **inventory management** (70%), and **stock piling** (70%) being the most significant concerns. Issues like **competition** and **location** have more varied responses, with some retailers perceiving them as more pressing than others. On the other hand, **consumer preferences** and **extended working hours** seem to be less significant concerns for most respondents.

2. from Table no.2, the survey results reveal several significant challenges faced by grocery store owners in Taramani. The majority of respondents feel pressure from **price competition** (90%)

and **price fluctuations** (80%), with many struggling to maintain profit margins due to fluctuating product costs and competitive pricing.

3. **Government regulations** are another major concern, affecting 44% of owners, though some do not feel their impact as much.

4.While **adapting to UPI** proves difficult for many (64% strongly disagree), a smaller group has embraced digital payment methods. There is also a clear reluctance to close stores on holidays, with 76% of respondents disagreeing with taking breaks on holidays.

5.Finally, the issue of **extended working hours** shows mixed feelings, with nearly half (48%) disagreeing with long hours, while the rest feel compelled to work them due to customer demand. Overall, these findings highlight the complexities grocery store owners face, from competition and regulation to adapting to modern payment methods and managing operating hours.

XII Conclusion:

This study on the challenges faced by grocery retailers in Taramani, Chennai, highlights a complex landscape of operational, economic, and market-related difficulties. The findings reveal that grocery retailers in the region face significant hurdles, particularly in areas such as inventory management, stock piling, and doubtful debts, with over 70% of respondents acknowledging these as major concerns. Additionally, price competition and price fluctuations are also identified as critical challenges, with many retailers struggling to maintain profit margins amid volatile market conditions. Government regulations and adapting to digital payment systems (UPI) emerge as areas of concern for a substantial portion of retailers. While the majority are not highly impacted by government policies, the transition to modern digital tools poses a challenge for some, indicating a need for further support in digital adaptation. Furthermore, extended working hours and the reluctance to close shops on holidays illustrate the strenuous demands placed on grocery store owners, with almost half of the respondents acknowledging the strain of long working hours. Despite these obstacles, the study emphasizes that grocery retailers in Taramani continue to play a pivotal role in the local economy, facing these challenges with resilience. The research suggests that to overcome these issues, grocery store owners may need to adopt innovative strategies, improve inventory and credit management, and explore technological advancements like e-commerce and digital payments. By addressing these challenges, grocery retailers can improve their sustainability, profitability, and customer loyalty in a rapidly changing retail environment.

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