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A study on awareness and challenges of retailers in the digitalization era

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ABSTRACT

The study is mainly on creating awareness about digitalization and also how in recent times retail business has been impacted and how both online and offline businesses have equal importance. As in current era digitalization is gaining fame, this research will also study about the various ways to improve the marketing and selling strategies of these enterprises by making the best use of the online platform. The market is a competitive and a dynamic place. Hence in order to sustain in this dynamic environment the proprietor should inculcate few efficient skills that can boom the business. One way is to be creative in their ideas, the business should think of such a product or service which has very less substitutes or is unique in its own way so that customers can differentiate the commodity of a particular business. For this research, relevant data was collected via questionnaire and was analyzed by the use of tabulation and simple percentage methods. Also, the information collected through primary and secondary sources was analyzed and interpretation done by the use of bar diagrams.

Keywords: Creative Ideas, Digitalization, Dynamic Environment E-Commerce, Retail Business

1. INTRODUCTION

Entrepreneurship development refers to a process of intensifying the skills and strengthening the knowledge by evolving in a business venture while keeping risk in a mind, entrepreneurs would be pursued as a career, main aim is working for yourself and your business and learning and creating a base.

- Entrepreneur is a person who owes his business and work for profit it can be big business or small business, but whose main motive is for profit.
- Oxford Dictionary "A person who sets up a business or businesses, taking on financial risks in the hope of profit".
- International Encyclopedia "An individual who bears the risk of operating a business in the face of uncertainty about the future conditions.
- Schumpeter's Definition —The entrepreneur in an advanced economy is an individual who introduces something new in the economy- a method of production not yet tested by experience in the branch of manufacturing, a product with which consumers are not yet familiar, a new source of raw material or of new markets.
- The entrepreneurs are one who take care of everything that is planning, establishing, finance, growth organizing and simultaneously risk part.
- The recognition of entrepreneurs' dates back to eighteenth-century France when economist Richard Cantillon associated the "risk-bearing" activity in the economy with the entrepreneur. In England during the same period, the Industrial Revolution was evolving, with the entrepreneur playing a visible role in risk taking and the transformation of resources.

Entrepreneurship In India

Well in India 80% of people are self-employed and are contributing to the overall development of the country by increasing the standard of living of people and by contributing to the GDP of the country. These people are no longer job seekers, they are job creators. The government is also encouraging and supporting these startups by providing various schemes for procurement of funds and other aspects. Overall, the government is supporting people in every way to become independent in the society.

History of small-scale enterprises and entrepreneurship and evolution

Retail business, the government of India has enacted retail business, it is engaged in manufacturer, production, it has started in 1950 had a limit of 0.5 million as fixed investment, government has initiated various support measures from time to time, which

involves reservations, revision of investment, modernization of technology, and loads of investment schemes, Small scale definition to the industries (development and regulation) act 1951, investment in plant and machinery.

For a compilation of definitions, Robert C. Ronstadt, *Entrepreneurship* (Dover, MA: Lord Publishing, 1984), p.28; Howard H. Stevenson and David E. Gumpert, "The Heart of Entrepreneurship," *Harvard Business Review* (March/April 1985): p.85-94; and J. Barton Cunningham and Joe Lis heron, "Defining Entrepreneurship:" *Journal of Small Business Management* (January 1991): p.45-61.

The Frenchmen who organized and led military expeditions were referred to as "entrepreneurs"

In the pre-colonial times the Indian trade and business was at its peak. Indians were experts in smelting of metals such as brass and tin. Kanishka Empire in the 1st century started nurturing Indian entrepreneurs and traders.

Following that period, in around 1600 A.D., India established its trade relationship with Roman Empire. Gold was pouring from all sides. Then came the Portuguese and the English. They captured the Indian sea waters and slowly entered the Indian business. They forced the entrepreneurs to become traders and they themselves took the role of entrepreneurs. This was the main reason for the downfall of Indian business in the colonial times which had its impact in the post-colonial times too. The colonial era makes the Indian ideas and principles rigid.

The economy was shackled by extensive regulation, protectionism, and public ownership, leading to pervasive corruption and slow growth. Since 1991, the nation has moved towards a market-based system.

How does startups work and how can they develop the qualities of leadership and retail business?

The whole process of establishing a startup begins with an idea which is later drafted into a plan. But these enterprises face many obstacles. Few common problems that are faced by most of the startups are:

- 1) Idea generation
- 2) Procurement of Funds
- 3) Lack of human resource and various departments
- 4) Introducing the product or service to the public
- 5) Marketing the commodity and;
- 6) Attracting Customers

Many startups have overcome the above problems by the use of the online platform. This online platform provides various facilities such as bank loans, information about the market and the needs of the customers, the correct location to attract the target customers and many more. Some startups link themselves to large companies wherein the commodities are made by these startups but are sold to the final consumers by the large companies they are linked to. Initially the problem of labor can be solved through the help of family and friends.

The market is a competitive and a dynamic place. Hence in order to sustain in this dynamic environment the proprietor should inculcate few efficient skills that can boom the business. One way is to be creative in their ideas, the business should think of such a product or service which has very less substitutes or is unique in its own way so that customers can differentiate the commodity of a particular business. Apart from market the business should also be efficient in managing its internal affairs with utmost diligence and for this the proprietor should build or enhance their leadership qualities. The business can develop leadership skills by inspiring others to work and to learn more, by resolving conflicts in an effective manner and by not fearing the risk of failures. The leadership quality developed by the business will in turn help the business to lead in the market.

Organizational Structure:

For every startup we need a proper structure department, but at the same time we have to see the cost, expenses and funds

So, first step is idea generation: So, here we have to form an idea, what our plan is all about and what business we have start, it can be a small vegetable vendor or owing a show room or setting up a manufacturing sector, and our product should be unique in market, so here we need to know the market trends and need to have a market knowledge, and our entire business depends on our idea.

Second step is all about funds: Based on our idea we have to set up a budget, and breakeven point analysis has to be done, and we have to be aware about the government scheme and policies, as now a days government are taking enough steps to promote retail business and lots of RND (research and development is required) and we have to also seek or investors.

Third step is look for community: Well, that is we have to look for a location which has necessary resources for our business, and yes this is main step as all business operations would be done through here so here, we have taken care of our budget as it's a startup.

Fourth step is organizational structure: for a startup a proper formal organized departments are much that is separate marketing team then finance team, sales team, production team, administration team, R&D team is must.

2. REVIEW OF LITERATURE

- 1) **McRobbie, A. (2004):** Making a living in London's small-scale creative sector. In *Cultural industries and the production of culture* (pp. 142-150). Routledge.
- 2) **Dr Radhika Kapoor (2018):** The economic development of nation it depends upon industrial development in India and it is based on entrepreneurship skills, entrepreneur faces loads of challenges and opportunities, the main area of this research paper

is how can a creative small-scale business and small-scale enterprise can develop they business in this era and what qualities they can use in business and also will be discussing about challenges and difficulties.

- 3) **Yuk, J. (2019). Creating a niche, building a community:** a case study of young small-scale creative workers in Daegu, South Korea. *International Journal of Cultural Policy*, 25(6), 714-726.
- 4) **Susanto, C., Al Habsy, T., & Abdillah, Y. (2020).** The influence of social entrepreneurship on the organizational learning, partnership, competitive advantages, and business performance (a study of a creative industry-based small scale apparel business in DKI Jakarta). *Human Systems Management*, (Preprint), 1-18

3. STATEMENT OF PROBLEM

This study mainly emphasizes the digitalization of small sector business and startups, how can a retail business can develop they business by using digital methods like selling online, and also, we have focused mainly on they should be balanced of offline and online business as both are equally important, and during lockdown how retail shops were facing problems and how online helped them to sell they product

4. OBJECTIVES

- 1) To study the awareness about digitalization among respondents of retail business.
- 2) To study the challenges faced by retail businessmen who do not adopt digitalization.
- 3) To determine the impact of digitalization on business in recent times.
- 4) To give suggestions to retail businessmen based on study.

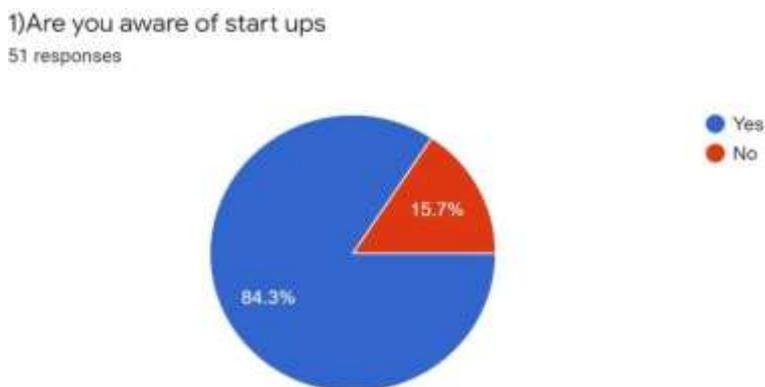
5. COMPARISON BETWEEN E-COMMERCE AND TRADITIONAL BUSINESS

Here the comparison between E-commerce and traditional business is when we compare both are equally important and as they are many customer who likes to visit offline market and shop at they convenient similarly they are some people who thinks online saves time and go for online shopping so retailers should adapt both the things for a successful of business , and they are customers who doesn't trust online and prefer cash on delivery and go for store shopping , so both are equally important

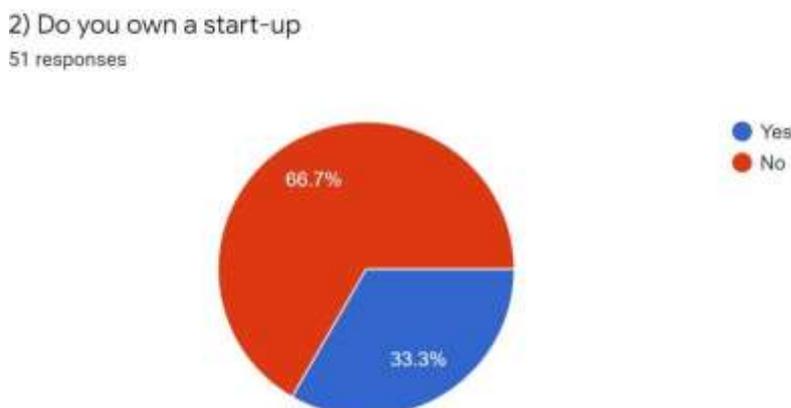
Strategies for Sustainability in the Long-run: Business should adapt the new technology for development of business and simultaneously they should also follow traditional business as both are equally important.

Research methodology about how lock down has changed the entire small-scale business:

This research is descriptive in nature. The method of sampling adopted is convenient sampling and the required data was collected via primary and secondary sources. The sample size of this study is 50 and the respondents were retailers.



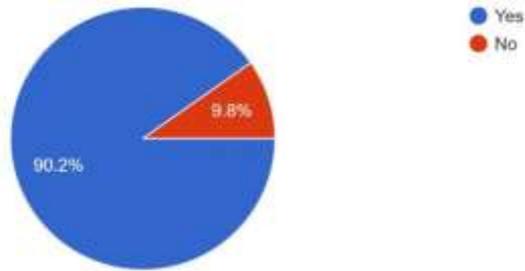
Majority of the respondents are aware about startups i.e.; 84.3% of the total respondents are aware and the remaining 15.7% are not aware about these startups.



Majority of the respondents i.e.; 66.7% do not own a startup while the remaining 33.3% own a startup

3) Are you aware about digitalization ?

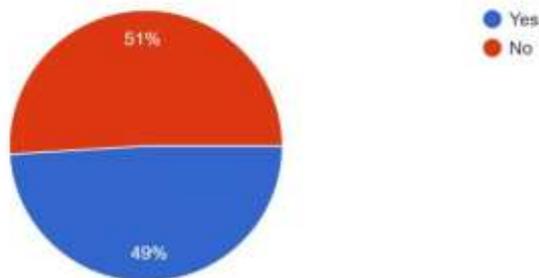
51 responses



90.2% of the respondents are aware about digitalization and the rest 9.8% respondents are not aware about this concept.

4) Have you digitalized your business

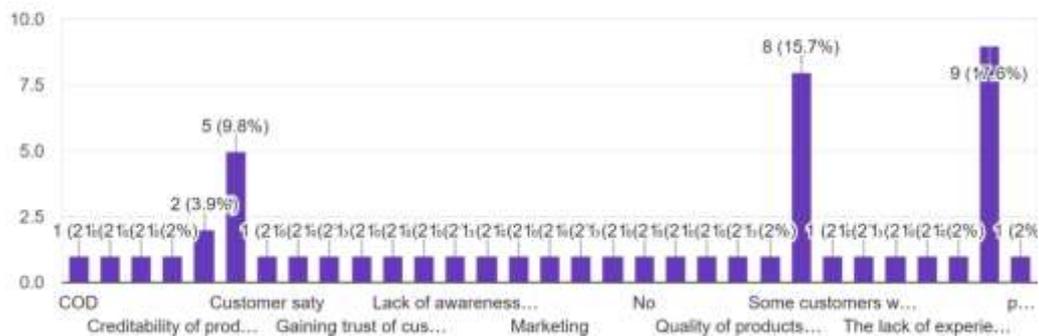
51 responses



Many respondents do not own a startup hence they responded as a no to this question. Some respondents may own a startup but may not have digitalized their business. Few respondents who own a startup have digitalized their business i.e.; 49% of the respondents have digitalized their business.

5) what do you think is the main challenge faced in online business

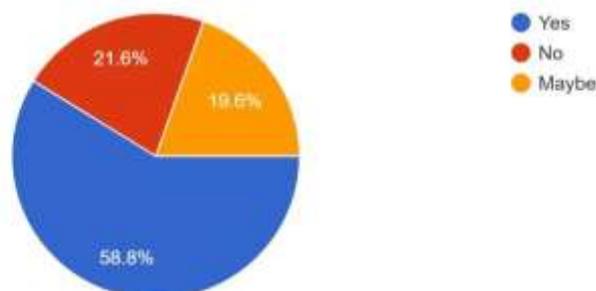
51 responses



Majority of the respondents think that maintaining confidentiality and providing security is the main challenge faced by online businesses. The second main challenge according to the respondents is the payment method. Other challenges include competition, customer satisfaction and lack of promotion.

6) did digitalization helped your business to grow online during lockdown ?

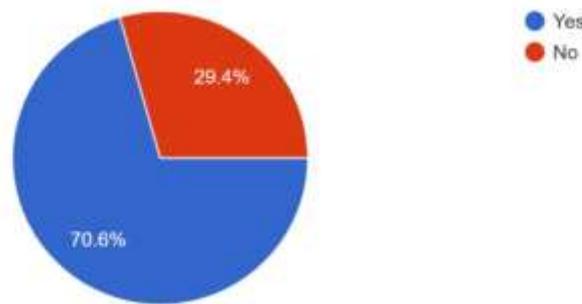
51 responses



Majority of the respondents were of the opinion that digitalization of business has grown during the lockdown. Among the rest; few respondents are unsure about this question while the rest think that digitalization has not helped the business to grow in lockdown.

7) according to you did whatsapp helped in selling your products , when your office was shut during lockdown ?

51 responses



Majority of the respondents i.e.; 70.6% of the respondents think that WhatsApp has helped in selling of commodities when the office was shutdown while others think that it has not helped the businesses.

8) What do you think about small startups, that came into existences during lockdown? In response to the question on above opinions are as follows:

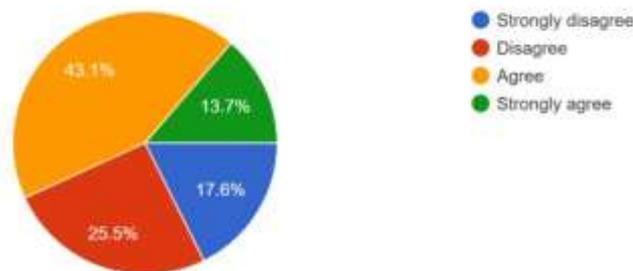
They are Innovative, Passionate, Good and Few other opinions are that they are not up to the mark and are only short-term growth

9) Write your opinion on major challenges faced by retail business or any businesses who is not online?

Respondents think that customer movement, limited reach, lack of marketing and credit facilities to customers are the main challenges faced by retail business or any other business which is not digitalized.

10) In market , well established shop who are brand oriented but are not in any of the ecommerce platform , so does small retail shop really needs online platform to recognize their business

51 responses



Majority of the respondents i.e.; 43.1% of the respondents agree that it is not necessary for a business to digitalize itself for recognition while 13.7% strongly agree on the same. Among the remaining respondents 25.5% disagree with this statement and the rest strongly disagree with the same.

The current market situation that is about startups, how startups are inspiring new entrepreneurs to enter the market and establish their business in small scale or big , before lockdown many startups emerged such as Ola , Uber , Rapido , at the same time during lockdown the sales of this companies declined as movement was not there and online business such as general stores and medicals pharmacy such as normal retail outlets they took a shift to online by placing customers order through calls or WhatsApp or telegram.

To conclude for conversion of business to online there is no need to bear extra expenses for marketing the product it can be done in the cheapest way i.e., through software applications such as WhatsApp. Going online has also increased the standard of living of people as everything is delivered at your doorstep and hence long queues and long waiting hours are avoided saving time for additional works.

In lock down new startups emerged like home bakeries, homemade food then online coaching center, online boutique stores, even vegetable vendors started taking orders through online, then uber started new platform though cabs services were stopped but new platform like uber eats and uber essentials, tiffin services started, content creations on YouTube or Instagram, Instagram established reels as a concept for content creations, online consultancy business.

Based on real life experience during lockdown an old lady who was not much educated and was bored and to make herself busy she tried new dishes for the security guards and kids in her society, and everyone started appreciating her food and so her son suggested to open a home kitchen and hence Aai's kitchen came into being , and on the first day she received 80 plates of basic breakfast order and she earned an income of 8000 and she was so happy , even if it's a small amount but that was her first income , this is just a small example of a house wife who went for digitalization.

Another example is of a 77-year-old Gujarati lady, who turned her snacks business into a success within a year – and named as Gujju Ben Na Nasta, her story inspired many people as, she is 77 and she didn't have that much education at that time, but her high energy turned this business into a successful one. Though she lost her 3 children she didn't lose her spirit and diverted this spirit for the establishment of her own business which stands among the top businesses in the market. Initially she started with pickles and within a span of 2 months she included other items also and soon this small business bloomed in the market. The story of this old lady truly teaches the meaning of enthusiasm that is necessary for any business.

From the above examples it is clear that for a successful business an entrepreneur should have both leadership and innovative qualities. Hence every entrepreneur should be a leader and not a follower. Confidence is a mandatory element in any business. Few examples of startups in rural areas who are not digitalized:

This is the story of a rural woman who is not that familiar with digital platforms, yet she has managed to establish a successful dairy business and has taken care of her family also. This woman named Navalben who hailed from a rural place in Nagaland made a record by selling milk worth Rs. 1.10 Crore in 2020 and has also earned a profit of Rs. 3.5 Lakhs and hence she has become successful in establishing her own farm in her village.

This example indicates that though digitalization is essential for a startup or an existing business it is not compulsory.

6. ADVANTAGES AND DISADVANTAGES OF ECOMMERCE

Advantages:

- 1) Product and price comparison
- 2) Wide reach
- 3) Delivered at door step

Disadvantages:

- 1) Many customers don't trust online business and go for retail shops or show rooms
- 2) Security issue
- 3) Lack of brand experience: that they are many customers who would go for shopping and want to feel the product but in online they don't get that feel.

7. CONCLUSION AND SUGGESTIONS

From this research it can be concluded that this is the era of startups and with little more exposure and support these startups can flourish in the market and can achieve their desired goals. It can also be seen that these businesses being innovative can provide more choices to the customers and create higher demand in the market. For better establishment and recognition, the following suggestions can be followed:

- 1) Study the market and the Customer wants
- 2) Marketing through social media and mobile applications
- 3) Spreading awareness about the startup
- 4) Execution of orders before time
- 5) Proper implementation of administrative and leadership skills

Following these suggestions can definitely help small businesses and startups to gain a place in the market. Overall, there is so much scope for startups in this modern world and an innovative and capable business idea can sustain in the market in the long run.

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