

# SWOC Analysis of Kirana Shops

## OPEN ACCESS

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## Abstract

*The private village shops are the backbone of rural retail marketing. Private retail shops are ideal agencies for village distribution. There are around 2 million sales outlets at the retail level in rural India. One retail shop is serving around 600 families in the rural retail marketing. The retailer to consumer ratio has been very low with many such shops often located close to people residence, near to home and at the corner of the street, thus making location and convenience a major factor for their popularity. Kirana shop is one of the easiest ways to generate self-employment as it requires limited investment in land, capital and human resource. Kirana shops are unique business models in India especially in rural areas which are offering personal services and quality products as per demand of customers. A Kirana shop normally a range from 25 to 400 square feet with a various range of products which are daily requirement of customers. The total area of Sangli district is 8,572 sq. Mt. and there are 10 talukas and 734 towns in Sangli district and registered kirana shops are 5,741. The researcher has collected required information and data from Kirana shopkeepers in Sangli district. The primary data is collected through questionnaire. Discussion, interviews, observation and necessary field work. The sample selection of kirana shops have been selected on the basis of 'Stratified Sampling Method'. While selecting villages, factors considered are the geographical location of taluka, such as East, West, North, South and Middle, and one village from each direction has selected Therefore, researcher has used 'Proportionate Sampling Method' for selecting taluka- wise kirana shops. Researcher has found that the kirana shops are competing with local bazaars which are to be started by big traders and wholesalers in the sample study area. Competition is the major factor for existence of Kirana shops. Recovery of dues from customers is another challenging problem of the existence of Kirana shops, The consumer behavior is changing because of new technology. Fashions, life styles etc. However, changing consumer behavior is affecting rural based kirana shops. So, now a day, they are suffering for their existence.*

**Keywords:** SWOC Analysis, Kirana Shops, Sangli district.

## Introduction

The private village shops are the backbone of rural retail marketing. Private retail shops are ideal agencies for village distribution. There are around 2 million sales outlets at the retail level in rural India. One retail shop is serving around 600 families in the rural retail marketing. The retailer to consumer ratio has been very low with many such shops often located close to people residence, near to home and at the corner of the street, thus making location and convenience a major factor for their popularity. Kirana shop is one of the easiest ways to generate self-employment as it requires limited investment in land, capital and human resource. Kirana shops are unique business models in India especially in rural areas which are offering personal services and quality products as per demand of customers. A kirana shop normally a range from 25 to 400 square feet with a various range of products which are daily requirement of customers. A significant historical reason underlying the perceived increasing importance of retailing is that its contribution to the economy is much more visible in the modern era than it was in the past. Now, retailing is up-coming as one of the major non-farming occupations in India. The total area of Sangli district is 8,572 sq. Mt. and there are 10 talukas and 734 towns in Sangli district and registered kirana shops are 5,741.

But now a day, they are suffering for their existence. Researcher has found that the Kirana shops are competing with local bazaars which are to be started by big traders and wholesalers in the sample study area. Competition is the major factor for existence of Kirana shops. Recovery of dues from customers is another challenging problem of the existence of Kirana shops. The consumer behavior is changing because of new technology, fashions, life styles etc. However, changing consumer behavior is affecting rural based Kirana shops.

### Objectives

1. To know socio-economic background of the Kirana shops through SWOC Analysis in Sangli district
2. To understand the various problems faced by the kirana shopkeepers in the study area,

### Research Methodology

#### Primary Data

The researchers have collected required information and data from Kirana Shopkeepers in Sangli district. The primary data is collected through questionnaire, discussion, interviews, observation and necessary field work.

#### Secondary Data

The researchers have collected necessary information from books, M. Phil and Ph.D. research works, magazines, internet, different websites, Daily newspapers, articles and government publications etc.

### Sampling

The sample selection of kirana shops have been selected on the basis of 'Stratified Sampling Method'. While selecting villages, factors considered are the geographical location of taluka, such as East, West, North, South and Middle, and one village from each direction has selected. Therefore, researcher has used 'Proportionate Sampling Method' for selecting taluka-wise kirana shops.

### SWOC Analysis

#### Strengths

1. **No need of any professional education:** From the point of other business, it is necessary

to get any professional experience or a little knowledge for starting that particular business. The professional education gives the basic knowledge of that particular business. As far the kirana business, it has shown that there is no need to take any professional experience, when one wants to start a kirana business. It has noted that 94% kirana shopkeepers in the study area are not taken any type of professional education or experience.

2. **Very little space acquired:** The researcher has observed that those kirana shops which are located in small and remote villages which called 'Wadi-Vasti' are acquired less than 250 sq. ft. of land and they have run their kirana shops with limited space for working and trading with customers. There are no permanent walls, foils are surrounded. Kirana shops are using very small space for doing their transactions.
3. **Near from home:** 84% kirana shopkeepers have told that kirana shops are located near to customer's home. Besides, kirana shopkeeper's helping nature towards customers as well as their positive attitude has attracting customers towards their kirana shops.
4. **Trust of customers:** Trust between kirana shopkeeper and customers are important aspects for running the kirana business. Near about half kirana shopkeepers have told that they have given the qualitative goods as per customers demand. Kirana shopkeepers and the customers are emotionally touched each other. So, customers are purchased the goods consistently at a particular kirana shop.

#### Weaknesses

1. **Insufficiency of Space:** By the provided information, it is seen that 93% (84+09) of sample respondents are not satisfied with available space of their shops. Shopkeepers in the sample area have told that there is very limited space for moving and taking the demanded goods from the customers in the sample area.
2. **Insufficiency of Capital:** Kirana business is required much more variable capital than fixed capital. The capital is required for purchasing various types of kirana goods. The numbers of

varieties of goods are to be kept for running kirana business. Researcher has observed that majority (80%) of kirana shopkeepers in the sample area are shut down or closed their kirana shops due to insufficient capital.

3. **Very few credit periods given:** Wholesalers are generally given the credit period between 7-30 days in the case of kirana business. Kirana shopkeepers with the limited financial capacity cannot buy goods in bulk from the wholesalers. Also kirana shopkeepers are interested in keeping larger variety of goods instead of large quantities of a few products, so, kirana shopkeepers require credit facilities.
4. **Unawareness about various laws:** Majority of (53%) kirana shopkeepers is unaware of various laws related to kirana business. In the rural areas shopkeepers are not thoroughly aware about all laws regarding the kirana shops. Researcher has also observed that all kirana shopkeepers are not thoroughly aware about the related laws.

### Opportunities

1. **Keeping other goods with kirana goods:** There is a tradition of keeping other products with kirana goods for sale. Grain, stationary, bakery products, milk or eggs even hardware etc. products are sold with kirana goods in the sample area. According to geographical location, requirement of products is different; therefore, shopkeeper keeps various products in their shops.
2. **Changing customers' behaviour:** 96% kirana shopkeepers have told that there is a drastic change in behaviour of customers' as compared to last 5 years. Kirana shopkeepers have told that customers are very choosy and they are taking the goods which they wanted. Customers do not compromise about the goods.

### Challenges

1. **Unavailability of loan in-time:** 53% (210 out of 400) of kirana shopkeepers said that they did not get loan in-time from the banks. Banks sanctions loan for other business but not for kirana shops. Some kirana shopkeepers have argued that the bank manager especially in nationalized banks kirana shopkeepers realizes

that kirana shopkeepers are illiterate and they do not understand the procedure of sanctioning the loan procedure. They are not submitting proper documents in-time. That's why; banks have not sanctioning loan proposals of the kirana shopkeepers.

2. **Problem of transportation:** It is seen that 85% kirana shopkeepers are facing problems regarding transportation. There are lots of problem regarding transportation in rural areas like availability of a vehicle in proper time, problem of safety, problems of goods wetting, problem of labour for loading and unloading, extra charges and mixing goods in each others.
3. **Problem of bad debts:** It is seen that 84% kirana shopkeepers are facing the problem of bad-debts. It is very dangerous for the survival of kirana shops in the sample area. Kirana shopkeepers are giving the goods on credit to the customers.
4. **Problems of kirana shops:** There are various problems are faced by kirana shops. Some of the problems are as stated below-

**Table 1 Problems of Kirana Shop**

S.No	Problems	Frequency	Percentage
		N= 400*	
1	Competition with Kirana shop	373	28
2	Competition with Bazaars	307	23
3	Problems of recovery of debts	241	18
4	Lack of capital	132	10
5	Awareness of customers	066	05
6	Very few margin of profit	134	10
7	Changing psychology of customers	067	05
8	Problems of Government. rules	014	01
9	<b>Total</b>	1334**	100

**Source:** Primary Data

\* Indicates actual frequency (400)

\*\* Indicates respondents has given multiple answers, so frequency is greater than actual (400)

Table 1 shows that the problems faced by kirana shops. 28% kirana shopkeepers have narrated that competition with kirana shops and 23% kirana shopkeepers have told that competition with bazaars. It is interpreted that the kirana shopkeepers have largely faced the problem of competition with other kirana shops as well as bazaars. The numbers of unregistered kirana shops are opened in the sample area. Kirana shopkeepers have given credit for attracting the customers. There is an adverse effect on recovery of debts. If the previous kirana shopkeepers have persistently demanded their dues, customers have used to prefer another kirana shop for purchasing kirana goods in the sample area. As a result debts are not recovered in proper timing. It is narrated kirana shops have faced number of problems such as competition from each others & bazaars, debts, shortage of capital, low margin of profit, dynamic psychology of customers, changing rules and regulations etc.

### Conclusion

Kirana shopkeepers are also facing number of problems like purchase, warehousing, finance, transport, damage of goods, recovery of credit, and competition with other kirana shops as well as bazaars. The kirana shopkeepers in the sample area are less educated and 40% customers are graduates. Kirana shopkeepers are purchasing goods in short period of credit from the wholesalers. On the other hand kirana shopkeepers are selling goods in long period of credit to the customers. Therefore the financial problem is arising. The purchasing strategy of kirana shopkeepers is not a proper manner. They are purchasing goods at convenient time according to availability of capital and time. Customers on the other hand, are purchasing goods regularly. Sometimes, kirana shopkeepers are given credit to customers because they know the customers.

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Wholesalers are not giving credit though they know the kirana shopkeepers. Kirana shopkeepers are providing various facilities and plans to attract the customers.

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