

RETAIL MODELS AND COMPETITIVE LANDSCAPE IN UTENSILS SHOPS- A COMPARATIVE STUDY

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Abstract:

Increasing competition in the unorganized retail landscape has threatened every retailer and utensils retailers are no exception to it. In order to survive and prosper retailers are finding ways, working out new strategies, models and practices. Core retailing and Scrambled retailing are two of business models in retailing. How these two retail models (retail formats) function to accomplish profitability primarily, in addition to accomplishing non-primary business goals is the foundation of this research work. This research work closely investigates the role and intricacies of financial and non-financial aspects in creating and delivering value.

Key words: core retailing, scrambled merchandising, financial aspects, non-financial aspects...

1. Introduction:

The retail sector in India has grown rapidly in the last few decades. Such growth in retail sector will remain same in near future and if the growth rate is low due to certain reasons like global economic slowdown, the retail market is not just one entity among other sectors. It consists many divisions such as the food and grocery retail segment, apparels, jewellery, book, pharmacy, entertainment, accessory, utensils retail and many more.

Scrambled merchandising: Today many retailers trying to maintain rather focusing on increasing their revenue by offering variety of products; such practices are called as scrambled merchandising.

Working definitions

Scrambled merchandising in Utensils shops: This is a retail practice followed by utensils retailers in order to increase the traffic inside the store and benefit from (earning profits) selling variety of product categories which are not in any way related to one another and promoters original business of utensils.

Financial and non-financial aspects: This study emphasizes three non-financial aspects: human resource management, sales, marketing management, and store management. This study stresses the significance of three financial aspects of retail business: procurement of funds, utilization of funds, and working capital management.

Core retailing in utensils shops: The present study has broadly compared two kinds of retail practices in utensils i.e. core retailing and scrambled retailing (scrambled merchandising). Core retailing means the retailer's original business in which he sells only those products related to each other. These shops hold a specific product line or a few limited product lines consistent in some way. For instance, selected products such as garden tools are available at specialty garden supply or hardware shops. Core retailers of utensils shops sell tools for cooking and baking. They are usually temperature-resistant materials, such as metal, wood, or high-grade plastic, like silicone. Consumers often employ utensils to prepare, handle, or serve food.

Scrambled retailing (merchandising): Scrambled retailers stock various products such as toys, crockery items, household furniture, plastic paper to cover grains, brooms, grain sacks, mobiles, mobile accessories, cleaning products, phenyl, packaged drinking water, and the like, besides products demanded at the time of festivals. It is interesting to see no familiarity between the original business and having these diversified products.

2. Scope of the study

a. Geographical scope: The geographical scope of the present study is limited to Kolhapur District. It is projected that over 4 million people are residing in it. The geography has been classified into urban, semi-urban, and rural areas. The research has respondents from all of these three areas. Most people rely on farming to earn their livelihood. As it is closer to the Konkan region, it enjoys the benefits of western Maharashtra and Konkan. It has a rich culture and background of historical importance. There are 12 talukas, each with its distinct features and enormous natural resources. The data are collected from all 12 talukas as the sample has been taken proportionately to each taluka.

b. Topical scope: The topical scope is confined to making a comparison between core retailing & scrambled merchandising in utensils shops. Retailing in both of its forms, organized and unorganized, is gaining popularity. Kolhapur district is expanding rapidly in terms of geography and population. Thus, to serve the needs of an ever-increasing population, new retailers and retail formats are emerging in the district. In the quest of satisfying every possible need of a household, retailers begin to sell a variety of merchandise and gradually end up in scrambled stores. This study has explored two distinct retail practices and how they are being carried out. The topical scope has shed some light on the fundamental differences and pros and cons of following these retail practices in utensils stores.

c. Functional scope: The functional scope stresses the importance of rational comparison between two retail practices. It further describes the attainment of objectives and hypotheses set at the outset of the study. The study has five objectives and three hypotheses. The whole research process is being carried out by keeping the objectives at the centre. Towards the end, the study discusses all the possible and practical suggestions that both of these retailers could incorporate. Practical suggestions revolve around what and how something should be done to enhance profitability and sales by keeping the costs low.

d. Analytical scope: The analytical scope discusses the statistical tools and techniques followed by the researcher in analysing the data. The stratified random sampling is used in the first stage to narrow down the search of core and scrambled retailers. In the 2nd stage, the required numbers of retailers were chosen by following the convenience sampling technique. The hypotheses were tested with a t-test. In order to have a comprehensive picture of comparison, the researcher has calculated S.D, C.V, mean, and percentages wherever necessary.

3. Review of Literature

Sovani (2011) focused on organized retail outlets in Pune city started from 2001 to 2006. The researcher concentrated on emerging marketing strategies based on financial pointers for the organized retail sector in Pune city. The core objectives of the study were to study the expenses and investment heads of various departmental stores, to study the available profitability indicator in Retail Stores, to identify the crucial items under the expense head, to calculate the shop floor area of each department, and calculate the profit from each department and to set the profitability indicators for the retail chains concerning different locations. The study's total sample size was 17 outlets out of 25 outlets from all the four retail chains in Pune city. The store head and department heads' interview was taken through the direct depth interview method, and cluster random sampling method was used for consumer contacts. In the concluding remarks, the researcher argues that lease rentals are not considered high compared to the standard. The ticket Size at Westside is greater than the other outlets.

Ravindran (2018) tried to examine the prompting factors and preference of trade promotion schemes among FMCG retailers. The objectives of this study were to scrutinize the retailers' evaluation of Consumer characteristics concerning Trade Promotion Schemes, the influence of Trade Promotion on Channel related assessment, and profitability from Trade Promotion Schemes. The researcher has used a convenience sampling procedure to select sampling units. The total sample size for the study

was 500 retailers. The researcher has used a survey method with a personal interview for data collection from the retailers.

It is understood from this study that planning and budgeting for trade promotion schemes and allocating that expenses to retailers location-wise of outlets and retailer characteristics are challenging tasks for any manufacturers. Sales promotion in rural areas has increased the profits of retailers there. This research further found that the product categories like food & beverages have substantial development opportunities concerning trade promotion schemes. The researcher concludes that if the type of schemes, location, and retailers are examined before planning the trade promotion budget, then the trade promotion schemes will be more operative in improving sales of FMCG products

Kumar (2016) has carried out this study to examine the goods and services and retailing strategies adopted by organized retailers and the approach of customers and organized retailers. The foremost objectives of the study were to examine various products, customer services, and retailing strategies applied by the retail industry to examine the changing buying behaviour and factors that influence buying behaviour. The researcher has set two null hypotheses in this study. For conducting this research, the researcher has classified Maharashtra state into five regions, i.e., Eastern, Western, Northern, Southern, and Central Maharashtra, and then selected two famous cities from each region this, selected one retail store from each city. The researcher has used a non-probability convenience sampling technique for selecting organized retailers and customers. In the concluding remarks, the researcher argues that food, grocery, beauty, personal care, home care, and fashion products are the most funding products in the development of organized retail.

4. Research Methodology

Researchers have relied predominantly on primary data in order to build reliable and valid results which are closely addressing the objectives of this investigation.

Objectives

1. To study functions of retail business in the light of core retailing and scrambled merchandising practice in utensils shops.
2. To explore the core retailing approach's financial & non-financial aspects and compare that further with the scrambled merchandising approach.

Hypothesis

H₀: Scrambled merchandising shops are not strong competitors to the core retailing shops.

H₁: Scrambled merchandising shops are fast-growing strong competitors to the core retailing shops.

Method of Research

The investigator at the outset of the study had formulated hypotheses to validate. The investigator has compared and explained the causes of following a specific retail practice and its potential effects. In addition to this, there were five objectives which the investigator has accomplished.

Method of Data Collection

Researcher has principally collected the primary data by using a structured questionnaire.

(a) Universe of the Study: Based on the information received from Association of Utensils Merchants, Kolhapur, Kolhapur Municipal Corporation, registrations made by utensils' traders at the area under study with appropriate authorities. The researcher has identified 524 utensils' scrambled merchandisers and 629 core retailers in Kolhapur district.

(b) Sample Size: The total sample size of Core retailers is 629 and that of Scrambled merchandisers is 524, in Kolhapur district. By using Slovin's formula, the total sample size for the study is worked out.

$$\text{Slovin's Formula: } n = \frac{N}{1+Ne^2}$$

Where,

n = Sample size of Core and Scrambled retailers

N = Population

e = Confidence interval (0.05)

Thus, n = 247 (Core retailers) and 229 (Scrambled retailers)

For gaining larger accuracy the investigator has increased the sample size to 300 core retailers and 300 scrambled retailers in Kolhapur district. Thus total sample comprises 600 retailers in utensils.

(c) Sampling Frame:

Multistage sampling method has been used to collect the primary data. This study is restricted to Kolhapur district, therefore samples have been chosen from all the places in the district. In the first stage, Kolhapur district is divided into Talukas (strata). For this, stratified random sampling is used. In the second stage, by using snowball sampling, scrambled merchandisers were located and selected.

Sample Size of Core and Scrambled Retailers

Taluka Places in Kolhapur District	Taluka Place & Villages	Population (Core)	Sample Size	Population (Scrambled)	Sample Size
Ajara	101	44	21	37	21
Bhudargad	115	46	22	38	22
Chandgad	157	32	15	27	15
Gadhinglaj	91	47	22	39	22
Gaganbawada	46	4	02	3	02
Hatkanangle	64	66	31	55	31
Kagal	87	53	25	44	25
Karveer	130	164	79	137	79
Panhala	131	34	16	28	16
Radhanagari	115	59	28	49	28
Shahuwadi	134	37	18	31	18
Shirol	57	43	21	36	21
Total		629	300	524	300

Source : The researcher compiled this table on the basis of data collected from Kolhapur Municipal Corporation, association of utensils stores, formal and informal trade associations of utensils store owners, registrations of shops with respective authorities at the area under study.

(d) Instrument Development

The process of instrument development began with the identification of two concepts viz. core practice and scrambled practice in utensils stores. After an extensive literature review, the researcher enlisted variables and constructs against which scales could be developed. Since the literature was lacking established theories on scrambled merchandising researcher had to build conceptual framework for statement development. The investigator synthesized the findings from a number of empirical sources such as journal articles, researcher papers, thesis and dissertations. Researcher also sought help from experts in item development. Researcher and the research guide further worked together to build the scale for the instrument. Likert scale which is one of the most commonly used scale formats in the social sciences is used by the investigator. While using the Likert scale researcher made sure that the statements are presented in declarative statements. Additionally, researcher has used Guttman and dichotomous scale. After preparing the raw version of the instrument, investigator discussed about it with the research guide and expert reviewers.

5. Data Reliability

The reliability is tested against the six parameters namely store specific information, customer management, financial management, store management, human resource management and marketing management. Store specific information has 13 questions and all questions have been considered for

the final study. The value of Cronbach’s alpha for this part is 0.836 which shows a good reliability. The customer management part has 15 questions and all questions have been considered for the final study. The value of Cronbach’s alpha for this part is 0.827 which shows a good reliability. Financial management which is a significant part of this study has 23 questions and all questions have been considered for the final study. Although, the value of alpha is little less (0.710), it still indicates a good reliability. Store management has 12 questions and all questions have been considered for the final study. The value of alpha for this part is 0.792 which shows a good reliability. Human resource management has 14 questions and all questions have been considered for the final study. The value of Cronbach’s alpha for this part is 0.812 which shows a good reliability. The last part, Marketing management has the maximum questions i.e. 39 and all questions with the exception of one have been considered for the final study. The question removed was creating ambiguity and confusion among the respondents as a result of which it could not find place in the final study. The value of Cronbach’s alpha for this part is 0.836 which shows a good reliability.

Method of Data processing and Presentation

Data processing has been done in various ways such as editing, coding, classification, transcription, tabulation and graphical presentation. **Editing:** While editing, the investigator made sure that the data are consistent, all the questions in questionnaire are answered and comparison of original documents and actual data. **Coding:** The researcher assigned codes to all variables and a final code sheet was prepared. **Classification:** Class intervals have been identified and responses are categorized in order to test hypotheses and answer the research questions. **Transcription of data:** The transcriptions of data have been done by using MS Word, MS Excel and SPSS. **Tabulation:** It has been done by formulating simple frequency tables. **Graphical presentation:** Data has been represented by using linear graphs, bar and pie charts to present the analysis for easy comprehension.

Method of Data Analysis

The researcher has made a comparative study of two retail models of utensils viz. core and scrambled business models, in Kolhapur district. Primary data have been collected against the broader parameters such as store specific information, customer, and financial, marketing and human resource management. Primary data have been analyzed with the purpose to accomplish the objectives and hypotheses through classification, tabulation, processing of data, employing appropriate statistical techniques like frequency count, percentage, mean, standard deviation, coefficient of variation, rank correlation, Kruskal Wallis test (H test) and t-test. Kruskal Wallis test has been used to test the first hypothesis as it determines if there are statistically significant differences between two groups namely core and scrambled merchandisers. The researcher has further used t-test because it helps in determining if there is a significant difference between the means of two groups namely core and scrambled merchandisers. MS Excel and SPSS have used to calculate values for aforementioned statistics. This comparison further helped the researcher to accept or reject the null hypothesis. The researcher has identified a few major financial and non-financial parameters on the basis of which comparison has been made. These parameters have a direct or an indirect impact on the firms’ performance.

6. Data Analysis

Recognized Functions of Retailing

Utensils retailers have to perform various functions on behalf of the manufacturers, wholesalers, and distributors. There is direct contact between utensils retailers and customers. These retailers perform the role of mediator on behalf of manufacturers and distributors. Distributors or manufacturers are unable to perform various activities because there is no direct contact with customers. Therefore, a utensils retailer must recognize various functions for successfully running the business.

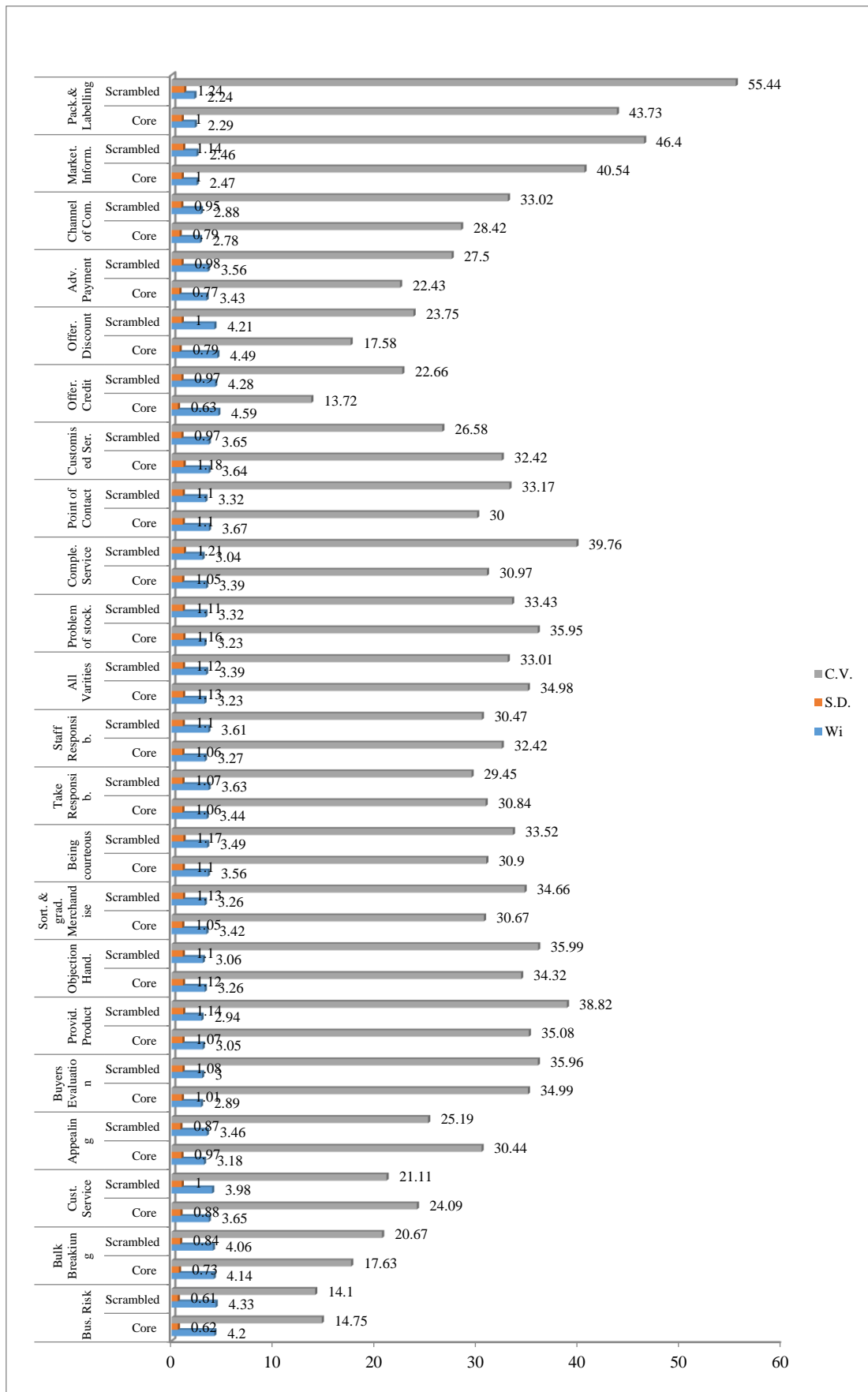
Recognized Functions of Retailing

Sr. No.	Functions	Type of Store	SA	A	N	D	SD	Total	Wi	S.D.	C.V.
1.	Business Risk	Core	93	177	28	02	00	300	4.2	0.62	14.75
		Scramble	115	172	10	02	01	300	4.33	0.61	14.1

		d										
2.	Bulk breaking	Core	100	146	50	04	00	300	4.14	0.73	17.63	
		Scrambled	91	157	36	12	04	300	4.06	0.84	20.67	
3.	Customer service is valuable factor	Core	50	127	94	27	02	300	3.65	0.88	24.09	
		Scrambled	109	107	63	12	09	300	3.98	1	21.11	
4.	An appealing product demonstration	Core	29	77	12	5	59	10	300	3.18	0.97	30.44
		Scrambled	34	106	12	8	27	05	300	3.46	0.87	25.19
5.	Buyers often evaluate a store on the basis of how they are being served and attained.	Core	14	71	10	8	81	26	300	2.89	1.01	34.99
		Scrambled	35	55	10	1	94	15	300	3	1.08	35.96
6.	Providing product information with conviction	Core	28	71	11	3	64	24	300	3.05	1.07	35.08
		Scrambled	31	63	90	88	28	300	2.94	1.14	38.82	
7.	Objection handling	Core	32	113	87	38	30	300	3.26	1.12	34.32	
		Scrambled	26	80	11	2	49	33	300	3.06	1.1	35.99
8.	Sorting and grading of merchandise	Core	46	105	93	42	14	300	3.42	1.05	30.67	
		Scrambled	36	104	90	42	28	300	3.26	1.13	34.66	
9.	Being courteous	Core	66	103	77	41	13	300	3.56	1.1	30.9	
		Scrambled	66	95	83	32	24	300	3.49	1.17	33.52	
10.	Take responsibility of what is being sold	Core	50	103	85	52	10	300	3.44	1.06	30.84	
		Scrambled	67	113	77	29	14	300	3.63	1.07	29.45	
11.	Retail staff should be responsive	Core	31	105	99	44	21	300	3.27	1.06	32.42	
		Scrambled	68	107	83	24	18	300	3.61	1.1	30.47	
12.	Stocking goods of all varieties in right quantity	Core	38	94	92	51	25	300	3.23	1.13	34.98	
		Scrambled	48	104	87	40	21	300	3.39	1.12	33.01	
13.	Minimizing the problem of stock-outs	Core	40	96	84	52	28	300	3.23	1.16	35.95	
		Scrambled	41	104	87	46	22	300	3.32	1.11	33.43	
14.	Providing additional complimentary services	Core	37	120	82	45	16	300	3.39	1.05	30.97	
		Scrambled	32	85	92	46	45	300	3.04	1.21	39.76	
15.	Every retailer works as first and direct point of contact with	Core	71	118	69	24	18	300	3.67	1.1	30	
		Scrambled	45	88	10	6	39	22	300	3.32	1.1	33.17

	merchandise										
16.	Personalize attention and Customized service	Core	76	116	56	28	24	300	3.64	1.18	32.42
		Scrambled	49	145	69	26	11	300	3.65	0.97	26.58
17.	Offering credit	Core	198	86	12	04	00	300	4.59	0.63	13.72
		Scrambled	159	94	27	12	08	300	4.28	0.97	22.66
18.	Offering discount	Core	187	90	07	16	00	300	4.49	0.79	17.58
		Scrambled	147	101	31	10	11	300	4.21	1	23.75
19.	Making an advance payment	Core	13	140	11	28	04	300	3.43	0.77	22.43
		Scrambled	49	119	95	26	11	300	3.56	0.98	27.5
20.	Working as a channel of communication	Core	05	40	15	88	14	300	2.78	0.79	28.42
		Scrambled	16	53	12	86	18	300	2.88	0.95	33.02
21.	Providing accurate market information	Core	19	23	73	14	36	300	2.47	1	40.54
		Scrambled	19	39	66	11	64	300	2.46	1.14	46.4
22.	Packaging Labelling Branding	Core	10	28	64	13	64	300	2.29	1	43.73
		Scrambled	25	31	32	11	98	300	2.24	1.24	55.44

(Source: Field Work/Primary data)



Recognized Functions of Retailing

Importance of Functions

In every utensils business, retailing functions play a vital role in the efficient functioning of the business activities. Utensils retailers work as a mediator between manufacturers and consumers. They create utility and value to goods by delivering them to customers.

Importance of Functions

Sr. No	Functions	Type of Store	SE	ME	LE	NE	Total	Wi	S.D	C.V.
1.	Business Risk	Core	49	212	39	0	300	3.03	0.54	17.8
		Scrambled	150	135	9	6	300	3.43	0.66	19.24
2.	Bulk breaking	Core	104	127	57	12	300	3.07	0.83	26.98
		Scrambled	115	147	32	6	300	3.23	0.71	21.94
3.	Customer service	Core	77	135	52	36	300	2.84	0.94	33.06
		Scrambled	135	95	52	18	300	3.15	0.92	29.14
4.	An appealing product demonstration	Core	47	95	128	30	300	2.53	0.87	34.39
		Scrambled	48	116	108	28	300	2.61	0.86	32.91
5.	Buyers often evaluate a store on the basis of how they are being served and attained.	Core	27	121	75	77	300	2.32	0.95	40.83
		Scrambled	29	103	107	61	300	2.33	0.91	39
6.	Providing product information with conviction	Core	47	113	99	41	300	2.55	0.91	35.64
		Scrambled	62	112	84	42	300	2.64	0.96	36.27
7.	Objection handling	Core	42	141	68	49	300	2.58	0.92	35.56
		Scrambled	55	129	75	41	300	2.66	0.93	34.96
8.	Sorting and grading of merchandise	Core	57	126	82	35	300	2.68	0.91	33.91
		Scrambled	65	116	84	35	300	2.7	0.94	34.77
9.	Being courteous	Core	44	118	91	47	300	2.53	0.93	36.76
		Scrambled	66	119	78	37	300	2.71	0.94	34.64
10.	Take responsibility of what is being sold	Core	56	125	78	41	300	2.65	0.93	35.05
		Scrambled	54	112	86	48	300	2.57	0.96	37.3
11.	Stocking goods of all	Core	41	126	97	36	300	2.57	0.8	33.8

	varieties in right quantity							7		
		Scrambled	48	117	95	40	300	2.57	0.91	35.32
12.	Minimizing the problem of stock-outs	Core	32	127	89	52	300	2.46	0.9	36.54
		Scrambled	48	112	100	40	300	2.56	0.91	35.55
13.	Providing additional complimentary services	Core	38	112	106	44	300	2.48	0.89	35.89
		Scrambled	38	121	93	48	300	2.49	0.91	36.44
14.	Every retailer works as first and direct point of contact with merchandise	Core	23	117	115	45	300	2.39	0.83	34.68
		Scrambled	40	126	93	41	300	2.55	0.89	34.9
15.	Personalize attention and Customized service	Core	28	98	121	53	300	2.33	0.87	37.23
		Scrambled	39	98	123	40	300	2.45	0.88	35.87
16.	Offering credit	Core	184	94	21	1	300	3.53	0.64	18.1
		Scrambled	191	68	30	11	300	3.46	0.82	23.68
17.	Offering discount	Core	171	89	21	19	300	3.37	0.87	25.79
		Scrambled	131	134	17	18	300	3.26	0.82	25.15
18.	Making an advance payment	Core	23	152	118	7	300	2.63	0.66	25.03
		Scrambled	35	138	114	13	300	2.65	0.74	27.92
19.	Working as a channel of communication	Core	24	69	156	51	300	2.22	0.82	36.93
		Scrambled	30	94	139	37	300	2.39	0.83	34.73
20.	Providing accurate market information	Core	19	79	109	93	300	2.08	0.91	43.75
		Scrambled	32	85	96	87	300	2.2	0.98	44.41
21.	Packing	Core	12	87	134	67	300	2.14	0.81	37.73
		Scrambled	27	64	122	87	300	2.1	0.92	43.74
22.	Labelling	Core	7	93	133	67	300	2.13	0.78	36.56
		Scrambled	27	43	81	149	300	1.82	0.98	53.65
23.	Branding	Core	17	67	145	71	300	2.1	0.82	39.05
		Scrambled	30	36	61	173	300	1.74	1.01	57.93

(Source: Field Work/ Primary data)

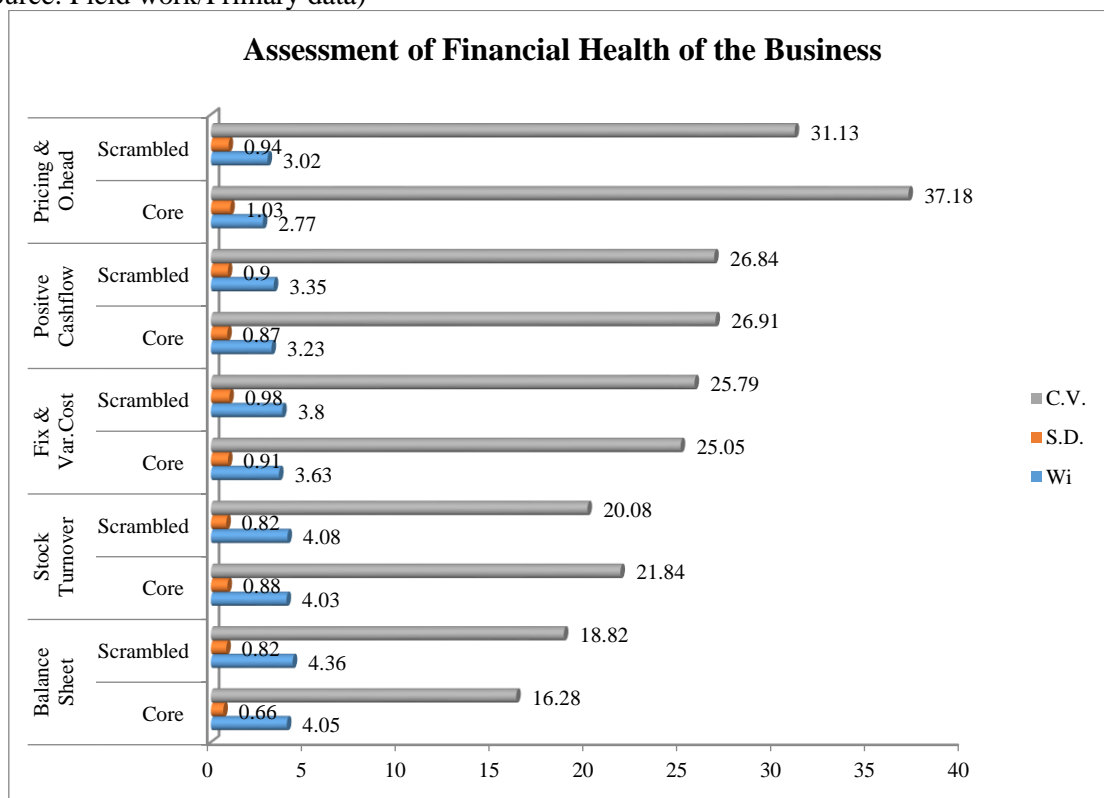
Assessment of Financial Health of the Business

Examination of financial health is critical in understanding the financial strengths and weaknesses of the utensils business organization. With assessing financial health, retailers can measure which factors to be controlled and whether they are performing well or not. With the help of this assessment, the utensils retailers can take necessary actions for improving or controlling. Financial health can be assessed in different ways, such as balance sheet, ratio analysis, turnover, Cash inflow, and outflow, fixed and variable cost, increasing reserves, valuation of assets and liabilities, funds flow statement. Out of these sources, core and scrambled merchandisers efficiently use the following basis for assessing financial health.

Assessment of Financial Health of the Business

Sr. No.	Criteria	Type of Store	SA	A	N	DA	SD	Total	Wi	S.D.	C.V.
1.	Balance sheet	Core	73	171	55	01	00	300	4.05	0.66	16.28
		Scrambled	150	123	19	00	08	300	4.36	0.82	18.82
2.	Stock turnover & Control	Core	104	117	63	16	00	300	4.03	0.88	21.84
		Scrambled	95	150	44	07	04	300	4.08	0.82	20.08
3.	Fixed & Variable Cost	Core	51	123	94	29	03	300	3.63	0.91	25.05
		Scrambled	81	110	85	16	08	300	3.8	0.98	25.79
4.	Sustaining positive cash flow	Core	22	82	147	42	07	300	3.23	0.87	26.91
		Scrambled	28	100	131	32	09	300	3.35	0.9	26.84
5.	Right pricing & Low Over-heads	Core	20	43	116	90	31	300	2.77	1.03	37.18
		Scrambled	19	66	129	74	12	300	3.02	0.94	31.13

(Source: Field work/Primary data)



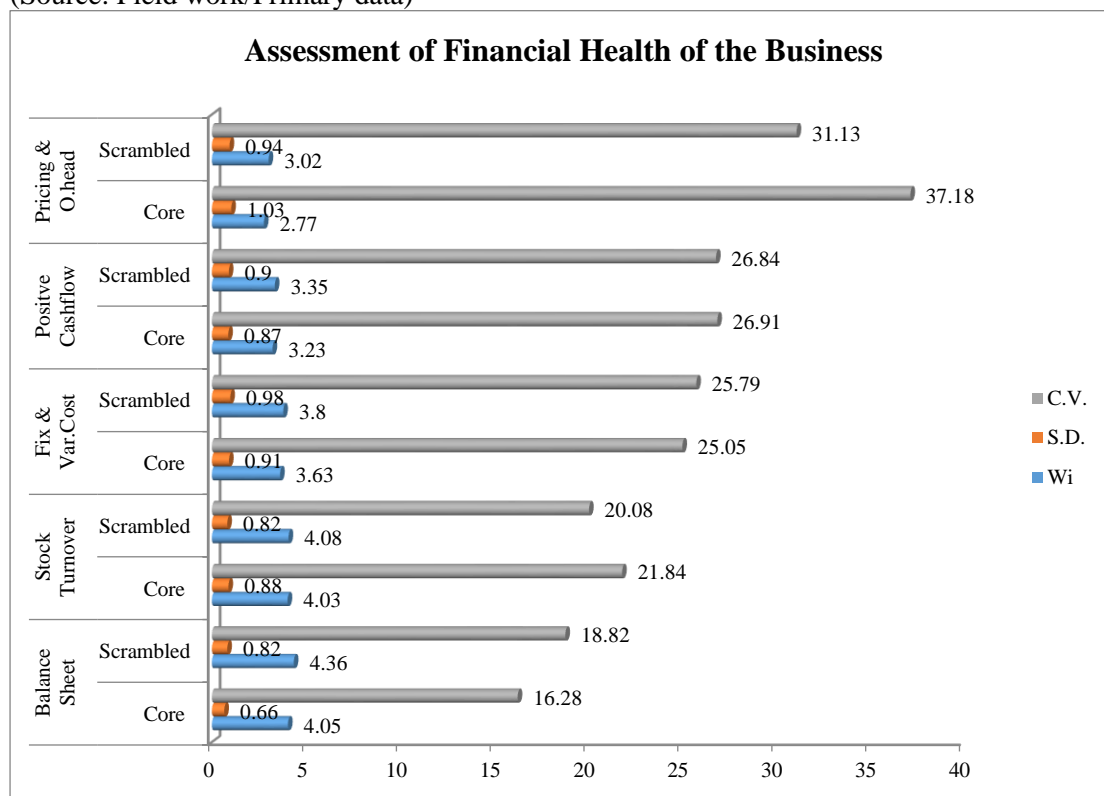
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1.	Balance sheet	Core	73	171	55	01	00	300	4.05	0.66	16.28
		Scrambled	150	123	19	00	08	300	4.36	0.82	18.82
2.	Stock turnover & Control	Core	104	117	63	16	00	300	4.03	0.88	21.84
		Scrambled	95	150	44	07	04	300	4.08	0.82	20.08
3.	Fixed & Variable Cost	Core	51	123	94	29	03	300	3.63	0.91	25.05
		Scrambled	81	110	85	16	08	300	3.8	0.98	25.79
4.	Sustaining positive cash flow	Core	22	82	147	42	07	300	3.23	0.87	26.91
		Scrambled	28	100	131	32	09	300	3.35	0.9	26.84
5.	Right pricing & Low Over-heads	Core	20	43	116	90	31	300	2.77	1.03	37.18
		Scrambled	19	66	129	74	12	300	3.02	0.94	31.13

(Source: Field work/Primary data)



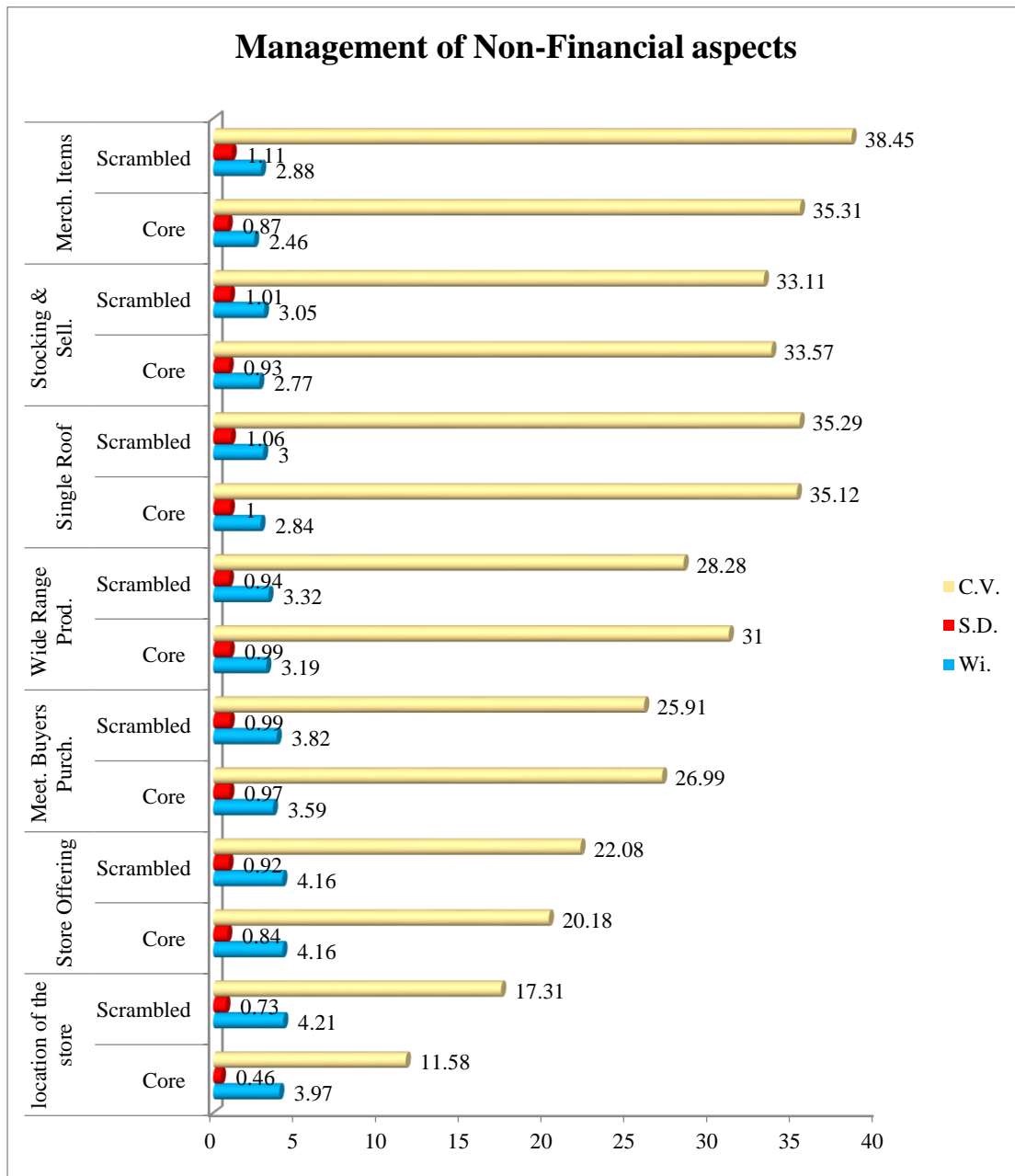
Management of Non-Financial aspects

Numbers tell a lot about how much a business is worth, but they cannot tell everything. When studying buying or selling a business, several vital factors are unrelated to finances that must be considered. These factors are store location, reasonably low Price and high quality, a wide range of products under one roof, handling of demand during the festival and seasonal occasion.

Management of Non-Financial aspects

Sr. No.	Non-Financial Aspects	Type of Store	SA	A	N	DA	SA	Total	Wi	S.D.	C.V.
1.	Convenient location of the store	Core	28	236	36	0	0	300	3.97	0.46	11.58
		Scrambled	104	168	21	3	4	300	4.21	0.73	17.31
2.	Store-offerings meeting buyer's purchase plans	Core	132	86	81	1	0	300	4.16	0.84	20.18
		Scrambled	132	106	45	14	3	300	4.16	0.92	22.08
3.	Store offering a fairly low price for high quality offerings [merchandise]	Core	55	119	75	51	0	300	3.59	0.97	26.99
		Scrambled	91	95	88	21	5	300	3.82	0.99	25.91
4.	A wide range of products to choose from	Core	35	66	132	56	11	300	3.19	0.99	31
		Scrambled	34	91	118	52	5	300	3.32	0.94	28.28
5.	Most product items under single roof	Core	19	59	96	109	17	300	2.84	1	35.12
		Scrambled	26	78	80	103	13	300	3	1.06	35.29
6.	Stocking & selling of merchandisers'demanded during festive occassions	Core	11	46	129	91	23	300	2.77	0.93	33.57
		Scrambled	23	71	127	56	23	300	3.05	1.01	33.11
7.	Stocking & selling of merchandisers'demanded during seasonal occassions	Core	2	34	100	129	35	300	2.46	0.87	35.31
		Scrambled	28	54	106	80	32	300	2.88	1.11	38.45

Source: Field work/Primary Data



7. Hypothesis Testing

Hypothesis 1

H0: Scrambled merchandising shops are not strong competitors to the core retailing shops.

H1: Scrambled merchandising shops are fast-growing strong competitors to the core retailing shops.

Core retailers' perceptions about competition from scrambled merchandisers are recorded on a five-point Likert scale, strongly agreed, agreed, neutral, disagreed, and strongly disagreed. Scrambled merchandisers provide different products under one roof. This helps customers getting different types of products in one place. This will save the time of customers and get a variety of products under a single roof and also helps in satisfying customers for different needs of the product. So, Scrambled merchandisers may create competition with core merchandisers.

Core merchandisers think that in upcoming days scrambled merchandisers will take away their business or customers. Though scrambled merchandisers have a variety of products under one roof, it

is not possible to take over the business of core merchandisers in the future. Because there are many factors responsible for this, such as customer loyalty, pricing policy, pre and post-sales service, promotional activities, customer relationships, it is difficult for scrambled merchandisers to take over the business of core merchandisers.

Scrambled practices benefited the original business. Scrambled practices increase sales of scrambled as well as core merchandise. Customers have to go to different stores to buy different types of products. Scrambled practice helps customers to buy core as well as scrambled products. It means scrambled practices benefited the original business, i.e., core merchandisers’ business, and increases sales and profit of the store.

For testing the first hypothesis researcher has used Kruskal Wallis test (H test).Kruskal Wallis test is nonparametric test. In this test observations of all the samples

Are pooled together and then their ranks are established. The smallest value of the observation will have the rank 1 and then largest value of the observation will have rank N. In this test $H = \chi^2$ distribution with (k-1) degree of freedom, where K is the total number of samples. While taking decision in case of this if the calculated value is more than the table Chi-square value with (K-1) degree of freedom at the given significance level of 0.05, then reject the null hypothesis, otherwise accept Null hypothesis.

For this test researcher has five point Likert scale data converted into two groups, first group is competitors and second group is not competitors of the core merchandisers. Scrambled merchandiser’s five point data was converted into two groups i.e. first group Agreed and second group not agreed. While grouping this data neutral responses are neglected.

Scrambled Merchandising Shops are Fast Growing Strong Competitors

Core Merchandisers			Scrambled Merchandisers		
Five Point Likert Scale	Competitors = Sample 1	Not Competitors = sample 2	Benefited by way of	Agreed =sample 3	Not Agreed =sample 4
5	24	22	Increase in your store traffic	262	12
4	67	21	increasing in cross selling	261	9
3	51	20	increase in store patronage	215	14
2	41	20	increase in store publicity	165	23
1	17	10	Increase in store Image	180	34
			Increase in overall profitably	248	19
			Increase in store loyalty	188	34
	Rank for Sample 1	Ranks for Sample 2		Ranks for Sample 3	Ranks for Sample 4
	5	2		18	1
	12	7.5		19	3
	15	7.5		20	4
	16	9		21	6
	17	10		22	11
				23	13.5
				24	13.5
Total of	65	36		147	52

Ranks					
H	16.55				
Degree of freedom	(K-1) = (4-1)= 3				
Chi-Square Table value	7.815 at 0.05 level of significance				
Significance	Significant				

The above table shows the first hypothesis is scrambled merchandisers are fast-growing competitors to core merchandisers. Perception of Core merchandisers over Competitors with Scrambled practices complemented your Original Business was tested. Perception of Core merchandisers over competitors and scrambled practices complemented retailers’ original Business at 0.05 level of significance, and degree of freedom is =3 value of H =16.55, and Chi-square table value at 3 degree of freedom, at 0.05 level of significance is 7.815. The calculated value of H=16.55, which is greater than chi square table value 7.815 at 0.05 level of significance and 3 degree of freedom. Therefore null hypothesis is refused, and the alternative hypothesis is accepted. It means scrambled merchandising shops are fast-growing strong competitors to core merchandisers.

8. Conclusion

The researcher explored two broader practices of unorganized retailing in utensils shops that is core practice and scrambled practice. Both store formats viz. core and scrambled retail format have unique attributes, as a result of which they enjoy a set of benefits too. This study revolves predominantly around tactics, tricks and techniques, being followed with respect to financial and non-financial aspects of managing a retail business. The study was restricted to Kolhapur district in Maharashtra. The core and scrambled practices followed by utensils retailers were studied and compared extensively in this study. To be competitive in the marketplace, both core and scrambled retailers are following unique tactics in the area of HR, Marketing, Finance, and Retail management. Talking about the major observations, researcher identifies that investments in merchandises made by the core merchandisers are relatively high, scrambled merchandisers are efficiently using the funds for managing day to day expenses, scrambled merchandisers are going to be strong competitors to core retailers, scrambled retailers promote their products more aggressively to core retailers, and scrambled merchandisers need to have thorough financial planning to run the store profitably. Retailers of any kind can’t escape the competition; hence to survive, prosper and grow each one must use right tactics with respect to financial and non-financial aspects of retail store management.

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