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RESEARCH ARTICLE

AN EMPIRICAL STUDY ON FINANCIAL AND NON-FINANCIAL GAIN BY SMALL LOCAL RETAILERS DUE TO COVID-19 LOCKDOWN

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ABSTRACT

In recent year it was very evident that e-commerce was gaining its popularity. Shopping is an evidence of growing and functioning economy. India is constantly moving forward in terms of technological advancement this change has also incorporated changes in shopping pattern of customers. Customers with passage of time are involved more with online shopping or going out for shopping in mall. In today's world brand shopping is trending, indirectly it represents status symbol. These have led to various impacts on local retail trade adversely, but the doors of opportunities were open for retailer's one's again with lockdown in economy due to COVID-19. Keeping this ideology in frame the research work is based on various opportunities available to retailers during lockdown. The paper highlights financial and non-financial gain that will boost up local retailers' business in short span of time.

INTRODUCTION

Retail trade is a kind of business activity that sells goods to ultimate customer. Retailers are the one who creates link between consumer and manufacturer/wholesaler. Retailers are of different types through which they cater their services. Retail form of trade is as old as civilization but it's high time to rethink about one form of retailer that really holds up Indian economic condition and that is local retailers. Local retailers are the one which we find in and around our residences and locality. They play pivotal role in boosting up the GDP of the country. The reason behind these is that local retailers basically deal in selling local brands or Country's brand to the customer. Pushing local brand to customer facilities the circulation of money within the economy, thus strengthening the economy and country's currency. Over a period of time these local retailers were facing ample of difficulties to withstand the tough competition coming in form of online shopping and customer becoming brand concisions and ending up purchasing from mall or branded showrooms. These really became a threat to local retailers. Even though retailers were striving hard to cope-up with the changing scenario and were making large varieties of product available to its customer still it failed in gaining the profit margin as it use to be. These COVID 19 lockdown really helped local retailers to recover with the loss faced by them during span of time. This was the time where customer realized the real importance of local retailers and local product.

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COVID 19 lockdown has served the purpose of bringing local retail market in trend again.

RESEARCH METHODOLOGY

Objective of Study

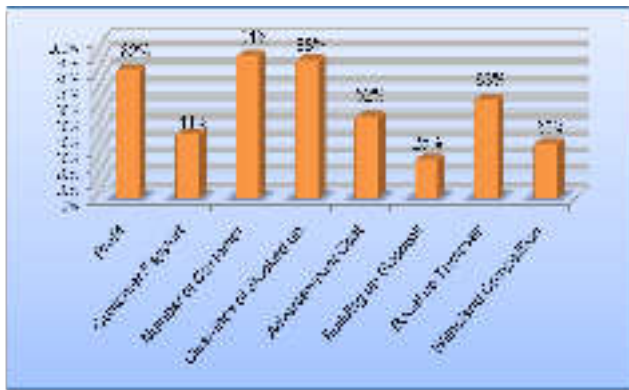
- 1) To study the various factor that has curtail the local retail trade in India
- 2) To determine financial and non Financial gains that retailer will achieve due to COVID19 lockdown.

Sample Size:

Questionnaire was prepared to evaluate and study the objective determined. Question consisted of various attributes regarding slow down of retail trade and how COVID 19 lockdown proved to be beneficial for local retailers. The sample size was 100.

Data Collection: Primary and secondary source were the medium of data collection. Questionnaire was used for the purpose of gathering primary data. Questionnaire was selected as the medium for gathering primary data because it is one of the convenient and easy forms of data collection. Various articles, newspaper, literature review and research paper were studied in order to collect some secondary data.

Limitation of Study: The information gathered may not be true to best of its knowledge because responded may interpret the question differently and may not be much aware about the environmental detailing. The data can be biased depending perception of respondent.



Financial and Non-Financial Gain to Local Retailers in COVID 19 Lockdown: Increase in Profit: Local retailers are enjoying high profit margin due to COVID 19 lockdown. The major reason behind these is complete shutdown of online shopping application and mall. These have led to increase in demand of purchasing few basic necessities from local vendors. Extension of lockdown over 50 days has reflected a real increase in profit of local retailers.

- **Increase in Customer Report:** Due to COVID 19 lockdown customer prefers purchasing from local retailers which in turns showcases that number of customer being visited by retailers has increased drastically. This is the time for local retailers to grab the opportunities of creating and establishing effective relations with the customers. Local retailers can attract customer and can establish long term trade relationship.
- **Increase in Number of Customer:** As we know that due to pandemic COVID 19 the country has announced complete shutdown permitting only local retailers for stipulated time period to carry out their trade ensuring continuous flow of essentials. Thus the entire customer with no option left has to purchase basics from the local retailers. So this has increased the total number of customer that visits the local retailers.
- **Clearance of Stocked up Inventory:** Trending online shopping/purchasing had adversely affected the business of local retailers. Retailers were struggling hard in order to provide wide range of products to customer. These efforts of making available large varieties of products have ended up retailers in huge stocking up of goods. But these COVID 19 lockdown led to increase in demand of buying from local vendor which directly led to clearance of all the stock up commodities.
- **Decrease in Advertisement Cost:** Local retailers were incurring huge advertisement expenses due to high level of competition. But in this situation of lockdown the need of advertisement has come to zero level.
- **Building up Goodwill:** These lockdown has increased the number of customer being visited to local retailers so this is the real time for retailers to establish good reputation among the customer by catering them satisfied services.
- **Boost up Turnover:** COVID 19 lockdown has increased the demand of local retail purchase. People now prefer to satisfy their need through local purchase of goods and these has increased the demand for goods available with local retailers boosting up the turnover of goods owned by them.

- **Withstand Competition:** In 21st century each sector is facing high level of competition, but the situation for local retailers has been worsen for past few years because of growing demand of internet purchasing. COVID 19 has facilitated local retailers to withstand tough competition and again mark its position in retail industry by complete shutdown.

Analysis and Interpretation of Data: In order to study the financial and non-financial gain earned by local retailer during COVID 19 lockdown various questions were framed. The questions were attributed to various features that were highlighted to bring back retailers to its lost position. Below is the graphical representation of the responses given by number of respondent.

Interpretation: The survey reflects that there were number of ways through which local retailers were benefited from COVID19 lockdown. From the above graphical representation we can analyze that 82% of customer feels that there is real increase in profit margin of the local retailer in these short span of time. 91% of customer strongly believes that there is a huge flock of customers that have and are visiting local retailers for purchasing essentials in turn increasing the total number of customer being associated with local retailers. As we can observe that large number of customer visits local retailers has facilities in clearing up of all the piled up stock up to 88%. As per the responded responses these phase have helped local retailers in encompassing huge figures in their turnover ratios. Over a period of time it was seen that retailers were making huge efforts in promoting themselves by way of advertisement, discounts and adopting sales promotion technique, the graph above depicts that around 52% of people feels that COVID 19 has led to reduction in advertisement cost of local retailers. This is the time for local retailers to establish and maintain long term relationship with their customers by catering them to their best. 25% of respondent feels that local retailers can work upon attracting customer towards them and can maintain the continuity of their relationship for long period of time. In this era the word which poses the threat to any business is competition and local retailers were really in hard situation to withstand these increasing level of competition from internet buying and people growing brand conscious. There was real urge to protect and promote local retailers in the country. COVID 19 lockdown held in automatically knowing the real importance of local retailers in customer's daily routine. Around 35% of respondent agrees that lockdown has provided local retailers its lifeline of longtivity to face the competition and maintain its root in the country.

Conclusion

Local retail trade has marked its importance in retail business. It is for sure that India is moving towards digitalization and these moves will make everything easy at reach. These have and will definitely lead to drastic changes in Internet shopping. The paper highlight the fact that no matter how changes take place but certain things and its importance is pious same is the case with local retail trade. Moreover the paper also concludes that local retailers are part of one's basic need, and that was really felt in COVID 19 lockdown. Even though there are huge up and down in the market local retails are benefited in these phase of pandemic. The paper has suggested that there are ample of financial and non financial gains that local retailers can accept as the opportunities to again retain their position in

the market. Thus COVID 19 lockdown has helped local retailers to rectify their loopholes and sustain their position back in the market.

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