A STUDY OF MARKETING STRATEGIES USED BY UNORGANIZED RETAILERS TO GAIN COMPETITIVE ADVANTAGE IN CHHATTISGARH STATE

APOORWA MISHRA[a1], EKTA MISHRA[b] AND MALVIKA TIWARI[c]

[ac]SSIPMT, Raipur, Chhattisgarh, India
[b]Dr. C.V. Raman University, Chhattisgarh, India

ABSTRACT

Small and medium retailers are the backbone of any economy as they not only create new jobs, but they are also considered as major channels of innovation and technological change. The wholesale and retail sector is a service business that is important to the economy of Chhattisgarh. Currently, there are many changes taking place in the retailing industry, as globalization impacts on retailers of all sizes and all over the world the trend in retail trade is likely to be more competitive, particularly in terms of prices. The rapid expansion of the large-scale foreign-owned discount stores, hypermarkets, and cash and carry stores, has somewhat threatened small Chhattisgarh traditional retailers. It is also in the interest of all SME operators to be able to identify suitable marketing strategies for their particular business. It is therefore in the interest of academicians and economists to search for particular marketing strategies for retailers to go through the problems of survival and to prosper in the long run. This research attempts to examine the relationships of these factors.

KEYWORDS: Unorganized Retail, Chhattisgarh, Competitive Advantage

The Indian retail market can be broadly classified into organised and unorganised retail sectors. The former refers to businesses employing more than ten persons and includes the corporate-backed hypermarkets and retail chains, such as Big Bazaar, Food World, Subhiksha, Raymonds and many more. The latter refers to the traditional formats of low-cost retailing, most of which are family owned. Examples include, the local kirana shops, owner-manned general stores, paan / beedi shops, convenience stores, handcart and pavement vendors. The unorganised sector provides employment to a large number of people estimated to be over 40 million which is substantially greater than the employment provided by the organised retail sector (0.5 million) (Jayanti, 2004). Moreover, 200 million people (including family members of those employed by unorganised retailers) are dependent on the unorganised sector. India's retail sector is also highly fragmented, with about 12 million outlets operating in the country and only 4 per cent of them being larger than 500 sq ft in size (Sharma and Mohanty, 2005).

One of the principal reasons behind the explosion of retail and its fragmented nature in the country is the fact that retailing is probably the primary form of disguised employment in the country. Given the prevalent under-employment, it is almost a natural decision for an individual to set up a small shop or store, depending on his or her means and the available capital. And thus, a retailer is born, seemingly out of circumstance rather than choice. This phenomenon quite aptly explains the millions of kirana shops and small stores. Another reason is the fact that Indian community is traditionally divided into the intellectuals, the ruling class, the business class and the service class people. The natural choice for business class people (at least till the modern economy picked up) was either farming or some form of retail business.

LITERATURE REVIEW

Given the vigorous growth observed in various retail segments, the current scenario of the Indian retail sector involves number of issues which need attention. Issues revealed through review of literature entails, Small Business Management Approaches and Marketing strategies adopted by small retailers. Following literature is reviewed in this context.

Small Business Management Approaches

Storey (2006) concluded that six factors significantly impact upon the performance of the business: legal structure, business size, age, industry sector and markets, location and ownership. Selecting strategies for success is one of the most important decisions for small businesses Borch, Huse, and Senneseth, (1999).

Many researchers have studied successful strategies for small businesses Atkins and Lowe, (1994); Collins and Lazier, (1995); Giaoutzi et al., (1988); Harker and Kotey, (1999). For example, Harker (1999) studied the activities that constitute a strategy and found that they can be grouped into functional areas. Therefore, the overall business strategy can be thought of in terms of functional areas strategies Galbraith and Schendel, (1983).

---

[1]Corresponding author
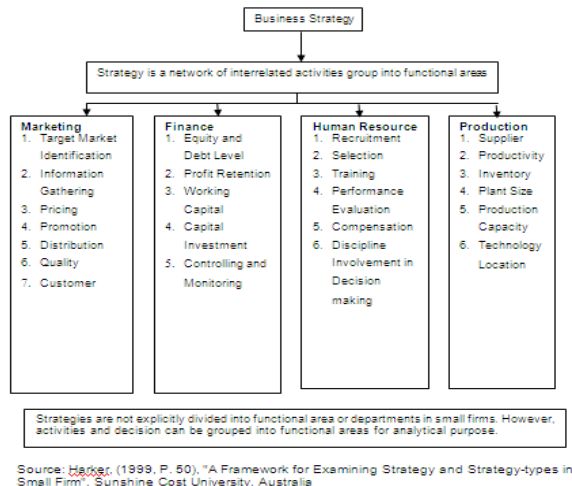
Figure 1

1. Marketing – It comprises of selection of customer target groups and the collection of information so that products and their quality levels can be established. Then price, promotion techniques and distribution channels are defined. Decisions relating to customer service and support are also a part of marketing. Vorhies and Harker, (2000).

2. Finance – The decisions relating to financial issues such as capital structure, methods of raising capital, capital expenditure, profit distribution and retention and working capital working levels are a part of the finance decisions. It also includes performance monitoring that is, budget preparation and variance analyses Pierson, Brown, Easton, and Howard,(1998).

3. Human resources - It includes all activities human resources like staff recruitment and selection, employee training, performance assessment and remuneration, compensation, reward and disciplinary systems, industrial relations and levels of employee participation in decision-making Schuler, Dowling ,Smart and Huber, (1992).

4. Production - It deals with activities comprising of selection of location and suppliers, inventory and productivity levels, production technology and capacities, plant size and levels of efficiency in production Atkins and Lowe, (1994).

The Framework of Business Environmental Change

Following literature is reviewed in relation to the change in business environment.

Wyer and Mason, (1999) observed that all organizations are struggling to grow in the external environment which is inflexible and insecure. The owners of small and medium retail shops have to focus on optimum utilisation of their limited resources so that they are able to survive and earn their living.

According to Hunger and Wheelen, (1996) the external environment consisted of the variables like economic, political, technological, socio-cultural, legal, physic environment, and many more that are outside the organization and not in general within the control of top management. These variables form the background for the existence of organizations. The external environment has two parts: Task Environment and Macro Environment. The Task Environment includes those environments of groups that directly affect and are affected by an organization's major operations. Some of these elements are shareholders, governments, suppliers, local communities, competitors, customers, creditors, labour unions, special interest groups, and trade associations. The Macro Environmental includes more general forces-those that do not directly touch the short-run decisions or short-run activities of organization but those which influence its long-run decisions like Economic forces, Technological forces, Political-legal forces, Socio cultural forces (Hunger and Wheelen,)

Indian Council for Research on International Economic Relations (2008) investigated both the negative and positive impact of the rapid expansion of large-scale retailers on consumers, traditional retailers and suppliers in the Indian retail trade industry. Following were the findings of the study

1. Unorganised retailers in the vicinity of organised retailers experienced a decline in their volume of business and profit in

2. the initial years after the entry of large organised retailers.

3. There is some decline in employment in the North and West regions which, however, also weakens over time.

4. The rate of closure of unorganised retail shops in gross terms is found to be 4.2 per cent per annum which is much lower than the international rate of closure of small businesses.

5. The rate of closure on account of competition from organised retail is lower still at 1.7 per cent per annum.

6. There is competitive response from traditional retailers through improved business practices and technology up gradation.

7. Small retailers have been extending more credit to attract and retain customers.

8. However, only 12 per cent of unorganised retailers have access to institutional credit and 37 per cent felt the need for better access to commercial bank credit.

9. Most unorganised retailers are committed to remaining independent and barely 10 per cent preferred to become franchisees of organised retailers.

The study found that the decline is not only due to the rapid expansion of large hypermarkets and convenience stores, but other factors such as an economic crisis and children's unwillingness to continue their parents' business. There have been both positive and negative effects on the growth of large scale retailers. In order to expand the big retailers have adopted successful strategies and suppliers share regarding costs like entrance fee, advertising cost and slotting allowance for limited shelf-space. There have been many benefits to suppliers from the increased volume of business. And the retailers can also access to cheaper supplies of goods from the giant retailers.

Competitive Advantages and Disadvantages of Small and Medium Retailers

Following literature is reviewed in relation to competitive advantage and disadvantages of small and medium retailers.

Lowry (2000) stated that the advantage that small retailers have over large ones are:

1. Selling prices are minimized because the owner and other family members often derived their compensation from the profit of business, rather than salary payments. While this may be a business advantage, many owners would be better off working for someone else at a reasonable wage than relying on the uncertain profits of their stores for their income.

2. Small retailers can hire employees at minimum wage because the employees are mostly unskilled or part time workers.

3. Rental costs tend to be low because many small retail stores are located in neighborhood and rural locations outside of the high rent shopping centers and other major shopping districts.

4. Small and Medium Retailers have an advantage for convenient location. Many offer the types of consumer goods that individuals want to purchase immediately. To accommodate this market, they make themselves accessible by locating in the neighborhoods of their customers.

5. The owners of Small and Medium Retailers have the opportunity to build close personal relationships with customers. As a result, they can stimulate repeat buying and know demand of their customers.

In Chhattisgarh, the situation for small retailers is quite similar to that described above. Moreover, the reasons why small and medium retailers have disadvantages when compare to the larger one are as follows:

1. The inability to make quantity purchases and obtain the lowest prices from suppliers because they purchase in small quantities.
2. The lack of specialized personnel to perform different activities.
3. The small and medium retailers must handle many duties such as hiring, buying, selling and accounting, as well as maintenance and custodial.
4. Small and medium retailers are limited in their ability to advertise and use all available media. They have neither the funds nor the talent to produce effective layouts and copy.
5. Small and medium retailers are unable to use their personnel and capital resources efficiently. The employee turnover rate is very high because of the low wage paid.
6. Small and medium retailers lack of ability to use information technology as good as the large ones.

Small and Medium Retailer Strategies

In the conceptual framework, strategies are grouped into six areas. Marketing strategies can be addressed in ways such as exploring new methods for marketing, improving existing products/services, advertising products and extending credit to customers.

RESEARCH METHODOLOGY

Objectives of Research

The purpose of this research is to identifying the marketing strategies that create competitive advantage for small and medium retailers in Chhattisgarh, India.

Research Design

The basic objective of this research is to identify detailed information about the variables and possible relationships between these variables as identified in the theoretical framework. Accordingly, quantitative approaches through questionnaires were used. Quantitative techniques provide a depth in targeting specific populations. Each technique has its advantages and disadvantages. Quantitative research can provide rich details on the processes, which links the variables together (Brannen, 1995). Quantitative research method is used to collect numerical data or data

in the form of numbers that can be analyzed by using statistical techniques.

Variables Used for the Study

The following variables are used for collection of data:

Marketing Strategies.

a) Extend credit to customer.
b) Deliver to home service.
c) Provide order by phone.
d) Find new groups of customer.
e) Advertise by cutout sign, Radio broadcasting and local new paper.
f) Decorate name of the store.
g) Rearrange display.
h) Training staff for polite service.
i) Training staff for wearing clean clothes or uniform.
j) Training staff for greeting and describing goods in detail.
k) Provide various types of goods.
l) Price of goods lower than competitors.
m) Giving negotiable price.
n) Varity in single product category.
o) Affordable product.
p) Create good relationship with customer.
q) Promote discount bonus and free gift.
r) Quick post sales service.

Data Collection Techniques

The study is based on both primary data and secondary data.

1. Secondary Data

Firstly the data was collected from the secondary sources like the internet, government agencies and publications.

2. Primary Data

After collecting the secondary data the researcher observed that the data were not sufficient to fulfill his objectives on Competitive Advantage of Unorganised Retailers in Chhattisgarh. For this primary data were collected through questionnaire surveys. The researcher used personally administered questionnaires as the mode of data collection.

Measurement and Scaling Procedure

In this study the researcher used the nominal scale for measurement. It is the lowest level of measurement. The questions were asked about business performance and business strategies used by small and medium retailers.

The questioning in this study used a Seven-item scale anchored by

1 = Strongly Agree, 2 = Agree, 3 = Agree up to some extent, 4 = Neutral, 5 = Disagree up to some extent, 6= Disagree, 7= Strongly Disagree

Sampling Procedure

A database was constructed to collect data on the retailers in Chhattisgarh. Organised retailers are coming in cities. According to census 2001 population more than 1,00,000(One lac) is considered as a city. The data was drawn from seven main cities mainly Raipur, Durg, Raigarh, Bhilai, Korba, Rajnandgaon and Bilaspur so data was collected from these cities specifically. There are 27 districts in Chhattisgarh and all of them have unregistered shops also. It is very difficult to find out exact number of shops. According to the study by FICCI shop density is high in India for every 1000 population there are 11 retail stores. Accordingly numbers of retail stores in seven cities of Chhattisagrh are as follows (Aprox.)

Table 1

S. No.	City	Population(2001)	Retail Store (Approx.)	Sample Unit	Questionnaire Received
		1	2	3	4	5
1	Raigarh	1,15,740	10521	35	27
2	Korba	3,15,695	28699	96	74
3	Bilaspur	3,30,291	30026	100	82
4	Rainandgaon	1,43,727	13066	44	33
5	Durg	2,31,182	21016	70	59
6	Bhilai	5,53,837	50348	168	135
7	Raipur	6,99,264	63569	212	171
Total			217245	725	581

Source:(http://web.archive.org/web/20070927201453/http://www.censusindia.net/results/data/chh_uatow ns.PDF, R.K. Srivastava, (2008) "Changing retail scene in India", International Journal of Retail and Distribution Management, Vol. 36 Issue: 9, pp.714 – 721)

Stage 2: Questionnaire Survey

For the seven selected cities information regarding the number of retail store was collected which is depicted in column 3 of Table 1. For every 300 retail store the number of sampling unit were determined by applying the principle of simple rounding off the digits. The same is depicted in column 4 of Table 1.

Questionnaires were distributed to the selected respondents. Based on systematic random sampling, total 725 questionnaires were distributed. A total of 581 replies were received within the given time frame for responses (16 weeks). This represents 80 per cent return rate on this survey. The questionnaire utilized a seven point Likert scale and was comprised of two parts:

1. Performance of Business
2. Marketing strategies used by retailers

Data was collated and then underwent a statistical analysis

Instruments

A broad survey served to provide general information about the stores. Questions on the survey collected data on the name of the stores, type of goods/services, number of employees, customers and the size of the stores. Quantitative data on company operations and qualitative data on performance of survival/success measures was collected by using questionnaires based on a Likert scale. Questionnaires were provided to owner-managers or managers and consisted of a range of demographic factors (for example size, age, form and type of business, marketing location, number of employees, owner's age, educational).

Methods of Collecting Data

For collecting the data the researcher has gone to many places and meets different concern person and take expert opinion from the different person who were involved in the business of retail. Some of persons were as follows:

1. Owners of the small and medium retailers
2. Staff and Manager of small and medium retailers.

Technique Used For Analysis

Validity and Reliability

Validity and reliability tests were conducted to determine whether or not the items truly measured what was intended to be measured.

In this study, the Cronbach's alpha was calculated. The results are presented in table below. The Cronbach's coefficient alpha observed ranged from 0.858 to 0.958, which are well above the acceptance level. This argument is also supported by Sekaran (2000). They stated that in general, reliabilities less than 0.60 are considered to be poor, those in the 0.70 range, acceptable, and those over 0.80 good. Thus, the inter-item consistency (content sampling and content homogeneity) of the measures used in this study can be considered to be good.

Table 2

Sr. No.	Scales	Number of Item	Alpha
1	2	3	
1	Growth of year 2011	5	.870
2	Marketing Strategies	18	.958

Factor Analysis

Factor analysis is a generic name given to a class of multivariate statistical methods whose primary purpose is to define the underlying structure in a data matrix.

Multiple Regressions

Multiple regression techniques were used to identify the areas distinctive competencies that are related to SMR performances.

Research Hypothesis

Major hypothesis for marketing strategy is

$H1_o$: Firm's marketing strategies do not have any impact on firm's business performance.

$H1_a$: Firm's marketing strategies have positive impact on firm's business performance.

Following are the sub hypothesis for marketing strategy of firm:

$H1_{1o}$: Firm's convenient service strategies do not have any impact on firm's marketing strategy.

$H1_{1a}$: Firm's convenient service strategies have positive impact on firm's marketing strategy.

$H1_{2o}$: Firm's In-Store promotion strategies do not have any impact on firm's marketing strategy.

$H1_{2a}$: Firm's In-Store promotion strategies have positive impact on firm's marketing strategy.

$H1_{3o}$: Firm's Product variety and pricing strategies do not have any impact on firm's marketing strategy.

$H1_{3a}$: Firm's Product variety and pricing strategies have positive impact on firm's marketing strategy.

$H1_{4o}$: Firm's customer relationship strategies do not have any impact on firm's marketing strategy.

$H1_{4a}$: Firm's customer relationship strategies have positive impact on firm's marketing strategy.

Limitations

Even though the study had undergone successfully, never the less, certain limitations profound from it. They are as follows:

1. Due to time and resource constraints the study focused only seven cities of Chhattisgarh. Hence generalization of results to all Chhattisgarh retailers needs to be treated with caution.
2. The business performance measurements used in this study focused primarily on financial data, which may underestimate the importance of the soft aspects of business performance such as image of the company,

employee satisfaction and the business ethics of the owner/manager.

3. For the study systematic random sampling was used. The result will be changed if sample are collected through some other sampling methods.

Data Analysis and Interpretation

Table 3: Descriptive Statistics for Business Performance Year 2011

Sr. No.	Factors	Mean	Std. Deviation	N
1	**2**	**3**	**4**	
1	Profit	2.55	1.365	581
2	Sales	2.64	1.281	581
3	Margin	2.85	1.516	581
4	Turnover	2.90	1.497	581
5	Customer	2.58	1.359	581

Table 4: The Correlation Coefficients Matrix for Business Performance Year 2011

Sr. No.	Factors		Profit	Sales	Margin	Turnover	Customer
	1	**2**	**3**	**4**	**5**	**6**	**7**
1	Profit	Pearson Correlation	1	.593**	.624**	.591**	.735**
		Sig. (2-tailed)		.000	.000	.000	.000
		N	581	581	581	581	581
2	Sales	Pearson Correlation	.593**	1	.535**	.468**	.554**
		Sig. (2-tailed)	.000		.000	.000	.000
		N	581	581	581	581	581
3	Margin	Pearson Correlation	.624**	.535**	1	.509**	.609**
		Sig. (2-tailed)	.000	.000		.000	.000
		N	581	581	581	581	581
4	Turnover	Pearson Correlation	.591**	.468**	.509**	1	.551**
		Sig. (2-tailed)	.000	.000	.000		.000
		N	581	581	581	581	581
5	Customer	Pearson Correlation	.735**	.554**	.609**	.551**	1
		Sig. (2-tailed)	.000	.000	.000	.000	
		N	581	581	581	581	581

**. Correlation is significant at the 0.01 level (2-tailed).

Table 5: Factors Analysis of Business Performance Year 2011

Sr. No.	Factors	Component
		1
	1	**2**
1	Profit	.878
2	Sales	.768
3	Margin	.805
4	Turnover	.759
5	Customer	.855

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Table 4 show the correlation coefficient matrix for business performance for the years 2011. As illustrated in Table 4 these five measurements were significantly correlated. The result of factor analysis in Table 6 shows that all five measures load on one factor based on the criterion of the Eigen value being larger than 1. Because all five measures belong to the same dimension, a total score can be calculated on these five performance measurements, as shown in Table 6. Then the scores can be added up into a factor which is called here "Total Growth". The Total Growth was divided by 5 to derive a result shown as a composite score

Table 6: The Overall Total Growth of Business Performance as a Composite Score

Sr. No.	Business Growth	N	Total of Mean score	Composite score
	1	**2**	**3**	**4**
1	Total Growth year 2011	460	13.58	2.70

Table 7: The Results of Factor Analysis for Marketing Strategy

Sr. No.	Name of Factors	Factor 1	Factor 2	Factor 3	Factor 4	Communalities
	1	2	3	4	5	6
1	Convenient service strategies					
2	Extension of credit to customers	.116	.160	.930	.093	.912
3	Home delivery service	.335	.036	.900	.001	.924
4	Phone order	.059	.032	.924	.263	.927
5	Customer visit	.061	.204	.923	.003	.897
6	In-Store promotion strategies					
7	Advertising, cut-out sign, radio, newspaper	.296	.528	.222	.372	.554
8	Decorative store sign	.305	.704	.095	.407	.763
9	Attractive display arrangement	.171	.867	.124	.112	.808
10	Polite customer service	.256	.656	.088	.421	.680
11	Clean and neat uniform	.303	.707	.082	.407	.764
12	Eye-catching and informative display of goods	.171	.869	.099	.120	.809
13	Product variety and pricing strategies					
14	Various type of goods	.871	.308	.077	.224	.910
15	Lower price	.903	.210	.203	.175	.932
16	Negotiable price	.886	.162	.155	.137	.854
17	Product depth	.906	.181	.163	.187	.915
18	Affordable price	.861	.310	.057	.228	.893
19	Creating customer relationship strategies					
20	Creation of good relationship with customers	.245	.210	.147	.837	.827
21	Promotion, discount, bonus, free gift	.204	.319	.067	.871	.907
21	Post sale service	.207	.324	.086	.871	.915

As can be seen from Table 7 six measures loading in factor 1, are related to in-store promotion. Thus, the first factor can be called In-store promotion. The second factor shows four measures loading closely and relate to convenient service for customers, so it can be called convenient service. The third factor comprised three measures which related to product and pricing. Thus it can be called product variety and pricing. Finally, the last three measures loading in factor four related to the creation of relationships with customer. Thus this factor will be called creating customer relationship.

The alpha coefficients from the summated scales suggested by the four factors ranged from 0.970 to 0.915 (Table 8) suggesting that the "convenient service", "in-store promotion", "Product variety and pricing" and "Creating customer relationship" factors were sufficiently reliable for further analysis.

Table 8: Marketing Strategies Adequacy Factors

Sr. No.	Name of factors	Mean Score	Standard Deviation	Alpha Coefficient
	1	2	3	4
1	Convenient service strategies	2.66	1.72	.957
2	In-store promotion strategies	2.62	1.38	.915
3	Product variety and pricing strategies	2.61	1.25	.970
4	Creating customer relationship strategy	2.79	1.46	.949

Table 9: ANOVA in Multiple Regression (for Marketing Strategy)

Sr. No.	Model		Sum of Squares	df	Mean Square	F	Sig.
	1		**2**	**3**	**4**	**5**	**6**
1		Regression	516.445	4	129.111	311.327	.000[a]
2	1	Residual	238.874	576	.415		
3		Total	755.319	580			

a. Predictors: (Constant), Convenient service strategy, In-store promotion strategy, Product variety and pricing strategy, Customer relationship strategy.

b. Dependent Variable: Business Performance

Table 10: Model Summary in Multiple Regressions (for Marketing Strategy)

Sr. No.	Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	1	**2**	**3**	**4**	**5**
1	1	.828[a]	.684	.683	.64398

a. Predictors: (Constant), Convenient service strategy, In-store promotion strategy, Product variety and pricing strategy, customer relationship strategy.

b. Dependent Variable: Business Perormance

Interpretation

The factor solution obtained above reflected a high degree of separation. Hence, the factor solution is considered to exhibit sufficient reliability and validity, and therefore, can be used in further analysis. In order to satisfy the first objective of assessing the impact of marketing strategy in business performance the factor scores were obtained and used as independent variables in standard multiple regression analysis. The respondents' responses with business performance were taken as dependent variable.

The proposed regression model is as follows:

$$Y = \alpha + \beta_1 \, CS + \beta_2 IS + \beta_3 \, PS + \beta 4 \, CRM$$

Where, the dependent variable is Y = Overall business performance.

CS = Convenient Service Strategy	IS = In-Store promotion strategies
PS= Product variety and pricing strategies	CRM = Customer relationship strategies

Table 11: The Impact of Marketing Strategy on the Business Performance year 2011

Sr. No.	Name of Factors	Beta(β)	t	P
	1	**2**	**3**	**4**
1	Convenient service strategies	.453	19.340	0.000
2	In-store promotion strategies	.477	20.369	0.000
3	Product variety and pricing strategies	.266	11.363	0.000
4	Creating customer relationship strategies	.424	18.090	0.000

Note: R = .828, Adjust R^2 = 0.683 p = 0.000

Table: 12 Residuals Statistics for Multiple Regressions (for Marketing Strategy)

Sr. No.		Minimum	Maximum	Mean	Std. Deviation	N
	1	**2**	**3**	**4**	**5**	**6**
1	Predicted Value	1.1637	6.3813	2.7043	.94362	581
2	Residual	-3.16282	3.57174	.00000	.64176	581
3	Std. Predicted Value	-1.633	3.897	.000	1.000	581
4	Std. Residual	-4.911	5.546	.000	.997	581

a. Dependent Variable: Bus_performance11

Results of Multiple Regression Analysis:

The above analysis Table 9 and Table 10 brought out some interesting results. The value of the multiple regression correlation coefficients (R) between the independent variables and dependent variables are .828. The R^2 for the model is .684, thus showing that about 68.2 per cent of the variability in the outcome is accounted for by the predictors (independent variable). The adjusted R^2 for the model is .683 and it can be seen that the difference between the value of R^2 and adjusted R^2 (.684 - .683 = .001) is very low. This implies that if the model was derived from the population instead of the sample, it would have accounted for approximately1.7 per cent of less variance in the outcome. The relationship between the business performance and marketing strategies variables is presented in Table 10 and the relevant values for ANOVA are presented in Table 9. From the Table 9, F statistic obtained is 311.327, thus indicating that the dependent variable have a significant influence on the overall satisfaction at 5 per cent level of significance, and that the model is effective.

Hence, at 5 per cent level of significance, it can be concluded that there is strongest relationship between the dependent variable (business performance) and independent variable (marketing strategies).

As shown in Table 11, the impact of these four factors on the reported business performance are statistically significant ($p<0.05$). The most powerful factor that has an impact on business performance is in-store promotion strategy (0.477), followed by the convenient service strategies (0.453), Creating customer relationship strategies (0.424), product variety and pricing strategies (0.266) and respectively. Thus null hypothesis is rejected and alternate hypothesis is accepted in all sub hypothesis of marketing strategy. which shows that marketing strategy have positive impact on business performance of the firm.

Significant

1. The Standardized coefficient for the independent variable Convenient service strategies is high (β = .453, t =19.340) and it can be said that it has strong influence on the overall business performance of firms.

2. The strongest influence is the In-store promotion strategies (β = .477, t =20.369). This is obviously most important variable as it has the strongest influence on the overall business performance of firms.

3. The Standardized coefficient for the independent variable Creating customer relationship strategies is the third highest (β = .424, t = 18.090) and it can be said that it also has a influence on overall business performance of firms. Apparently, the customers will buy product from retailer if they are highly satisfied with the retail store.

4. The fourth strongest influence is product variety and pricing strategies with (β = ..266, t =11.363). it can be said that it also has a influence on overall business performance of firms.

The main finding is that, the in-store promotion in the area of marketing strategies creates a major competitive advantage for small and medium retailer. The in-store promotion factor comprised of six business practices which are shown in Table 7.

Many researchers describe how retailers are using promotion programs to build repeat buying and store royalty. In a retail store, behind-the-scenes work consists of receiving merchandise, preparing it for display, maintaining display counters and shelves and keeping the store clean and attractive to customers. In addition, Day (1994) stated that to encourage people to buy, self-service stores rely on layout, attractive displays, signs and clearly mark prices on items offered or sale. Small retailers can combine these techniques with personal selling. Many studies suggest that personal attention to customers is one competitive tool for a small store. They also state that retailers used five approaches in a "promotion mix" to communicate with customers. These approaches include advertising, sales promotion, publicity, store atmosphere and visual merchandising, and personal selling (Achua and Lussier, 2001; McGee and Peterson, 2000a; Winninger, 1995). Even though small independent retailers are often at a disadvantage in the area of promotion because of their limited resources, they can employ marketing strategies different from those used by large retailers. Small independent retailers mostly rely on word-of-mouth, some local events sponsorship, and limited radio/newspaper advertising. According to Achua and Lussier (2001), local merchants are much more likely to be successful if they are able to satisfy their customers by offering a better selection of higher quality products and superior customer service at a premium price. Most recently, Klemz and Boshoff (1999) found that small retailers, being in a better position to interact with their customers on a regular basis, can provide a more personalized service by recognizing the individuality of their customers and can serve their customers promptly and courteously. Smaller firms can therefore personalize their service delivery to better compete against large one-stop retailers. This may explain why the in-store promotion has a major impact on business performance for small and medium retailers.

Recommendations, Conclusions and Suggestions

Marketing Strategies and Their Impact on Business Performance

Marketing strategies have major impacts on small and medium retailer performance. The four marketing strategies that small and medium retailers' used are:

1. In-store promotion strategies;
2. Convenient service strategies;
3. Creating customer relationship strategies;
4. Product variety and pricing strategies.

Based on the multiple regression results in Table 34 the most influential of the above four factors for SMRs on business performance is the in-store promotion. This factor comprised six business practices, namely:

1. Advertising, cut-out signs, radio, newspaper;
2. Decorative store signs;
3. Attractive display arrangements;
4. Polite customer service;
5. Clean and neat staff uniforms; and
6. Eye-catching and informative display of goods.

The results of the impact of marketing strategies on the business performance suggest that small business owners should focus more on in-store promotion strategies. Whilst this is primarily an internal matter for SMRs and they should focus their attention on internal promotional activities, the Government should also be aware of this issue and provide support to SMR owners to increase their capability in this area.

The main competitive tool that small stores have is to use a strategy of concentrating on personal attention to customers. This is emphasized in the training of staff in small stores where the focus is on everybody helping out and providing prompt and courteous attention to the customer. The customer expects a certain level of service from the sales people and this result in a heavy focus in training in the following areas:

1. How to greet customers;
2. Showing merchandise to the best advantage;
3. Suggesting other items that are similar or maybe in addition to the items of interest; and
4. Handle customer needs and complaints.

To compete with large businesses in the area of marketing strategy, small retailers may have to concentrate on a narrow market segment and gain an intensive knowledge of those segments. Because small retail firms are tied so closely to their local communities, marketing research should concentrate on these local communities. Since the small retailer's limited resources are already tailored to local markets, the organizational changes required for continued adaptation to local market segments should be fewer than those required to handle competition for a wide spectrum of market segments that large retailers usually seek. Even though large chains can use their purchasing power to buy merchandise at lower prices than small local stores can, small retailers can overcome this cost disadvantage by providing better customer service than a large, bureaucratic chain.

REFERENCES

Brannen, J. (1995). Mixing methods: Qualitative and quantitative research. England: Avebury: Ashgate Publishing Limited.

Cavana, R. Y., Delahaye, B. L., & Sekaran, U. (2001). Applied business research: Qualitative and quantitative methods. New York: John Wiley & Son, Inc.

Collins, J. C, & Lazier, W. C. (1995). Managing the small to mid-sized company: concepts and cases (Vol. Chapter 5). Chicago: Richard D. Irwing.

Giaoutzi, M., Nijkamp, p., & Storey, D. J. (1988). Small and medium size enterprises and regional development. London: Rout ledge.

Hunger, J. D., & Wheelen, T. L. (1996). Strategic management (5th ed.). Reading, Massachusetts: Addison-Wesley Publishing.

Pierson, G., Brown, R., Easton, S., & Howard, P. (1998). Business finance (Seventh ed.). Australia: McGraw-Hill.

Schuler, R. S., Dowling, P. J., Smart, C, & Huber, V. L. (1992). Human resource management in Australia. Australia: Pearson Education Australia

Sekaran, U. (2000). Research methods for business: A skill building approach. (Third ed.). New York: John Wiley and Sons.

Storey, D. J. (2006). The performance of small firm. Retrieved from http://books.google.com

Storey, D. J. (1983). The small firm: An international survey. Retrieved from http://books.google.com

Atkins, M., & Lowe, J. (1994). Stakeholder and the strategy formation process in small and medium

enterprises. International Small Business, 72(3), 12-24.

Borch, O. J., Huse, M., & Senneseth, K. (1999). Resource configuration, competitive strategies, and corporate entrepreneurship: An empirical examination of small firms. Entrepreneurship Theory and Practice, 24(1), 49-70.

Choe, S. T., Pitman, G. A., & Collins, F. D. (1997). Proactive retail strategies based on consumer attitudes towards the community. International Journal of Retail & Distribution Management, 25(11), 365-371.

Galbraith, C, & Schendel, D. (1983). An empirical analysis of strategy types: summary. Strategic Management Journal, 4(2), 153-173.

Karagozoglu, N., and W. Brown. (1988). Adaptive responses by conservative and

entrepreneurial firms. Journal of Product Innovation Management, 5(4), 269-281.

Kotey, B., & Meredith, G. G. (1997). Relationships among owner/manager personal values, business strategies, and performance. Journal of small business management, 35(2), 37-65.

Milwaukee, D., Miller, N. 1, McLeod, H., & Oh, K. Y. (2001). Managing small business in small communities. Journal of Small Business Management, 39(1), 73-88.

Storey, D. J. (1983). The small firm: An international survey. London & Canberra: Croom Helm.

Vorhies, D. W., & Harker, M. (2000). The capabilities and performance advantages of market-driven firms: An Empirical Investigation. Australian Journal of Management, 25(2), 145-173.

Wyer, P., & Mason, J. (1999). Participation and empowerment in small business. An International Journal, 7(1), 180-193.

Lowry, J. R. (2000). The fight for survival by independent retailers. USA Today, 129(My), 22-25. Retrieved from http://news-business.vlex.com/vid/fight-survival-independent-retailers-52766072

Sharma, K., Mohanty, J. P. (2005). FDI in retail — A question of jobs, not ownership. The Hindu. Retrieved from http://www.thehindubusinessline.com/2005/09/29/stories/2005092900181000.htm

Guruswamy, M., Sharma, K. , Mohanty, J. P. FDI in India's Retail Sector More Bad than Good? From http://www.indiafdiwatch.org/fileadmin/India_site/10-FDI-Retail-more-bad.pdf

Harker, B., & Kotey, M. (1999). A frame work for examining strategy and strategy-types in small firms. Sunshine Coast, Australia: Sunshine Coast University College. Retrieved from http://www.sbaer.uca.edu/research/icsb/1998/25.pdf