



A STUDY ON PROBLEMS FACED BY SMALL AND MEDIUM-SIZED ENTREPRENEURS DUE TO THE GROWTH OF THE HYPER-MARKET ENNVIRONMENT IN TIRUPUR CITY

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Abstract:

This study investigates the challenges encountered by small and medium-sized entrepreneurs (SMEs) in Tirupur City, India, as a result of the proliferation of hypermarkets. As hypermarkets continue to expand, SMEs face a myriad of obstacles including increased competition, pricing pressures, and changing consumer preferences. Through qualitative interviews and surveys, this research aims to identify the specific challenges faced by SMEs and explore potential strategies for mitigating these challenges. Findings from this study will contribute to the existing literature on SMEs in hypermarket environments and provide valuable insights for policymakers, entrepreneurs, and industry stakeholders seeking to support the growth and sustainability of SMEs in Tirupur City and beyond.

Keywords: Small and Medium-sized Entrepreneurs (SMEs), Hypermarkets, Challenges, Competition, Pricing Pressures, Consumer preferences

INTRODUCTION

Ensuring sustainable economic progress has long been a primary concern in India, consistently occupying a prominent position on the political agenda. To realize this goal, efforts must be directed towards comprehensive economic development across all sectors, with equal emphasis placed on each. The scope should extend beyond major industries to encompass small and medium enterprises, recognized as crucial pillars for achieving desired outcomes. These enterprises not only generate significant employment opportunities at a lower capital outlay compared to larger industries but also play a vital role in the industrialization of rural and underdeveloped regions. Furthermore, they contribute to reducing regional disparities, promoting a more equitable distribution of wealth and resources throughout the country, while also serving as ancillary support to large-scale industries.

In India, the business landscape is structured around two primary categories: manufacturing enterprises and service-providing enterprises. Within each category, further segmentation exists based on the scale of operations, resulting in the classification of enterprises as micro, small, or medium. This classification is determined by the level of investment in plant and machinery for manufacturing enterprises and equipment for service-based enterprises. Currently, specific investment thresholds delineate the boundaries for each classification, establishing clear parameters for identifying micro, small, and medium enterprises within the Indian business ecosystem.

OBJECTIVES OF THE STUDY

1. To analyze the hyper-market scenario prevailing in India
2. To study the issues and challenges faced by SME
3. To examine the growth and employment of SME

RESEARCH METHODOLOGY

TYPE OF RESEARCH

The present type of research belongs to the category of 'Descriptive study'. Descriptive study are undertaken when the researcher is interested in knowing the characteristics of certain groups, assessing behaviour, making projections or for determining the relationship between z or more variables.

SOURCES OF DATA

The research should keep in mind two types of data while collecting data via primary data and secondary data.

PRIMARY DATA:

Primary data refers to the first-hand data gathered by the researcher herself. This research uses primary data for the research work. A pretested questionnaire was administered to the respondents with the questions. The answers given by the respondents were recorded and used for analysis purposes.

SECONDARY DATA:

Secondary data means data collected by some other person earlier this research uses secondary data collected from various books, articles, websites, and magazines.

AREA OF THE STUDY:

A Study is with the most regard to Tirupur City in Tamil Nadu. It is one of the fastest-growing cities and is mainly called as “knitwear capital of India”. A study on problems faced by small and medium-sized entrepreneurs due to the growth of the hyper-market environment was made in Tirupur city.

SAMPLE SIZE

The sample size of the study is to be 120 respondents.

TOOL USED FOR ANALYSIS

- Percentage analysis
- Weighted average
- Henry Garrett’s ranking
- Chi - Square
- Anova

FINDINGS**TABLE: 1 - AGE OF RESPONDENTS**

Age factor is an important independent variable to identify the best result for the result, so the following age scale was adopted

S.No	Age	No. Of Respondents	Percentage (%)
1	Below 20	0	0
2	21 - 30	8	6.7
3	31 - 40	43	35.8
4	41 Years and above	69	57.5
	Total	120	100.0

Source: Primary data

INTERPRETATION:

From above table 1, it is concluded that 6.7% of the respondents were 21 – 30 years old followed by 35.8% of respondents were at the age of 31 – 40 years and 57.5% of people belong to the age group of 41 years and above.

TABLE: 2 – GENDER OF RESPONDENTS

Gender factor is an important independent variable to identify and compare with dependent variable.

S.No	Gender	No. Of Respondents	Percentage (%)
1	Male	79	65.8
2	Female	41	34.2
3	Transgender	0	0.0
	Total	120	100.0

Source: Primary data

INTERPRETATION:

From above table 2, 65.8% of the respondents were male and 34.2% of the respondents were female.

TABLE: 3 EDUCATIONAL QUALIFICATION

S.No	Qualification	No. Of Respondents	Percentage (%)
1	Schooling	55	45.8
2	Undergraduate	36	30.0
3	Postgraduate	6	5.0
4	Diploma	23	19.2
	Total	120	100.0

Source: Primary data

INTERPRETATION:

From above table 3, 45.8% of the respondents were at the school level, 30% of the Respondents were undergraduates, 5% of the respondents were post-graduates and 19.2% belonged to Diploma.

TABLE: 4 AWARENESS OF SME SCHEMES

S.No	Awareness	No. Of Respondents	Percentage (%)
1	Aware	28	23.3
2	Not Aware	92	76.7
	Total	120	100.0

Source: Primary data

INTERPRETATION:

From above table 4, 23.3% of the respondents were aware of the SME scheme provided by the government and 76.7% of the respondents were not aware of it.

TABLE: 5 FINANCIAL ASSISTANCE

S.No	Financial Assistance	No. Of Respondents	Percentage (%)
1	Commercial bank	43	35.8
2	Private Sector bank	45	37.5
3	Co-operative bank	17	14.2
4	Other financial institutions	15	12.5
	Total	120	100.0

Source: Primary data

INTERPRETATION:

The above Table 5, indicates the preferred sources of financial assistance among respondents, with commercial banks being chosen by 35.8% of respondents, private sector banks by 37.5%, Cooperative banks by 14.2%, and other financial institutions by 12.5% of respondents.

TABLE: 6 MOTIVATIONAL FACTORS

S.No	Motivational Factors	No. Of Respondents	Percentage
1	Past experiences	26	21.7
2	Family business	27	22.5
3	Friends	25	20.8
4	Self-dependent	34	28.3
5	Advertisements	6	5.0
6	Related industry firms	2	1.7
	Total	120	100.0

Source: Primary data

INTERPRETATION:

From above table 6, depicts the motivational factors influencing the respondents with the number and percentage of respondents associated with each factor. Self-dependence was cited by the highest percentage of respondents (28.3%), followed by family business (22.5%), past experience (21.7%), friends (20.8%), advertisements (5.0%), and related industry firms (1.7%).

TABLE: 7 FACTORS INFLUENCE PURCHASING IN HYPERMARKETS (WEIGHTED AVERAGE)

S.No	Factors	Strongly disagree	Disagree	Neutral	agree	Strongly agree	Total	Weighted average
		1	2	3	4	5		
1	Easy access to get what I want	0	2	11	31	76	120	4.50
		0	4	33	124	380	541	
2	Being able to find high-quality products	1	9	45	53	12	120	3.55
		1	18	135	212	60	426	
3	Being able to comparison shopping	1;0	15	42	44	9	120	3.225
		10	30	126	176	45	387	
4	Feeling that the	6	39	42	25	8	120	2.916

	physical environment is comfortable	6	78	126	100	40	350	
5	Having a no-hassle return policy	27	25	42	21	5	120	2.6
		27	50	126	84	25	312	
6	Having a reliable delivery service	18	22	51	22	7	120	2.816
		18	44	153	88	35	338	
Total weighted average								19.607
Weighted average								3.267

Source: Primary data

Weighted average $W = \frac{\sum WX}{\sum W}$

$$\text{Total weighted average } \frac{\sum WX}{\sum W} = \frac{(4.50 + 3.55 + 3.225 + 2.916 + 2.6 + 2.816)}{6} = 19.607$$

$$\text{Weighted average } W = \frac{19.607}{6} = 3.267$$

INTERPRETATION:

From above table 7, factors influencing to purchasing in hypermarkets had a weighted average of 3.267 which is nearest to being able to compare shopping had a weighted average of 3.225.

TABLE: 8 SHORTAGE OF SKILLS (RANKING)

Skills	Rank 4	Rank 3	Rank 2	Rank 1
Accounting	68	21	15	16
Administration	25	46	36	13
Marketing	12	37	42	29
Management	15	16	27	62

$100(R_{ij} - 0.5)N_j$	Calculated Value	Garret Value
$100(4 - 0.5)/4$	87.5	27
$100(3 - 0.5)/4$	62.5	44
$100(2 - 0.5)/4$	37.5	56
$100(1 - 0.5)/4$	12.5	73

S.No	Skills	4	3	2	1	Total	Average Score	Rank
1	Accounting	1836	924	840	1168	4768	39.73	IV
2	Administration	675	2024	2016	949	5664	47.2	III
3	Marketing	324	1628	2352	2117	6421	53.50	II
4	Management	405	704	1512	4523	7144	59.53	I

Source: Primary data

INTERPRETATION:

From Table 8, management ranked first in the shortage of skills with an average score of 59.53, followed by marketing ranked second with an average score of 53.50, then administration ranked third with an average score of 47.2 and accounting ranked fifth with an average score of 39.73.

TABLE: 9 EXPENSES ON SHOPPING IN HYPERMARKETS EACH TIME (CHI-SQUARE)

H0: There is no significant relationship between gender and expenses on shopping in hypermarket each time.

H1: There is a significant relationship between gender and expenses on shopping in hypermarket each time.

Gender *How much do you spend for shopping in hypermarkets each time - Cross tabulation

		How much do you spend for shopping in hypermarkets each time				
		Less than Rs.1,000	Rs.1,001 - Rs.2,500	Rs.2,501 - Rs.5,000	Above Rs.5,000	Total
Gender	Male	12	30	29	8	79
	Female	7	17	15	2	41
Total		19	47	44	10	120

Source: Primary data

INTERPRETATION:

12 male respondents spent less than Rs.1,000 while shopping at hypermarkets, while 30 male respondents spent Rs.1,001 – Rs.2,500 on each time of shopping, followed by 29 Male respondents spent up to Rs.2,501 – Rs.5,000 on each time, and 8 Male respondents spent above Rs.5,000 on each time of shopping.

7 Female respondents spent less than Rs.1,000 while shopping at hypermarkets, while 17 Female respondents spent Rs.1,001 – Rs.2,500 on each time of shopping, followed by 15 Female respondents spent up to Rs.2,501 – Rs.5,000 on each time, and 2 Female respondents spent above Rs.5,000 on each time of shopping.

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	1.037 ^a	3	.792
Likelihood Ratio	1.119	3	.772
Linear-by-Linear Association	.583	1	.445
N of Valid Cases	120		

Level of significance: 5% or $\alpha=0.05$

From the table, the p-value of the chi-square test is greater than 0.05. So we are accepting **NULL HYPOTHESIS** and adjusting the alternative hypothesis. Hence there is no significant association between gender and Expenses on shopping in hypermarkets each time.

TABLE: 10 MAIN REASONS FOR VISITING HYPERMARKET (ANOVA)

		ANOVA		Mean Square	F	Sig.
		Sum of Squares	df			
Buying groceries	Between Groups	4.364	2	2.182	2.792	.065
	Within Groups	91.428	117	.781		
	Total	95.792	119			
Buying home needs	Between Groups	3.283	2	1.642	3.903	.023
	Within Groups	49.217	117	.421		
	Total	52.500	119			
Buying garments and accessories	Between Groups	.367	2	.184	.327	.722
	Within Groups	65.625	117	.561		
	Total	65.992	119			
Food and beverages	Between Groups	5.597	2	2.799	3.249	.042
	Within Groups	100.770	117	.861		
	Total	106.367	119			
Window shopping	Between Groups	5.219	2	2.610	3.245	.042
	Within Groups	94.081	117	.804		
	Total	99.300	119			

The above table gives results of the relationship between age groups and the reasons for visiting hypermarkets using **one-way ANOVA**

Relationship between age group and buying groceries

From the table, the significant value of association between age and buying groceries is >0.05 . So, we are accepting the null hypothesis and rejecting the alternative hypothesis. Hence there is **no significant association** between age group and buying groceries.

Relationship between age group and buying home needs

From the table, the significant value of association between age and buying home needs is <0.05 . So, we are rejecting the null hypothesis and accepting the alternative hypothesis. Hence there is a **significant association** between age group and buying groceries.

Relationship between age group and buying garments and accessories

From the table, the significant value of association between age and buying garments and accessories is >0.05 . So, we are accepting the null hypothesis and rejecting the alternative hypothesis. Hence there is **no significant association** between age group and buying groceries.

Relationship between age group and buying food and beverages

From the table, the significant value of association between age and buying food and beverages is <0.05 . So, we are rejecting the null hypothesis and accepting the alternative hypothesis. Hence there is a **significant association** between age group and buying groceries.

Relationship between age group and window shopping

From the table, the significant value of association between age and window shopping is <0.05 . So, we are rejecting the null hypothesis and accepting the alternative hypothesis. Hence there is a **significant association** between age group and buying groceries.

CONCLUSION

SME schemes are integral to the growth and sustainability of small and medium enterprises (SMEs), serving as vital mechanisms to provide access to financial resources, technical expertise, and market opportunities. These schemes empower entrepreneurs to unlock their potential and make significant contributions to economic development. Despite their importance, awareness of SME schemes remains a significant challenge, underscoring the critical need for comprehensive awareness campaigns and targeted outreach efforts. By increasing awareness and participation in SME schemes, governments, policymakers, and stakeholders can create an environment conducive to SME success. This proactive approach fosters innovation, stimulates job creation, and promotes inclusive growth within economies. Through collaborative endeavors and ongoing investment in SME development, the full potential of these enterprises can be realized, serving as engines of prosperity and resilience. Ultimately, SMEs play a pivotal role in driving economic progress and building a sustainable future for societies worldwide.

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