



Unorganized Trading Practices with regard to Pilgrim Products in select Pilgrim Centers in Chittoor District of A.P.

K.S. Ram

Department of Commerce, Sri Venkateswara University, Tirupati -517502.

Dr. M. Munirami Reddy

Department of Commerce, Sri Venkateswara University, Tirupati -517502.

ABSTRACT

Characteristics of unorganized sector, factors influencing the growth of unorganized marketing and its sustainability, differences between the characteristics of organized and unorganized sectors, unorganized trading practices with regard to Pilgrim Products in select Pilgrim Centers in Chittoor District of A.P. are focused in the study.

Key words : Unorganized sector characteristics, factors influencing the unorganized sector, unorganized trading practices, self-employment, Pilgrim Products.

Introduction

Pilgrims visiting sacred place are playing a key role in the economy. Activities like tourism, transportation, boarding and lodging, shopping complex, employment creation, sale of sacred, secular and specific products of the particular temple are gaining significance. The items sold in the pilgrim place are not routine ones. Products attached with devotional and sentimental values of trade. There is a saying that "Yatrakupothe pathraayina thesukaravali" i.e. any one visiting a sacred place should bring some vessel/item.

Objective of the study

In this article, the Unorganized trading practices with regard to Pilgrim Products in select Pilgrim Centers are examined. They are different from the organized sector. A study is done to bring out the prevalent trading practices.

Characteristics of Unorganized sector

- 1 The unorganized is overwhelming in terms of its number, range and, therefore, it is omnipresent throughout India.
- 2 As the unorganized sector suffers from cycles of excessive seasonality of employment, majority of the unorganized workers do not have stable employment. Even those who appear to be visibly employed are not gainfully employed, indicating the existence of disguised unemployment.
- 3 The workplaces are expanded.
- 4 There is no formal written employer employee relationship.
- 5 The unorganized workers are subject to exploitation.
- 6 Working conditions are poor especially and wages are much below than in the formal sector, even for closely comparable jobs, ie, where labour productivity is no different.
- 7 The work status is also inferior quality.
- 8 Primitive technologies are rampant in the unorganized sector, and they do not permit or encourage the workmen to learn and adopt higher technologies. Large scale ignorance, illiteracy and limited exposure to the outside world are also responsible for such poor technological absorption.
- 9 Since workers are not organized by trade unions, Trade union density is very low.
- 10 Most of the workers are either outside the purview of labour laws or the laws are inoperative.
- 11 Low labour productivity compared to formal sector.
- 12 Excessive seasonality of employment
- 13 Poor human capital base in terms of education, skill and training.
- 14 Too much regulative action against it seems to impair the sector.

Factors Influencing the Growth of Unorganized Marketing and Its Sustainability

- 1 Self employment is the main stay of this sector as there is no other avenue.
- 2 Surviving on hereditary activities (continuity)
- 3 Attached to such kind of jobs only, labour market lacking other relevant skills.

- 4 Easy – access to entry (No entry barriers)
- 5 Autonomy in the occupation (Value)
- 6 Self dependent as to needed resources.
- 7 Simple technology is needed.
- 8 Own use of family savings and non dependence on loan capital.
- 9 Family labour (unpaid) is engaged in laboring process.
- 10 Business secrets jealously guarded. (confidentiality of trade secrets)
- 11 No/Less government regulations (no governmental interference)
- 12 A strong desire to join family business (values)
- 13 For those seeking better employment or other avenues it is transient sector.
- 14 It is a permanent stay for most.
- 15 It is a nursery of small entrepreneurship.
- 16 It suits well those with mentality for independent in profession/work. (strong behavior)
- 17 To settle down in the native place.
- 18 It is an asylum for those displaced from formal sector jobs.
- 19 Necessity to contribute additional income to family.
- 20 Planned use of spare time or part time. (While working elsewhere)
- 21 For lively hood of those who are involved in rural-urban migration.
- 22 Interest to do a different job to avoid monotony.
- 23 There are no exit or shift barriers.
- 24 Early adoptability in the light of business fluctuation since sunk costs is low.
- 25 Proud to be a owner of fixed and other assets by self (recognition in society)
- 26 It is a perennial activity though marginal.
- 27 Absence of brand names of products dealt. (Unbranded products) (Generic and regional products)
- 28 No need to heavily depend on others. (Independent behavior)
- 29 Fewer resources are needed. (Capital, Labour and inputs)
- 30 Own Capital may be supplemented by formal and informal sources.

Differences explained

Table1. shows the differences explicit between the Organized and Unorganized sector.

Sl.no	Characteristics	Organized	Unorganized
1	Licence	Required	Not needed
2	Registration	Required	Not needed
3	Tax payers/persons	Liable and identified	Not identified
4	Stability	Stable at one place	May not be. Foot-loose
5	Area	Own or rental	Pavements or own
6	Employment	Organized manner	Unorganized
7	Size of employment	May be 10 or more	May be nine or less

8	Industry	Factory	Non factory or trading
9	Size of employment	May be 10 or more	May be nine or less
10	Industry	Factory	Non factory or trading
11	Foreign exchange	Dependent	Non dependent
12	FDI	Can be considered	Indigenous
13	Export	Can be done	Remote possibility
14	Advertisement	Can be given	Not practical
15	Government control	Existent	Non-existent
16	Customer Loyalty	Promoted	Limited way
17	Credit sales	On large scale	Cash sale.(Low volume of Credit sale)
18	Media role	Key role played	Not traced
19	Convenient location	In limited cases	In most cases
20	Timings	Fixed	Flexible
21	Labour	Outside labour	Family labour
22	Choice of products	Wide	Narrow
23	Crime	Surveillance	No surveillance
24	Employment security	As per labour laws	No job security
25	Retirement benefits	Existent	Non-existent
26	Minimum wages	Existent	Non-existent
27	Leave with wages	Existent	Non-existent
28	Accident compensation	Existent	Non-existent
29	Closure	With prior approval	No constraints

Location of Selling place

The location of shop for each of the unorganized marketing is categorized as follows:

- *no fixed work place
- *work place located in own dwelling unit
- *structure attached to own dwelling unit
- *open area adjacent to own dwelling unit
- *detached structure adjacent to own dwelling unit
- *own enterprise/unit/office/shop but away from own dwelling
- *Street with fixed location/mobile.
- *Temple complex

7. Unorganized Trading Practices

7.1 Selling goods

The owner can decide to stay in and around the market. When Buyers are approaching, it is the shop owner who initiates, negotiates the price and sells product. Prices are fluctuating frequently and the owner fixes new price. Products are sold for negotiated prices unlike for fixed prices.

7.2 Receipts and payments

The decision to sell and to receive the amount from buyers is left at the discretion of the owner. Cash is under the control of owner. None will be allowed to carry the money.

7.3 Transactions

No cash receipts are involved, with a few notable exceptions. As sales are on cash basis only, payment for goods sold are received instantly. Price reductions from both the seller and buyer take place based on the negotiation skills.

Business relations

The trade takes place on trust which is built on the basis of religious sentiment, language and sacred background. The trading exists without any prior formal or written agreement between the buyer and the owner.

The owners' contacts with buyers are fresh and first time contacts. It is the responsibility of the traditional market to ensure trust is maintained. It is limited and short time orientations. Long term relations are rare and non-existent.

Property Insurance (Both fixed and current assets)

The traders do not take any insurance for their assets, inventory & em-

ployee (s), if any. But, they may have life insurance policies on own life, the reason being is non maintenance of books of account and also unaware of the significance.

Goodwill

Personal selling skills of the trader are the piling source of goodwill used in the business.

Training of employees

Traders have their own family members and sometimes hired persons who assist them to conduct their businesses profitably. This helps in learning the tricks of the trade to build their networks. Owner may have a few assistants under him who acquire skills through learning by doing. They establish traditional authority in the market. Every employee/assistant in the establishment is expected to be loyal, punctual and keep away from malpractices.

Transportation

All inward goods transportation will be taken care by the seller. All outward goods transportation will be borne by the buyer.

Own security

A trader does not want any security personnel in the market place on individual basis. There is a group of employees who provide protection to their owners' goods. Sometimes a pilgrim buy the articles and leaves with the owner/employees; collects while returning in the following days. During non business hours watch and ward is needed; which is provided by the hired/family alone. This will be taken care by the employees/assistants. The employees may sleep/watch in the work place and protect the owner's property. The roles of the employees are agreed at the time of taking up employment with the trader/owner.

Informal relationship amongst sellers

There is an understanding among the owners in unorganized trading. They will help each other in case of need. (Informal cartel)

Fraudulent practices

If an employee/assistant or family member commit fraud, then there will be a warning or immediate termination.

Goods dealt

Unorganized temple complex shops deal with sacred, secular, locally available products and scarce goods having varieties and different prices.

Unaccounted and Unreported

Traders do not maintain proper books of account. Also they do not report their incomes to any authorities. There is no legal requirement for maintenance of books of account. Therefore, Governments will be unable to assess the activities accurately.

Business comprises

a. Own account large number of small local shops selling pooja items, dolls, idols, Kalamkari articles, kitchen ware, and gift giving articles etc. which together make up the "unorganized retail"

b. Market Heterogeneity

Shops are local, fragmented, small scale, and mostly served by owner managed small enterprises. They are heterogeneous.

Unbranded products

Unbranded products are sold at low prices. Also, branded products are not available in temple complex shops. Branded products are costly too and inaccessible to low income pilgrim groups.

Hired labour

Availability of family labour is minimal. At present most of the families are nuclear families. Joint families are non-existent now-a-days. Hence, there is a limited supply of family labour in this sector.

Nature of products

There are imitating, duplicate and non- standardized Products.

Infrastructure

For organized sector there will be well organized infrastructure. This

tiny, localized and unorganized sector traders have to depend on their own infrastructure or as provided by the temple complex authorities.

Comparative Advantage

This is an invisible sector. There are no statutory and administrative reports to be submitted. Due to lack of data comparative advantage calculation cannot be done. Also, no double entry book keeping is practiced. Single entry informal book keeping is seen practiced.

Relationship marketing

The real challenge and opportunity is to convert visiting pilgrims to first time buyers and retaining them. This can be achieved with lot of efforts. Converting a pilgrim to first time buyer results in a better financial performance. Retaining such customer is also important. But this is far from reality. Most pilgrims are non-repetitive. In most of the transactions it is one-time purchase only. Good trading practices of traders of the pilgrim contribute to overall goodwill of the locality.

Market development strategy

Shops are informal and unorganized. Therefore, the marketing strategy for unbranded products is non-existent. They follow some method to attract the pilgrims. Display of goods is one method.

They continuously add new model articles at low prices. They understand the pilgrim requirements. Otherwise it results in low or no sales.

13. Consonance & Dissonance

They will try to avoid gaps in marketing. Trading activities are with one-time buyers. That is...

- (a) Pilgrim customer oriented,
- (b) Satisfaction based
- (c) As per expectations of pilgrims
- (d) Pilgrims' consonance and dissonance is ascertained,
- (e) Pilgrims sharing the experience with other pilgrims about their prudent purchase.

14. Sustainability

Transparency in the products sold is a major point for sustainability. Not only sales but profits are also needed.

In all pilgrim places smoking and liquor are prohibited. "Smoking and liquor are injurious to health". Pilgrim education and their purchase is a vital issue for sustaining. It is the shopkeeper's social responsibility for developing the trade and their enterprise.

15. Price

Negotiation or bargaining is done in which the buyer and seller of a good or service come to an agreed price for a transaction. This is very common in the shopping complex in Indian scenario. If the bargain-

ing produces agreement on terms, the transaction takes place. Bargaining is an alternative pricing strategy to fixed pricing. Therefore, what customer agrees to pay is the price. Price discrimination is a process whereby a seller charges a higher price to one buyer who is very much eager to buy. For expensive goods sold to new customers bargaining is inevitable.

16. Other Practices: (Guerrilla marketing)

Guerrilla marketing is an advertisement strategy concept. This is designed for small businesses to promote their products or services in an unconventional way with little budget to spend. This involves high energy and imagination focusing on grasping the attention of the pilgrims in more personal and memorable level. (1)

Shopkeepers participate in providing basic sanitary facilities, cloak room services, etc., while they promote sales of their products.

- A) Free of cost services may take place like rest room facilities to sell their products. (Like toilets, bathroom, dressing room, and other sanitary facilities)
- B) Traders could also participate in constructing rooms for devotees to stay or donating or offering to promote their products. (Capable traders may be constructing dharmashala or free choultries)
- C) Traders could offer free/paid transportation facilities which will carry the promotion of their products/ services, if need be.
- d) Vendors could sponsor free medical camps which will help their products are bought.
- e) Eatable sellers do their best to satisfy the biological needs of pilgrims.

17. Conclusion

Better transport facilities, more so private transport facilitate travel to renowned pilgrim places. Pilgrims paying their visits frequently and their ever increasing demands motivate the shopkeepers to offer wide ranging secular and sacred products for sale.

In temple complex shops, the four P's of marketing Product, Price, Place and Promotion take place in unorganized manner. These activities are in existence for a very long time. The number of pilgrims visiting is on the continuous rise. Because of pilgrim inflow and product demand changes, they follow what is suitable to the current situation. Such activities are laying strong foundation for the survival of pilgrim shopping complexes in unorganized sector.

It is also evident that this kind of rise in demand augurs well to the unorganized marketing. Better infrastructure and prospective expansion will certainly contribute for the further growth of unorganized sector.

REFERENCES

1. Guerrilla marketing - Wikipedia, the free encyclopedia https://en.wikipedia.org/wiki/Guerrilla_marketing