

## Retailer's Challenges of Demonetization in India

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### ABSTRACT

Retailing strategy is a comprehensive marketing plan, which summaries how a merchant (retailer) has the intention of offering the merchandise and/or services to customers and inciting their buying decisions, which comprises the target market of the merchant, the retail format planned to exercise to serve the target market and bases for having sustainable competitive advantages. The target market is the segment of the market, which will be the focal point of the merchant's resources and offering a mix. The format explicates the elements of its offering mix service assortment, pricing, promotion and communication, premises (i.e. location, store design, etc.), presentation (i.e. layout and visual merchandise), personnel, and other physical evidence], decided to serve the target market. A sustainable competitive advantage is an edge to the merchants over its competitors. In this demonetization time, the retailer has a lot of problems faced and the challenges of currency note it's very difficult. So the government is lots of currency notes issued at demonetization time. Demonetization is the current biggest challenge in the retail sector in India have described in this paper.

Keywords— Retailing, Market, Demonetization, Competitors

### INTRODUCTION

The word 'Retail' began from an Old French word for example 'tailleur' that expects "to partition" regarding fitting (1365) [1]. In 1443, it was the first time imagined with the undertone of a "deal in little amounts" (Harper,

2015). Retailing is grasped as a methodology of exchanging/selling stock (items) and additionally benefits straightforwardly to the clients at a benefit. Waters (2015) characterizes the term retailing as "the offer of merchandise or products in little amounts straightforwardly to shoppers" [2]. On 8 November 2016, the Government of India reported the demonetization of all Rs 500 and Rs 1,000 banknotes of the Mahatma Gandhi Series. It additionally reported the issuance of new Rs 500 and Rs 2,000 banknotes in return for the demonetized banknotes [3]. Prime Minister Narendra Modi asserted that the activity would abridge the shadow economy and diminish the utilization of unlawful and fake money to subsidize criminal behavior and psychological oppression. The declaration of demonetization was trailed by delayed money deficiencies in the weeks that followed, which made critical interruption all through the economy. People looking to trade their banknotes needed to remain in extensive lines, and a few passings were connected to the race to trade money [4].

### History of Demonetization

The sections of Rs 500 and Rs 1,000 will be invalid post 12 PM. Nonetheless, the lower division – Rs 10, Rs 20, Rs 50, Rs 100, and coins – will be substantial. He further declared that new notes of Rs 500 and Rs 2,000 would present in no time. In this way, giving a huge number of Indians a fit of anxiety. Yet, what do you believe was this the first run through Indian cash was prohibited of an abrupt? All things considered, the appropriate response is NO. An investigation of the previous will cause you to understand that India is no new to demonetization.



Demonetisation has been actualized twice - 1946 and 1978 – before.

### India's set of experiences with demonetization: From 1946 to 2016 The Principal Money Boycott

In 1946, the cash note of Rs 1,000 and Rs 10,000 were taken out from dissemination. The boycott truly didn't have a lot of effects, as the money of such a higher category was not available to the average citizens. Notwithstanding, both the notes were once again introduced in 1954 with an extra presentation of Rs 5,000 cash.

Rs 500 and Rs 1000 notes were present in 1934 and following four years in 1938, Rs 10,000 notes were present.

#### The second

That came in 1978; at that point, Prime Minister of India Morarji Desai reported the money boycott taking Rs 1000, Rs 5000, and Rs 10,000 unavailable for general use. The sole point of the boycott was to control the dark cash age in the country.

Likenesses in 1978 and 2016 boycott:

The note boycott by Morarji Desai additionally expected to drive away dark cash unavailable for general use in the economy. Henceforth, The High Denomination Bank Notes (Demonetisation) Act was actualized.

Narendra Modi reported the cash boycott is a location that was communicated across all news channels. Also, Desai reported the boycott over the radio after which the banks were shut the next day.

Goals

1. To discover the impacts of demonetization on retail business
2. To examinations monetary effect of retail business pre and post demonetization
3. To discover the favoured instalment alternatives for clients post demonetization

#### Explanation of the problem

Demonetization is a stage of focal government expects to take out dark cash, likewise, it will advance the reasonable and comprehensive financial turn of events. It will without a doubt get a reasonable perspective

on each exchange inside the country and advance credit-only exchange. This progression will influence the typical public to a little degree however to serve the forthcoming age this kind of choice is inescapable. Despite the fact that the demonetization interaction influences the retailers in huge scope the individuals who are giving fundamental products and administration to individuals. This investigation assists with knowing how and what ways the demonetization interaction influence the merchants, retailers, road sellers, little and medium ventures

#### Examination DESIGN

Sort of Questions: Both Close and Open-finished Questions Method of Data Collection: Primary technique Source of Data Collection: Questionnaire strategy utilizing Google Spreadsheet. Test Size: 31 retailers across various retail businesses.

#### Excellencies of Demonetization

**Dark Money Tracking:** This move will assist the public authority with following unaccounted dark cash or money on which personal expense has not been paid. Individuals who are perched on a heap of money typically don't store the sum in the bank or contribute anyplace as they would be needed to show pay or submit PAN for any legitimate monetary exchanges. They would conceal it someplace and use it as and when essential. Forbidding high-esteem money will affect individuals who will have no alternative, yet, to pronounce pay and pay the charge on the equivalent or obliterate the money in one way or another.

**The decrease in Illegal Activity:** Banning high-esteem money will end criminal behavior as the cash accommodated such exercises has no worth at this point. Dark cash is normally used to support criminal behavior, illegal intimidation, and tax evasion. Counterfeit cash course will stop in a solitary shot. Corrupt officers, tax criminals are in danger as the Income charge office is taking all the measures to track such individuals.

**Assessment Payment:** Most of the money managers who have been concealing some pay are prepared to pay advance expense as current year's pay. Citizens who have been concealing some pay can approach to pronounce pay and pay the charge on the

equivalent. Jan Dhan Yojana Now people are saving sufficient money in their Jan Dhan accounts which they were hesitant to do so a couple of days back. The sum kept can be utilized for the improvement of the country

### FINDINGS AND ANALYSIS

#### 1. Whether the demonetization is good / bad in our country?

##### Whether the Demonetization is good or bad in our country



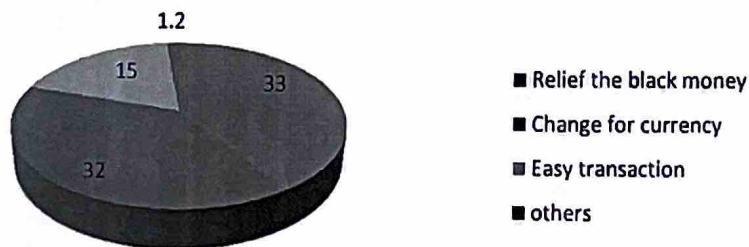
(Source: Primary data)

In this present study, demonetization is good or bad in our country. The majority of the respondents are affected by our business so the demonetization is bad as the result of the

study. That is 66% of the respondents are results were bad and 44% of the respondent's result was good.

#### 2. What are the benefits for demonetization in your retail shop

##### What are the benefits for demonetization in your retail shop



(Source: Primary data)

In this question no.2 what are the benefits of demonetization in your retail shop. A maximum of the respondents is 33% in relief the black money. And 32% of the respondents in changes the currency notes.

And 15% of the respondents in the easy transaction of the money in online methods. And 12% of respondents were others to be using the benefits.



3. How will you affect the sales in the retail shop after demonetization

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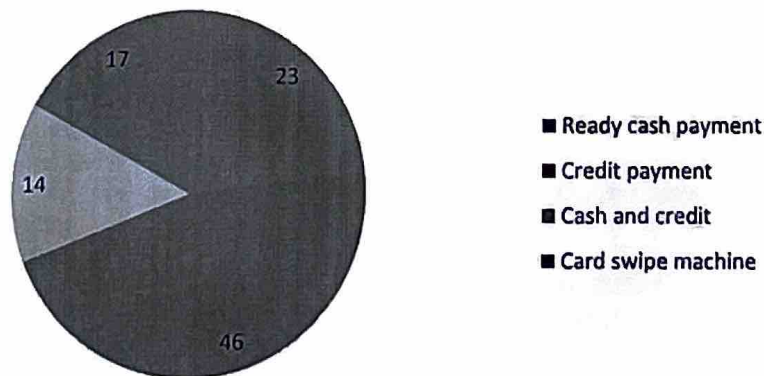
(Source: Primary data)

Question no.3 is how you will affect the sales in the retail shop after demonetization. In this study maximum of affected in the retail business is 62 % respondents. And demonetization affected in

medium 24% of the respondents. And demonetization affected the low level of 14% of the respondents. Because it is very difficult in the changes of currency notes in the demonetization period.

4. After demonetization which mode of sales made

After demonetization which mode of sales made



(Source: Primary data)

In this study, question no .4 is after demonetization which mode of sales made

**SUMMARY OF FINDINGS OF THE STUDY**

The following were the major finding that emerged from the analysis of data.

1. The study clarifies that the out of 110 respondents are majority 32.7 percent come under the age group of 41 and above years
2. The study shows that out of 110 respondents are majority 76.4 percent belong to the male category
3. The study referred that out of 110 respondents maximum of 48.2 percent of



- the respondents are come under the Below HSC categories.
4. The study reveals that out of 110 respondent's majority 53.6 percent of the respondents giving importance to the Joint family.
  5. The study inferred that out of 10 respondents maximum of 60.9 percent of the respondents are Rural area of the residence
  6. The study clear that out of 110 respondents majority 40.9 percent of the respondents earn around Rs.15,001 and above per month.
  7. The study verifies that out of 110 Respondents maximum of 61.8 percent of the respondents are having Experience in Present Business.
  8. The study shows that out of 10 respondent's majority 19.1 percent of the respondents are locating their Business nearby Bus Stand.
  9. The study explains that out of 110 respondents maximum of 46.4 percent of the respondents are investing the capital of Rs.1,00,000 to Rs.2,00,000 in a Business.
  10. The study exhibits that out of 10 respondent's majority 77.3 percent say that they satisfied with the Demonetization.
  11. The study verifies that out of 110 respondent's maximum of 30.9 percent are having the Account of Indian Bank.
  12. The study inferred that out of 110 respondent's majority 63.6 percent are having a current account.

#### SUGGESTION

1. The government should give the swipe machine facility at a subsidiary price for unorganized retailers.
2. RBI should increase the fifty and hundred rupees for the benefits of unorganized retailers
3. The Government should be given the option to open the bank account free of cost to unorganized retailers.

4. The Government should encourage digitalized internet and mobile banking in our country.
5. To reduce the service charge for all online banking systems including ATM cards.

#### CONCLUSION

Demonetization in the Indian economy is adversely affecting the various areas of the economy. The dominant part of the negative impact is short-run impacts. Every one of these impacts is addressed when the new cash notes are broadly circled in the economy. Then again individuals are dealing with certain issues in the trading of money notes. Despite the fact that individuals are dealing with such an issue individuals are prepared to bear these issues for its constructive outcome on the economy. In the event that the administration effectively clears all the issues, disadvantages related to the demonetization, this demonetization will turn into a fruitful financial upset in India and we can expect a superior tomorrow with defilement-free India.

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