

Strategic plan for young Entrepreneurs Decision making: Exploring the impact of Covid - 19 on Startups in Retail sector.

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Abstract

Purpose:

The research paper's goal is to create a profile of young entrepreneurs with their ability to create start-ups in small-scale private label product that consumer using behavioural predictors and strategic objective considerations have a considerable impact on private label's competitive advantage in India. Aspiring innovative Start-ups are recognised as the key source of employment, productivity, growth, and innovation for country. The paper's target is to examine the systematic way for collecting and analysing information to increase the knowledge of young entrepreneurs to empowers start-ups and cross-shopping behaviours between purchasers of private label product across Indian retailers.

Design/methodology/approach:

A study was conducted of 35 Indian private label manufacturers, followed by the research work been conducted in Navi Mumbai, Maharashtra. A total of 55 start-ups had participated in the survey which was conducted during the initial stage of the work, post span of one month of research and again after a month. Two prominent variables, entrepreneurial strategic advantage through retail sector and strategic planning were selected for research and statistical analysis. ANOVA analysis and Correlation analysis were tested statistically.

Findings :

Findings show that behavioural factors are more common among patrons of stores differentiated on service or brand, while key drivers of private label product purchasing are found among merchants positioned as value suppliers. Cross-shopping is becoming more popular amongst consumers who place a premium on value. The research contributes to the areas of analysis and interpretation and indicates the thrust area of start-ups to improve for sustainable development.

Research limitations/implications :

Although the research methodology provides a profile of private label shops, it does not explain why the particular customer prefers private labels to national brands. The data-mining approach provides an innovative tool for identifying the drivers of private label consumption due to Covid- 19. Research in near future shall investigate the drivers more deeply so as to establish a fuller understanding of this consumer.

The start-up's must relate to market for more profit and more benefit with strategic planning and standards. There is a vital need to have collaboration of Start-ups in nearby areas which will help entrepreneurs and give them a win-win situation.

Practical implications :

Findings suggest that young entrepreneurs of value / low prices need to differentiate their brands to prevent cross-shopping. Similarly, relatively high-end retailers must remain sensitive to the behavioural requirements of their target markets.

Originality / Value:

Results provides insights into brand cross-shopping with an innovative modelling approach that profiles young entrepreneurs on the verge of starting a business and makes it easy to see the actual impact of data.

Keywords :

Start-ups, Entrepreneurial, Cross shopping, Perceived quality Strategies, Private label brand, Indian Retailers.

Introduction:

Indian retailers to prevail in the retail business is to concentrate on private label brands. Retailers utilize private label brands to contend with the national brands by setting aggressive focuses on strategies.

According to (Technavio, Yahoo News, May-2020), the market impact and new opportunities created because of COVID-19 pandemic now had an enormous influence on consumers and brands. Today's buyers are very demanding and are looking for a wider range at lower prices.

Private labels have a capacity to fulfil valuable conscious buyers. They are doing extremely well crosswise over various item classifications as they give great quality and focuses on evaluation when contrasted with national brands. There is an amazing potential for private labels to expand more in the upcoming years.

The invention of private labels is one way to assure entrepreneurs a way of communication amidst customers in today's market circumstances. Besides, entry for an entrepreneur, the transformation is the main goal attaining market position in the distribution channels in their

favour. Once entry into the existing market is stabilized, entrepreneurs can endure the entire shipping system to a tremendous degree in the consumer goods markets. (Bozhinova, 2013)(Cebollada, n.d.2017).

The above said implies the successful implementation of the private label strategy and the interest shown by influential retailers. This strategy is one of the possible ways to differentiate retailers and an essential source of competitive advantage.

The competitive positioning of entrepreneur in rapidly growing market conditions implies a wide range of tools, among which private labels occupy an essential place. Entrepreneurship is a cardinal transformation in the relationships between market players carried in today's modernized society. The role of consumers in market connections intensifies resulting private labels' impact rises. The global economic system's globalization enables international competition in global markets, whose main characteristics are: homogenization of adapting the products, global extension of mega brands, and global retailers' growth.(Yeong, 2012) In the past, the demand for consumer goods retailers, organized mainly as retail chains, manufacturers have taken the initiative. One reason for this is the more notable competitive bearings of entries with existing players. The innovative private labels are familiarized essentially to customers-innovators who are incredibly interested in new goods.(Shobanapriya, 2020)

Private-label strategy can be implemented only by large retailers, hence, there is a very obvious relationship between the degree of retailing concentration and the share of private-label goods. Thus, a private label strategy expects for countries of solid competition and significant attention of retailers. Private Label is a strategy of endeavouring products manufactured for a private label retailer and beneath its stipulation.

The study brings to light, new dimensions of the evolving strategies and purchasing patterns influenced by covid -19 and the different promotional strategies followed by the private label brands. The goal and objective of this study is to explore the existing knowledge, the results also expose that store image and corporate reputation enhances private label entrepreneurs and perceives quality. A few similar studies analysing entrepreneur strategic objectives in producing private label products have emerged in this field (Lumpkin et al., 2011; Taheri et al., 2019; Yeong, 2012).

Objectives:

- To investigate the entrepreneur's financial challenges.
- To analyse the failure of start-ups.
- To identify the main factors that influence young people's decision to engage in GIG economy

Literature Review

There are several private label-based studies which can be classified into three categories:

(1) Consumer-based and related studies (Sinha and Batra, 1999; Miranda and Joshi, 2003; Batra and Sinha, 2000; Bardakcı et al., 2003; Mieres et al., 2006; Corstjens and Lal, 2000; Vahie and Paswan, 2006; Özkın and Akpınar, 2003; Korkmaz, 2000; Baltas, 2003; Baltas et al., 1997(De & Singh, 2017)).

(2) National brand and private label comparisons (Orel, 2004; Steiner, 2004; Narasimhan and Wilcox, 1998; Burt, 2000; Bonano and Rigoberto, 2005; Ailawadi et al., 2003; Hultman et al., 2008; Özgü'l, 2004).

(3) Manufacturer-related studies (Özgü'l, 2004; Oubina et al., 2006a,b; Gomez and Benito, 2008). Private labels are defined by Lincoln and Thomassen (2008, p. 6) as “brands owned and sold by the retailer and distributed by the retailer”. As the process of developing private labels became more common over time, scholars began to look into various aspects of its success from supply-chain, company, and customer perspectives. Consumer research in this body of work primarily focused on the interaction between store loyalty and private label choice (Aliwadi et al., 2008; Corstjens and Lal, 2000; Sudhir and Talukder and, 2004; Richardson et al., 1996; Steenkamp and Dekimpe, 1997), as well as the comparison of national versus private label brands (Ailawadi et al., 2001; Batra and Sinha, 2000).

COVID-19 is restructuring the retail landscape, but there are some major changes taking place representing an acceleration of existing trends. Private labels were already on a growth trajectory, but COVID-19 will accelerate its adoption by shoppers and provide additional incentives to the retailers; private label's sales in the segment have increased by 41% over the past five years, approximately four times higher than overall private label growth.(Sapna Sood, 2020)

To close this gap, they conducted a study of Dutch supermarkets, finding that higher private label sales for a retailer resulted in higher overall sales, although private label buyers are frequently more loyal to low pricing than to a specific retailer. Logistics should be examined on how to get the products from the manufacturer to the retailer's shelves. (Shanon and Mandhachitra, 2005)

Entrepreneurial ability can be defined as the ability to recognise, select, shape, and coordinate internal and external situations for the investigations (identification, discovery, and production) and exploitation of opportunities. Seun and Kalson discovered that entrepreneurial training does moderate the connection using a hierarchical regression model between entrepreneurial ability and readiness to launch a new business. Student's total entrepreneurial skill has improved as a result of entrepreneurship programmes, leading to entrepreneurial preparedness (Souitaris et al., 2007). Previous research has looked into a variety of aspects of entrepreneurial capacity. To ensure proper administration in the development of a new organisation, entrepreneurial aptitude is essential. Every student who wants to start a business in the future

needs to have strong managerial and administrative skills. In addition, most new firms fail before they ever get off the ground due to a lack of an efficient business plan (Barringer & Ireland, 2015). This demonstrates the significance of a business strategy in the formation of a new business.

Entrepreneurship training can assist students in learning how to draught an excellent business plan in order to become one of the few successful individuals considered when a new business seeks funding. The marketing function is another aspect of ability. According to Gruber (2014), the marketing function normally emerges alongside the firm and only progressively grows as the firm becomes more professional. Most of the new business start-ups must understand the necessity of promoting their venture. The basic component of ability is also influenced by financial tasks.

Research Gap:

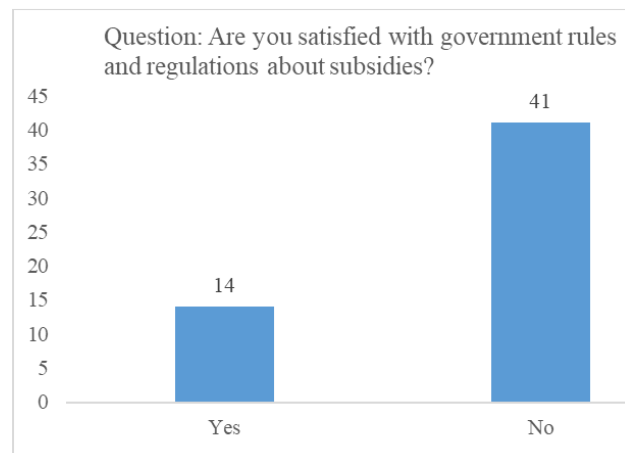
The study will include a SWOT analysis of start-ups in non-metropolitan and selected metropolitan locations, as well as recommendations for how to boost the start-up environment in non-metropolitan places. The ecosystem does exist, but it is not in a state of sink. There had never been a research like this before, and it offered suggestions for improvement.

Research methodology:

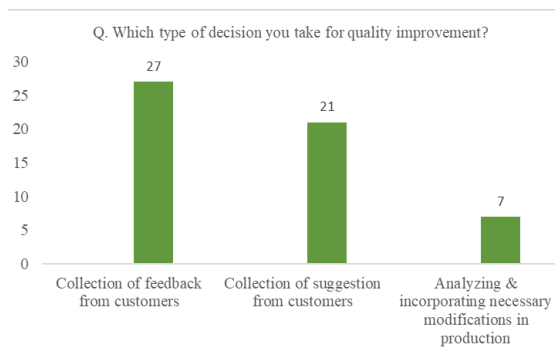
Interview was conducted via online and offline mode. Questionnaire was prepared and filled from the selected samples. Random sampling was done from different Start-ups at various stages. The Analysis was done by statistical analysts using statistical tools such as SPSS software, software excels, etc.

Data Analysis:

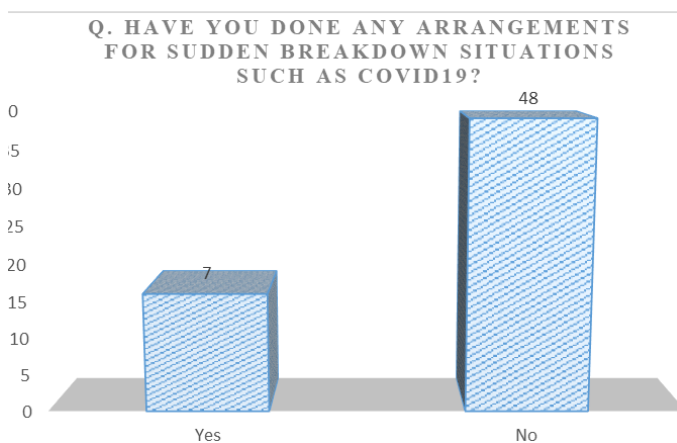
The research work has been conducted in various part of Mumbai and Navi Mumbai.



41 respondents answered that they are not satisfied with rules and regulations about subsidies. 14 respondents answered that they are satisfied with rules and regulations about subsidies.



27 respondents take collection of feedback from customers for quality improvement, 21 respondents collect suggestions from customers and 07 respondents analyse and incorporate necessary modifications after customer feedback.



07 respondents done arrangements for sudden breakdown situations such as covid19 and 48 respondents have not done arrangements for sudden breakdown situations such as covid19.

Conclusion:

The research work gives us an overview with a detailed analysis and evaluation of Indian start-ups in non-metropolitan cities and selected metropolitan cities. The contribution of the research is original and have tried to indicate the problems faced by young entrepreneurs. Latter have carried deeper analysis of start-up alongside the research report indicates the thrust area of start-ups to improve for sustainable development in India.

In metropolitan area the start-ups ecosystem is developed so number of start-ups are more, Mentors, Incubation centres, Investors, Accelerators plays important role in success of Start-ups. In urban and semi urban areas there is a less awareness about start-up's business model and ecosystem as compared to the metropolitan cities. In these areas aspiring promoters never got an opportunity to connect with any stakeholders of ecosystem. The successful start-up's owner's success stories and pain and perils help aspiring start-ups from failure and also motivate them.

Findings:

According to the type of start-ups, the requirement differs and matches. Thus, government must categorise them as per their vision and mission and accordingly facilities must be provided. Some of the start-up works for the betterment of the society and they do not have any precise business or revenue model, in relation to which a separate funding arrangement should be made.

- This must improve start-ups ecosystem in non-metropolitan cities, which will encourage incubations and help the small-scale start-up grow irrespective of the metropolitan differentiation.
- Entrepreneurship and business must be done in more ease and the procedures for using government schemes must be hassle-free.
- A vital need for uplifting the 'collaboration' theme, start-ups collaborating amongst themselves will benefit them individually and results in win-win situation.

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