

## Problems and Prospects of PAAN Shops in Visakhapatnam District

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### **Abstract:**

The present study focuses on problems faced by the paan shops in the Vishakhapatnam district and the support given by the government in starting the paan shops. The sample size is 80. The study proceeded further with the help of certain objectives as To analyze the factors influencing the customers towards purchasing products in paan shops, To study and analyze the problems and prospects of paan shops in Visakhapatnam district, To understand and analyze how inventory is maintained by paan shops. Finally after analyzing the study concluded that 69% of respondents have stated that males at the age of 20-50 buy more products ( like Cigarettes, Pans, Soda, Newspapers, and magazines ). In addition to perishable ingredients, paan shops may also carry other non-perishable items like betel leaves, areca nut, curd, milk, bananas' etc. which have a longer shelf life and can be stocked less frequently. These kinds of businesses are more run around the offices and college areas, 27 % of respondents have stated that they got major financial support from the Government.

**KEYWORDS:** Visakhapatnam, Social Interaction, Inventory, Perishables items, Non-Perishable items.

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### **I. Introduction:**

Paan shops are known for their accessibility and low entry barriers. They serve as social hubs where people gather to enjoy paan and engage in conversations. This community integration can be a source of both customer loyalty and business growth. The paan industry explains how entrepreneurship in India can thrive without requiring formal education from expensive colleges. However, it's essential to note that while the paan industry has advantages like any business, it also faces challenges such as regulatory issues, hygiene standards, and changing consumer preferences. Now it is the turn of entrepreneurs who still need to focus on quality, customer service, and compliance with relevant regulations.

### **NEED FOR THE STUDY:**

With less investment the person can start Paan Shop and there is no requirement a larger scale also there is more number of Paan Shops available in Visakhapatnam, to know how this is helpful for the growth of economy that is how an individual was self employed and helps in the development of the nation.

This research aims to shed light on how these small Paan Shops contribute to the economic development of Visakhapatnam by promoting self-employment and potentially stimulating the growth of the nation's economy

### **SCOPE OF THE STUDY:**

This study is confined to five places in Visakhapatnam district such Satyam junction , R.K. Beach, Gajuwaka, Maddilapalem & Rama talkies.

### **II. OBJECTIVES:**

1. To analyze the factors influencing the customers towards purchasing products in paan shops.
2. To know the major products that are sold regularly.
3. To study and analyze the problems and prospects of paan shops in Visakhapatnam district.
4. To understand and analyse how paan shops maintain inventory.
5. To provide a few suggestions based on the analysis.

### III. REVIEW OF LITERATURE:

- ▶ Kunkel & Berry (1986) opined that a man selects a store for buying based on his experiences while shopping in a store. He also stressed on behavioural concepts influenced by societal and subculture norms of stores formed by 8 store attributes i.e. Price, Quality, Availability of a wide variety of products, Location convenience, Services, Store Atmosphere and reputation.
- ▶ Treblanche (1999) identified the factors of store attributes influencing consumer perception about a store as: Types of Customers, Store Location, Price levels, Services offered Merchandising Mix, and Advertising and Physical facilities.
- ▶ Khan , F. and Siddiqui, D.A (2019), stated that there were a few factors that show a greater impact on the success of department stores such as capacity utilization, Inventory accuracy, lean inventory, and Stock availability pay. The study finally concluded the main indicator of inventory control comes out to be inventory accuracy which allows having effective control of the outputs of the different goods.
- ▶ Sinha & Banerjee (2004) tried to know the factors of store selection based on the consumers' perception developed by visiting various types of stores and their observation about various services and physical parameters of these stores.

### IV. RESEARCH METHODOLOGY:

#### Research Design:

The type of research used in the study is quantitative containing close-ended questions. All the responses have been recorded on a scale of 2 to 5 point Likert scale. The sampling method used in the study was convenience sampling because it is easy for a researcher to reach the sample size participation to gather the data and the information.

#### Data Collection:

It is a process of gathering data for use in business decision making, strategic planning and measuring data of pan shops.

#### ▶ Primary Data

To accumulate the primary data, utilizing the information from the secondary data, a questionnaire was prepared, and contacted few pan shop owners to complete this study.

#### ▶ Secondary Data

Secondary data played a vital role in reviewing literature, formulating hypotheses and questionnaires. It was accumulated from books, journals, magazines, websites, and other published sources available.

#### SAMPLE SIZE: 80

**TOOLS USED FOR THE STUDY:** The Percentile method is used to analyze the data.

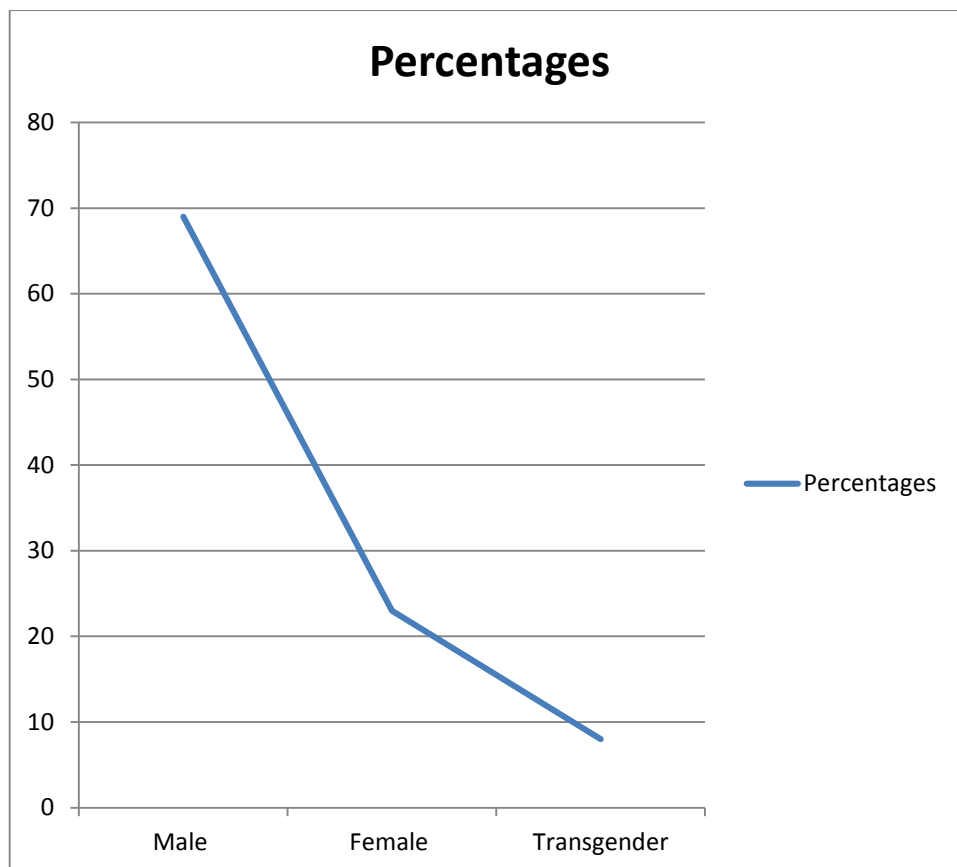
#### DATA ANALYSIS & INTREPRETATION:

- Gathering of data is done through observations and interviewing shopkeepers.
- The Collected data is tabulated, analyzed, and interpreted.

#### DISCUSSIONS:

##### 1. Gender

GENDER	RESPONDENTS	PERCENTAGE
Male	55	69
Female	18	23
Transgender	7	8
Total	80	100

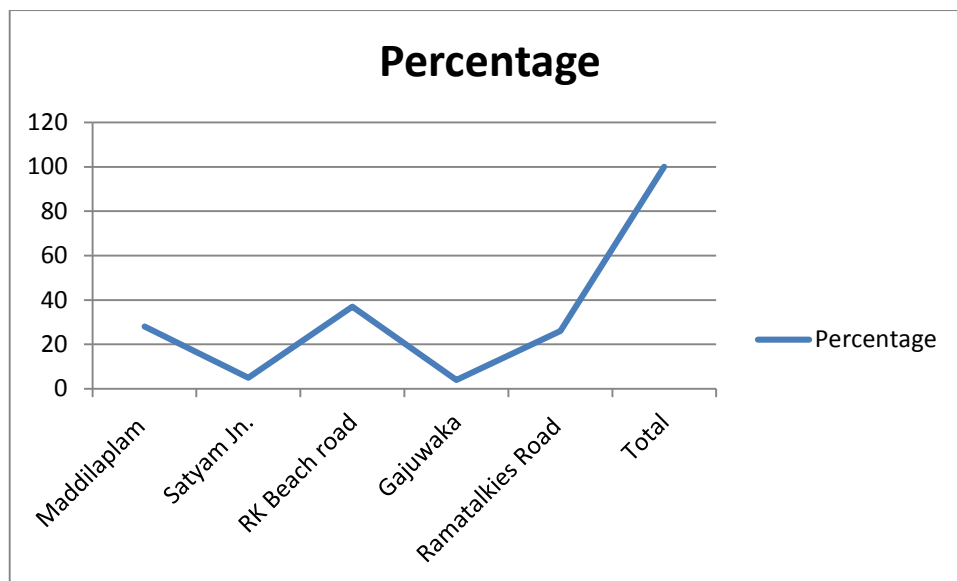


**INTERPRETATION :**

Overall, the data suggests that the survey had a predominantly 69% of male participant base, followed by 23% of females and 8% of transgender individuals, While this percentage is the smallest among the three categories, it is essential to acknowledge the presence of transgender individuals in the survey. Each contributes to varying degrees. It's important to note that the interpretation should be done with respect to the context and purpose of the survey and should consider the representation of different gender identities.

**2.Area Wise**

AREA WISE	RESPONDENTS	PERCENTAGE
Maddilapalam	22	28
RK Beach Road	4	5
Satyam Jn.	30	37
Gajuwaka	3	4
Ramatalkies	21	26
Total	80	100

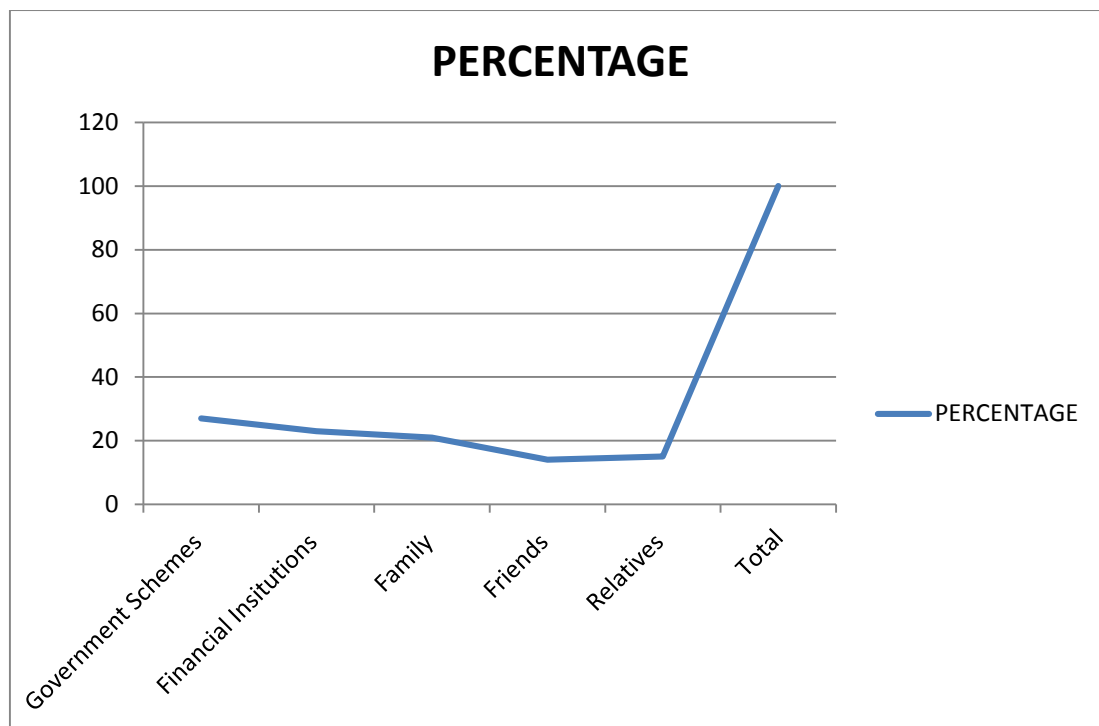


**INTERPRETATION:**

Maddilaplam is the area with the highest number of respondents, accounting for 28% of the total. This suggests that a significant portion of the survey participants resides in or is associated with Maddilaplam. Satyam Jn. has the lowest number of respondents, with only 5%. It is the least represented area among the survey participants. RK Beach road has a substantial number of respondents, representing 37% of the total. This is the highest percentage among the areas, indicating a significant presence of participants from this area. Gajuwaka accounts for 4% of the respondents, indicating a relatively smaller representation in the survey. Ramatalkies Road has 26% of the respondents, making it the second most represented area in the survey. Therefore data shows the distribution of survey respondents across different areas, with RK Beach Road and Maddilaplam having the highest representation, while Satyam Jn. has the lowest representation. This information can be valuable for understanding the geographic distribution of the survey participants and may have implications for regional analysis or targeting specific areas for interventions or marketing efforts, depending on the survey's purpose.

**3. Sources of Fund**

SOURCES OF FUND	RESPONDENTS	PERCENTAGE
Govt. Schemes	22	27
Financial Institutions	18	23
Family	17	21
Friends	11	14
Relatives	12	15
Total	80	100



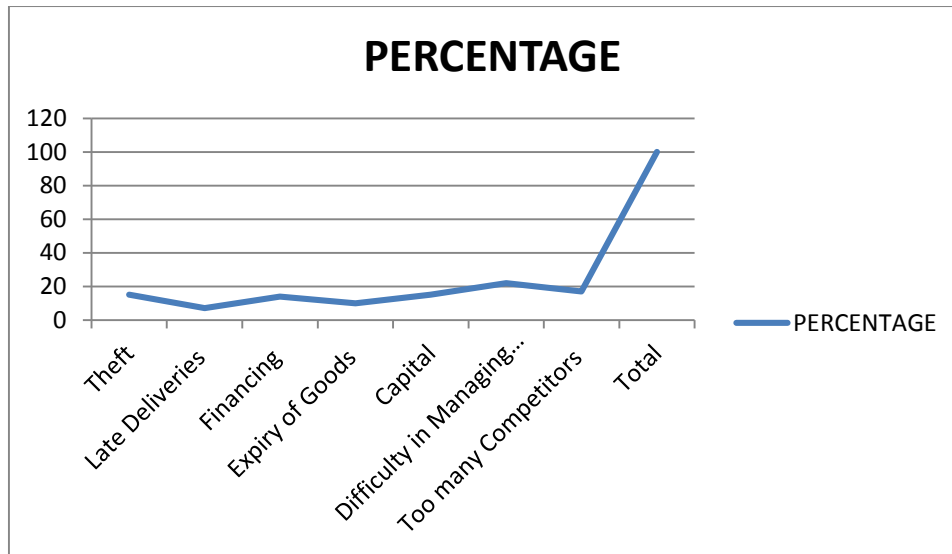
**INTREPRETATION :**

Government schemes are the largest source of funds among the respondents, with 27% of them indicating reliance on these schemes. This suggests that a significant portion of the respondents receive financial support from government-sponsored programs. Financial institutions are the second-largest source of funds, with 23% of the respondents indicating that they rely on these institutions. This may include loans, credit, or other financial services provided by banks or similar organizations. Family is a significant source of funds for 21% of the respondents. This indicates that a notable portion of respondents receive financial support from their family members. Friends contribute to the finances of 14% of the respondents. This indicates that a minority of respondents rely on their friends for financial assistance. Relatives represent another source of funds, with 15% of the respondents indicating that they receive financial support from relatives.

Therefore, the graph illustrates the distribution of funding sources among the survey respondents. Government schemes are the most common source of funds, followed by financial institutions, family, relatives, and friends. This information can be valuable for understanding how different sources of financial support are utilized by the respondents and may have implications for policy planning or financial services targeting specific groups.

**6. Problems of paan shop owners**

PROBLEMS	RESPONDENTS	PERCENTAGE
Theft	12	15
Late Deliveries	6	7
Financing	11	14
Expiry of Goods	8	10
Capital	12	15
Difficulty in Managing of Dealers	17	22
Too many Competitors	14	17
Total	80	100



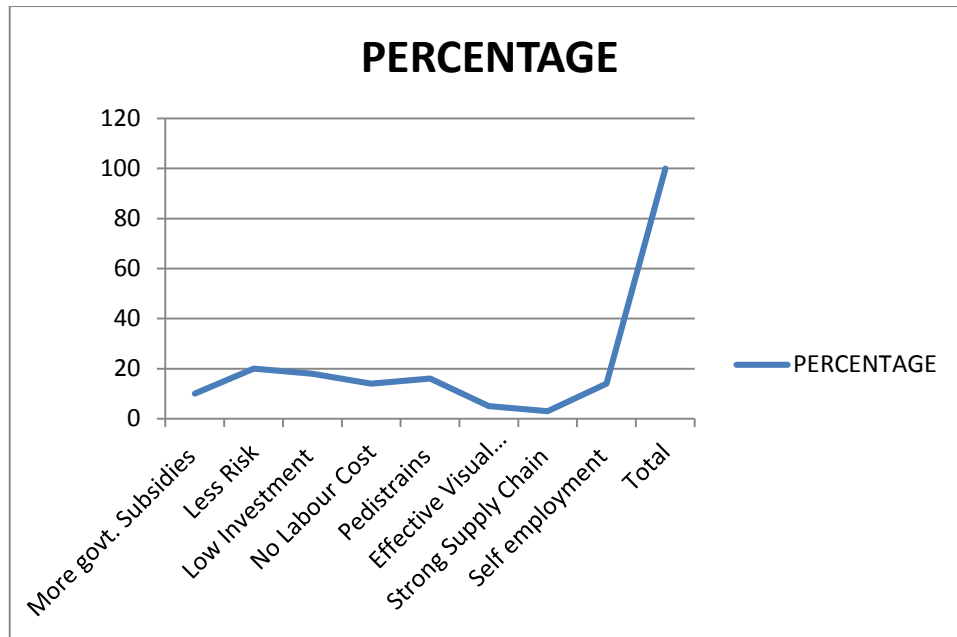
**INTREPRETATION:**

Theft is a problem reported by 15% of the paan shop owners. This indicates that a significant portion of respondents faces issues related to theft, which can impact their business. Late deliveries are a concern for 7% of the respondents, suggesting that a smaller percentage experiences problems with suppliers delivering goods late. Financing issues are reported by 14% of the paan shop owners. This indicates that a notable portion of respondents struggle with financial aspects related to their businesses. About 10% of the respondents mentioned concerns related to the expiry of goods, implying that some paan shops have difficulties managing the shelf life of their products. Capital-related problems are reported by 15% of the respondents, indicating that some paan shops face challenges related to their initial or ongoing capital requirements. Difficulty in managing dealers is a significant issue for 22% of the respondents, making it the most commonly reported problem. This suggests that a substantial portion of paan shop owners faces challenges in dealing with their suppliers or distributors. Too many competitors are a concern for 17% of the respondents, indicating that competition is a notable challenge in the paan shop industry.

Hence, the graph illustrates the distribution of problems faced by paan shop owners. Difficulty in managing dealers is the most commonly reported problem, followed by too many competitors, theft, financing, capital, expiry of goods, and late deliveries. This information can be valuable for understanding the specific challenges that paan shop owners encounter, and it may have implications for business strategies and support measures in this industry.

**7. Prospects of paan shop owners.**

PROSPECTS	RESPONDENTS	PERCENTAGE
More govt. Subsidies	8	10
Less Risk	16	20
Low Investment	15	18
No Labour Cost	11	14
Pedestrians	12	16
Effective Visual Communication ( Props, lighting , & mannequins etc)	4	5
Strong Supply Chain	2	3
Self employment	11	14
Total	80	100



#### INTREPRETATION :

The highest percentage of respondents (20%) identified "Less Risk" as a significant prospect for paan shop owners. Following closely, 18% of respondents consider "Low Investment" as an attractive prospect. This indicates that potential paan shop owners are drawn to the idea of starting a business with minimal upfront costs. "Pedestrians" are seen as a promising prospect by 16% of respondents, emphasizing the importance of location and foot traffic for the success of paan shops. Both "No Labor Cost" and "Self-Employment" are equally appealing to 14% of respondents, suggesting that paan shop owners appreciate the ability to operate independently and without significant labour expenses. So, according to this, paan shop owners are primarily attracted to the prospects of "Less Risk" and "Low Investment," highlighting the perceived stability and affordability of this business. However, factors like visual communication and supply chain strength are seen as less critical for success in this business.

#### V. FINDINGS :

- Majority (69%) of respondents are males who purchase more products from the Paan Shop.
- RK Beach Road has a substantial number of respondents, representing 37% of the total.
- 27% of respondents have stated that government schemes are the largest source of funds .
- The highest percentage of respondents (20%) identified "Less Risk" as a significant prospect for paan shop owners.
- 8% of the respondents have stated that the factors like visual communication and supply chain strength are seen as less critical for success in this business.
- 22% of the respondents have stated that the difficulty managing dealers.
- Most of the respondents have pinioned that daily the sales of items like cigarettes, chocolates, Biscuits, paans, cool drinks, water bottles, Newspapers and Magazines are more in number.

#### VI. SUGGESTIONS:

- Loans ought to be offered at lower interest rates.
- At least one holiday per week should be made mandatory.
- The government should increase the frequency of awareness programs.
- The government should supply essential necessities.
- Entrepreneurs still need to focus on quality, customer service, and Compliance with relevant regulations.
- To set up a pan shop, a license and permit are required like a resale certificate, business certificate, occupancy certificate, and DBA certificate.
- The main document requirements to get these certificates are a PAN card and an Aadhaar card.

#### VII. CONCLUSION:

The Paan shop business is a highlight, especially in the unorganized business sectors of India. It's quite common in Visakhapatnam that people are choosing paan shops over their 9 to 5 jobs. As the government motivates each one to become self-independent, this paan shop becomes the most popular savoir. Risk is

associated with each of the businesses, be it small or big. But never let fear come in the way of the success of business. This paan shop business has a huge potential as a pocket-friendly option for every section of society. The above-mentioned suggestions will help in expanding the small business.

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