



Original Article

AN ANALYTICAL STUDY OF THE PROBLEMS FACED BY SMALL TRADERS IN PANDHARPUR REGION

Pawar Rutuja Vijay

Karmaveer Bhaurao Patil Mahavidyalaya, Pandharpur.

Manuscript ID:

IJAAR-B130377

ISSN: 2347-7075

Impact Factor – 8.141

Volume - 13

Issue - 3

January – February 2026

Pp. 515 - 521

Submitted: 04 Feb. 2026

Revised: 12 Feb. 2026

Accepted: 15 Feb. 2026

Published: 28 Feb. 2026

Corresponding Author:

Pawar Rutuja Vijay

Quick Response Code:



Website: <https://ijaar.co.in/>



DOI: 10.5281/zenodo.20322504

DOI Link:

<https://doi.org/10.5281/zenodo.20322504>



Creative Commons



Abstract:

Small traders constitute an important segment of the rural economy, contributing significantly to employment generation, income creation, and the supply of essential goods and services. Despite their economic importance, they face numerous financial, marketing, and operational challenges that hinder their growth and sustainability. The present study, titled “An Analytical Study of the Problems Faced by Small Traders in Pandharpur Region,” aims to examine these challenges in a systematic manner and suggest suitable measures for improvement. The study is based on primary data collected from 50 small traders through structured questionnaires and personal interactions. The findings reveal that lack of capital, dependence on personal savings, competition from big traders, limited market reach, poor infrastructure, and high transportation costs are the major issues affecting their business performance. The study emphasizes the need for improved access to institutional credit, infrastructural development, and skill enhancement initiatives to strengthen the long-term sustainability and economic contribution of small traders in the Pandharpur region.

Keywords: *Small Traders, Rural Areas, Trading Problems, Rural Economy, Financial Constraints, Analytical Study, Pandharpur.*

Creative Commons (CC BY-NC-SA 4.0)

This is an open access journal, and articles are distributed under the terms of the Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International License (CC BY-NC-SA 4.0), which permits others to remix, adapt, and build upon the work non-commercially, provided that appropriate credit is given and that any new creations are licensed under identical terms.

How to cite this article:

Pawar Rutuja Vijay. (2026). An Analytical Study of the Problems Faced by Small Traders in Pandharpur Region. International Journal of Advance and Applied Research, 13(3), 515 - 521. <https://doi.org/10.5281/zenodo.20322504>

Introduction:

Small traders play a crucial role in the rural economy by providing essential goods and services to local communities. They contribute significantly to employment generation and support the livelihood of rural households. In many rural regions, small traders act as an important link

between producers and consumers, ensuring the availability of daily necessities such as groceries, vegetables, clothing, and household items. Their presence helps maintain local economic circulation and reduces dependency on distant urban markets.

Despite their importance, small traders in rural areas face several difficulties that affect their



business performance and long-term sustainability. Limited access to institutional finance remains one of the major challenges, forcing many traders to rely on personal savings or informal lending sources. Inadequate infrastructure, including poor roads, irregular electricity supply, and insufficient storage facilities, further increases operational costs and reduces efficiency. Poor transportation facilities restrict market expansion and timely supply of goods.

Moreover, dependence on traditional business practices and limited adoption of modern technology reduce their competitiveness in a rapidly changing market environment. Lack of awareness about government support schemes and financial assistance programs also prevents them from utilizing available benefits. Increasing competition from organized retailers, supermarkets, and online platforms, along with changing consumer preferences, has intensified pressure on small traders. Therefore, it is necessary to study the problems faced by small traders in rural areas in a systematic and analytical manner. The present study aims to examine these challenges and suggest practical measures to improve the performance, sustainability, and growth of rural small traders.

Objectives of the Study:

1. To study the financial problems faced by small traders in rural regions.
2. To identify marketing and operational challenges faced by small traders.
3. To suggest practical strategies for capacity building and skill development among rural small traders.
4. To suggest suitable measures for improving the business performance and sustainability of small traders in rural areas.

Scope of the Study:

The present study, titled “**An Analytical Study of the Problems Faced by Small Traders in Pandharpur Region,**” focuses on examining the financial, marketing, and operational problems experienced by small traders in the Pandharpur region. The study analyses issues such as shortage of capital, limited market reach, competition, and infrastructural constraints affecting business performance. It is based on primary data collected through structured questionnaires from small traders operating in local and nearby markets. The research is confined only to small traders within Pandharpur region and excludes large businesses and traders outside the specified geographical area.

Importance of the Study:

The study of problems faced by small traders in rural areas is important because these traders form the backbone of the rural economy and contribute to employment, income generation, and local development. Understanding their financial, marketing, and operational challenges helps policymakers, local authorities, and institutions design effective support programs. Moreover, identifying strategies for capacity building and sustainable business practices can enhance the performance and long-term growth of small traders, ensuring their active role in strengthening the rural economy.

Choice of Topic:

The topic “**Problems of Small Traders in Rural Areas**” was chosen due to the crucial role these traders play in rural economies. Studying their challenges helps understand their financial and operational difficulties and suggests measures to enhance their business sustainability.



Review of Literature:

1. **Gupta and Patel (2020)** conducted a study on digital marketing tools in rural India and found that although social media provides farmers with the ability to market their products, the lack of digital literacy and infrastructure in rural areas remains a major challenge. They recommend targeted training programs for farmers to better utilize these platforms.
2. **Kumar and Singh (2019)** studied small traders in rural markets and reported that poor transportation facilities and inadequate market connectivity significantly reduce sales and profitability. They emphasized the need for infrastructural development and better market linkages for small traders.
3. **Das (2018)** examined skill development programs for rural small businesses and found that capacity-building initiatives significantly improve operational efficiency and business sustainability. The study suggested that training in modern business practices and financial management is crucial for rural traders.
4. **RBI (2021)** highlighted that limited access to institutional credit and dependence on informal lending sources restrict the growth potential of small traders in rural areas. They recommended improved financial inclusion policies and easier credit access for rural enterprises.

Research Methodology:

This study employs both **primary and secondary research methodologies**:

1. Primary Data Collection: Surveys and structured interviews were conducted with **50 small traders from selected rural areas** to understand

the various problems faced by them in their business activities. In-depth interviews were also conducted with local traders to collect qualitative information related to financial difficulties, marketing issues, infrastructure problems, and government support.

2. Secondary Data Collection: Secondary data were collected from **government reports, UGC publications, research journals, books, articles, and case studies** related to small traders and rural entrepreneurship. This data helped in developing a conceptual framework and supported the analysis of problems faced by small traders in rural regions.

Data Collection:

A. Primary Data Collection:

1. Survey Method:

- **Target Population:** Small traders operating in Pandharpur rural regions, engaged in retail and small-scale trading activities such as grocery shops, kirana stores, vegetable vendors, and other petty businesses.
- **Sampling Method: Stratified random sampling** was adopted to ensure a representative sample of small traders from different rural areas, considering factors such as type of business, size of trading activity, and years of experience.
- **Sample Size:** A total of **50 small traders** were surveyed. This sample size provides a reasonable and focused understanding of the problems faced by small traders in Pandharpur rural regions.

Data Analysis:

The data analysis is based on primary data collected from 50 rural small traders to examine the financial, marketing, and operational problems faced by them. The analysis tables highlight key issues such as lack of capital, dependence on personal savings, intense competition, high operating costs,



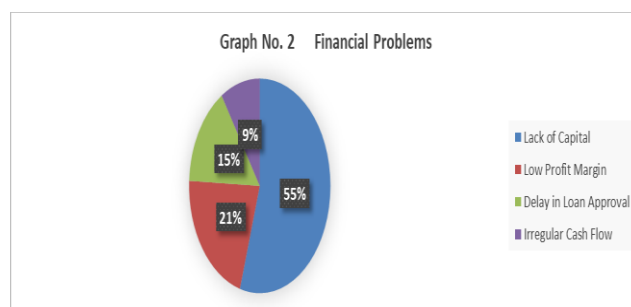
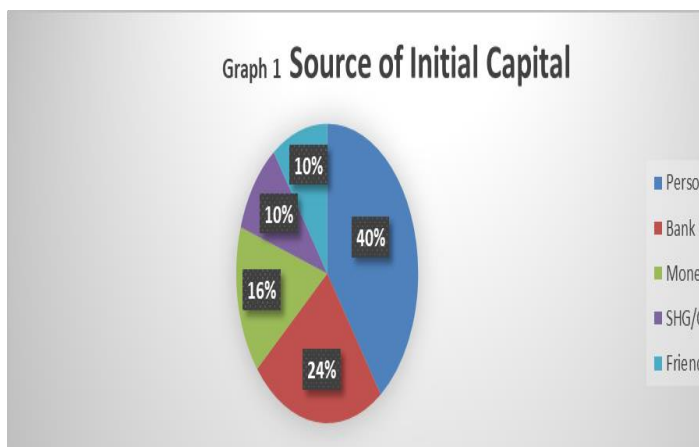
and poor infrastructure, which collectively affect business performance and sustainability. Following are analysis of the questionnaire.

Table No. 1: Source of Initial Capital of Sole Traders

Source of Initial Capital	No. of Traders	Percentage (%)
Personal Savings	20	40%
Bank Loan	12	24%
Money Lender	8	16%
SHG/Cooperative	5	10%
Friends/Relatives	5	10%
Total	50	100%

Table No. 2 Financial Problems Faced by Traders

Financial Problem	No. of Traders	Percentage (%)
Lack of Capital	18	54.55%
Low Profit Margin	7	21.21%
Delay in Loan Approval	5	15.15%
Irregular Cash Flow	3	9.09%
Total	33	100%



The above table shows that 40% of the traders started their business using personal savings. This indicates that most rural traders depend on their own funds due to limited access to formal financial institutions. About 24% of the traders obtained bank loans, which shows that formal credit facilities are available but not widely used.

Around 16% of the traders depend on money lenders, which may increase their financial burden because of high interest rates. Only 10% each raised capital through SHGs/Cooperatives and friends or relatives. Overall, personal savings remain the primary source of initial capital among small traders in the rural region.

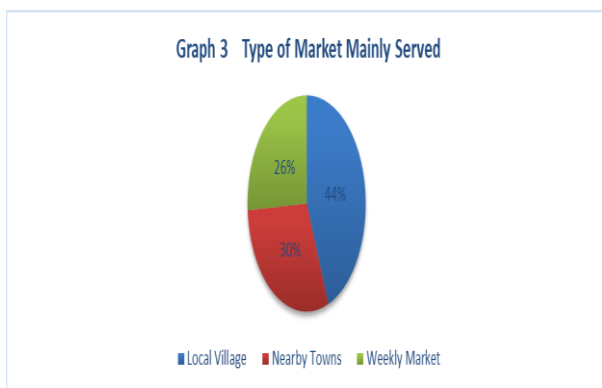
The table reveals that **lack of capital (54.55%)** is the most serious financial problem faced by traders, indicating insufficient funds for daily operations and business expansion. **Low profit margin (21.21%)** is the second major issue, reducing overall business sustainability. **Delay in loan approval (15.15%)** also affects financial planning and timely availability of funds. Additionally, **irregular cash flow (9.09%)** creates liquidity problems and disrupts smooth functioning of business activities.

Table no.3 Type of Market Mainly Served

Type of Market	No. of Traders	Percentage (%)
Local Village	22	44%
Nearby Towns	15	30%
Weekly	13	26%



Market		
Total	50	100%

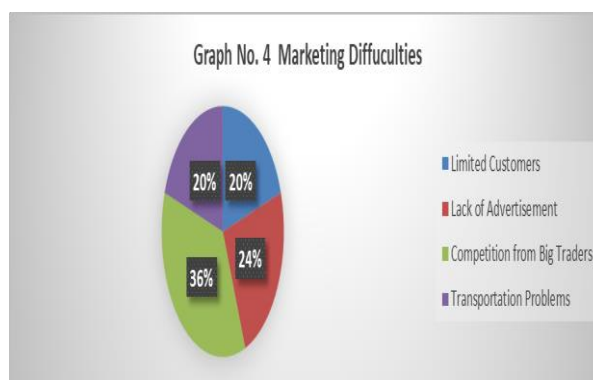


The table reveals that 44% of traders mainly serve the local village market. This shows that most small traders operate within a limited geographical area. About 30% of traders serve nearby towns, indicating some level of market expansion beyond the village.

Around 26% depend on weekly markets for their sales, which means their business activities are limited to specific days. The data clearly indicates that a large number of rural traders have restricted market reach, which may limit their growth opportunities.

Table no.4 Marketing Difficulties Faced By Small Trader

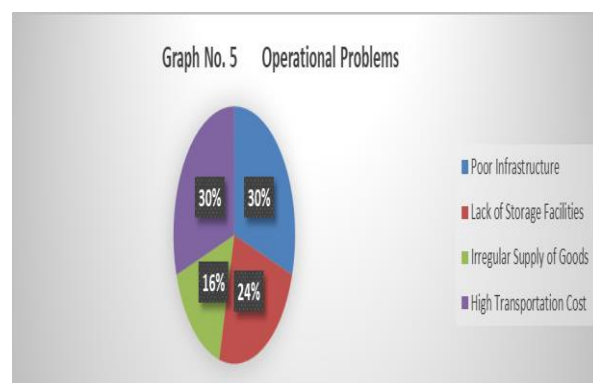
Marketing Problem	No. of Traders	Percentage (%)
Limited Customers	10	20%
Lack of Advertisement	12	24%
Competition from Big Traders	18	36%
Transportation Problems	10	20%
Total	50	100%



The table shows that **competition from big traders (36%)** is the most significant marketing problem faced by rural small traders. This indicates that small traders struggle to compete in terms of price, variety, and brand recognition. **Lack of advertisement (24%)** is another major issue, limiting market awareness and customer reach. **Limited customers (20%)** and **transportation problems (20%)** also affect sales and distribution efficiency.

Table no. 5 Operational Problems Faced By Small traders

Operational Problem	No. of Traders	Percentage (%)
Poor Infrastructure	15	30%
Lack of Storage Facilities	12	24%
Irregular Supply of Goods	8	16%
High Transportation Cost	15	30%
Total	50	100%

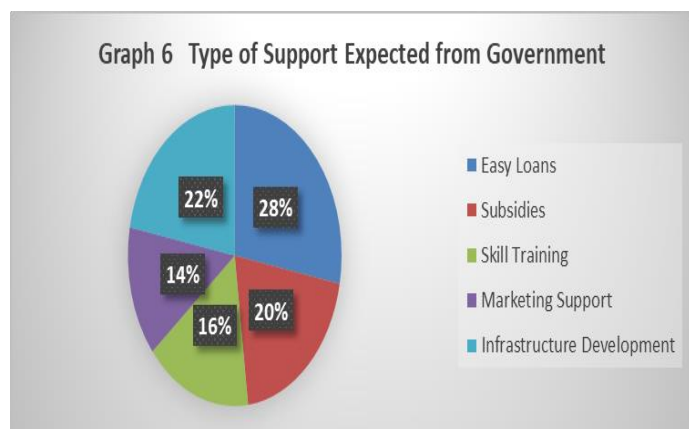




The table indicates that **poor infrastructure (30%)** and **high transportation cost (30%)** are the major operational problems faced by small traders in rural areas. Inadequate roads, electricity, and market facilities increase business difficulties and expenses. **Lack of storage facilities (24%)** also affects the proper maintenance of goods, leading to losses. Additionally, **irregular supply of goods (16%)** disrupts smooth business operations

Table 6 Type of Support Expected from Government

Type of Support	No. of Traders	Percentage (%)
Easy Loans	14	28%
Subsidies	10	20%
Skill Training	8	16%
Marketing Support	7	14%
Infrastructure Development	11	22%
Total	50	100%



The table indicates that 28% of traders expect easy loan facilities from the government. This shows that financial assistance is a major requirement for rural traders. About 22% expect improvement in infrastructure such as roads, electricity, and market facilities.

Around 20% prefer subsidies to reduce their financial burden. Meanwhile, 16% expect skill

training and 14% expect marketing support. This suggests that along with financial help, traders also need infrastructural and developmental support for business growth.

Findings of the Study:

1. A majority (40%) of small traders started their business using personal savings, indicating limited access to institutional finance.
2. Lack of capital (54.55%) is the most serious financial problem affecting business operations and expansion.
3. Most traders (44%) operate mainly in local village markets, showing limited geographical market reach.
4. Competition from big traders (36%) is the biggest marketing challenge faced by small traders.
5. Poor infrastructure and high transportation cost (30% each) are the major operational problems affecting profitability.
6. Easy loan facilities (28%) and infrastructure development (22%) are the most expected forms of government support.

Suggestions

1. Financial institutions should simplify loan procedures and provide low-interest credit facilities to small traders.
2. Government should improve rural infrastructure such as roads, electricity, and market facilities.
3. Skill development and marketing training programs should be organized to enhance business efficiency.
4. Awareness programs about government schemes and subsidies should be conducted regularly.



Conclusion:

The study concludes that small traders in the Pandharpur region face significant financial, marketing, and operational challenges. Dependence on personal savings and the serious issue of capital shortage highlight limited access to formal financial support. Strong competition from large traders and restricted market reach further affect their income and growth opportunities. Operational difficulties such as poor infrastructure and high transportation costs increase business expenses and reduce profitability. The findings also show that traders expect financial assistance and infrastructural development from the government to strengthen their business activities. Therefore, improving credit accessibility, infrastructure facilities, and providing skill development support can play a crucial role in enhancing the sustainability and growth of small traders in the region.

References:

1. Government of India. (2020). *MSME Annual Report*. Ministry of Micro, Small and Medium Enterprises, New Delhi.
2. Reserve Bank of India. (2021). *Report on Trend and Progress of Banking in India*. RBI, Mumbai.
3. Kotler, P. (2017). *Marketing Management*. Pearson Education, New Delhi.
4. Kothari, C. R. (2019). *Research Methodology: Methods and Techniques*. New Age International Publishers, New Delhi.
5. Singh, R., & Sharma, P. (2018). "Problems and Prospects of Small Scale Industries in Rural India." *International Journal of Commerce and Management Research*, 4(2), 45–50.
6. Desai, V. (2016). *Small Scale Industries and Entrepreneurship*. Himalaya Publishing House, Mumbai.
7. World Bank. (2020). *Enhancing Financial Inclusion in Rural Areas*. World Bank Publications.