

An Economic Study on Different Types of Family Business and Livelihood Pattern Analysis in Urban Context, Madurai, Tamil Nadu

Aditi Khan, Saravana Kumar, Bhukya Jitender Kumar

Post Graduate Student, Diploma on Develop Management,
The Dhan Academy, Tamil Nadu, India

ABSTRACT

India takes a big part in family business. Socially and economically both needs are fully controlled and managed by all members of the family. Though it seems very easy but in reality it become difficult when talks about earning more profit, because in family business while taking any decision there is a chance of giving same importance to all members so sometimes it can be against on taking right decision in right time. This study reveals the different livelihood pattern of urban area people in Madurai dist. in terms of family business along with economic transaction. Food sector and shops are the two main sectors as part of this study. Out of total 8 family business including both food and shop sector, 7 are running in profit, but 2nd pretty shop is going in loss because of whatever they earn they just spend it and when they fall in deficit situation without thinking about permanent solution just go for additional livelihood for few days and when again situation become normal they forget everything and dealing life as usual without thinking about future. Another side though other 7 families are running in profit but still more improvement is needed to increase the profit margin and make it sustainable. Taking credit and fulfilling current deficit can't be a permanent solution, what are the ways of using money and managing livelihood is the main key factor of increasing the growth of family business, which can be increased through awareness programme. Another side it can says that family business is a place where people can share their opinion for stretching their business, collaboration and unity among members and work distribution will also be present here that is very much important to keep the house financially and mentally in higher position and along with this family will get enough time for social recreation also which is very much needed to maintain a healthy relationship with society.

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KEYWORDS: Economic transaction, livelihood, Family business

INTRODUCTION

Family Business:

It is a business where two or more family members are involved and the majority of ownership or control lies within the family, is called family business.

Family Management:

Family management defines that the family socially and economically all needs is becoming fulfill by all the members and they are capable of overcoming vulnerable condition and cope up with new situation.

Rationality:

Though family business is less risk taking but according to the researcher understanding ever-changing complexity and dynamics of a family business is becoming more difficult. Another side many times entrepreneurs often deal with situation without doing proper plan which increase the complexity as well as they loss the proper use of the market opportunities. So the creation of sustainable long term family income source present and future generation is very much necessary.

In urban area there are different types of livelihood, likewise Madurai also have different livelihood opportunity. Whoever can grab that opportunity they only can earn more money and it is not only opportunity, understanding marketing strategy and cope up with this according to the time is also one of the important thing. As the part of this study there are total two sectors: food sector and shops. Again it can be divided into total 8 categories sub sector like, Panipuri shop, small hotel, vegetable vender, department shop, 2 petty shop, stationary shop including department shop, dairy shop. If they are engaged in the other's livelihood as a labor, then they have to work for the whole day without any relaxation. This situation made those families to choose these livelihoods and to have upper hand in attending the social obligation and to hold the social relationship and to have some leisure time in their life.

Objective of study:

- To understand the family business and its marketing strategy.

- Understanding the potentiality of family business to scale up the family income in long term basis in urban context.
- What are the gap in family business and find the appropriate strategy for its sustainability.
- Scope of micro finance and institutional development in family business.
- To assess what are the vulnerabilities and how they cope up with the different situations.

Methodology:**Research Unit:**

One single family will be taken, where more than one family member will link with family business and depth analysis will be done of that family.

Methodology:

RLS Mandala will be used as a tool for analysis the particular family business livelihood of particular family.

1. Personal Interview of a family
2. Focused Group Discussion

Respondents- Shop owner, Consumer

Individual Orientation e.g., vision, aspirations, aim, goal.	Family Orientation e.g., ancestors, caste, social status, value	Collective Orientation e.g., religion, tradition, education
Inner Human Space e.g., integrity, identity, self shness/ compassion	Family Space eg: gender, solidarity, relations.	Socio-economic Space e.g., systems of co-operation, community, organization
Emotional Base e.g., memories, attachments	Knowledge and Activity Base e.g., technology, experience, skills	Physical Base e.g., natural resources, assets

Figure1 RLS Mandela Livelihood Mode

Result and Discussion

Food Sector Livelihood: Food sector in the urban livelihood is making a good amount of gross profit. From this study, it was found that the magnitude of earning profit (Income: Expenditure) varies depending on the livelihood that the families are engaged and the risk that they are taking for their livelihood. The ratio of income and expenditure of different livelihoods are Shop: 1.5, Dairy: 2.49 and Hotel: 2.6.

Mahamayi Chinnachamy has chosen the livelihood Panipuri on the insisting of her brother's idea. She started this livelihood 5 year before and now all the persons in the family (Herself, Daughter and Son) except her husband are engaged in this livelihood. She starts her work by afternoon 2pm and then she finishes the post preparation of all the items by evening 5pm and then their children take all the materials that was prepared by the mother and then they will stand the stall by evening 6PM in Theppakulam near Thaiyagaraja College of Arts. Then in the middle by the time of 7 to 7.30PM, she will join with them and continue up to 11 pm. This livelihood income is taking care of all the expenses for their family and as an additional occupation her husband is working in rice mill whose total income is going to the savings account. According to her this was one of the best strategies to have something to manage during the risky timing. Another side Vairavel family is linking with the dairy farming where there is a big fluctuation in the income cycle. Some of the month they go through profit and the remaining months they had deficit, that compel them to take credit. This situation came because of the poor management in the handling of the cow, where she has the three cow that become pregnant at the same time and middle man also taking a huge profit margin by receiving the milk at Rs.27/liter from the families and selling at Rs. 48 to 50/liter (depending on the market). Immediately there is a need of changes in managing the cows in the sense rotation of the lactation period. Instead of selling milk to the middle man, they can sell the milk to the Kalanjiam members in the Madurai vattara Kalanjiam either in one or two clusters, which will give them a high return than giving milk to the middle man. Before 7 years ago Selvi worked in a hotel with her cousin brother but because of reducing some work load

and increasing few more income with food security before 3 years ago She opened a new hotel where her family members also the copartners of this hotel business. This livelihood gives her better lifestyle where there is some place of leisure time with flexibility to attend the social obligation. All the three families are linked with the Kalanjiam Community Banking Programme, this reflects that they are linked with saving and credit system but the condition of the dairy farming family is poor compared to the other livelihood in this sector because of risk and the poor management of handling the cows. In a year, this family goes more time credit, and because of surplus in few months somehow they manage their condition.

Service Sector livelihood (Shops)

Vegetable Vendor: In this livelihood there all the members are engaged. Husband used to get the vegetables from the wholesale in morning and it will be sold to the street dwellers in the afternoon and in evening. They have their additional livelihood as milk packet selling, in this the family can able to sell around 50 Liters and per liter they can get 1 rupee. This family is rearing two goats which were feed by vegetable wastages that were generated from the vegetable vendor livelihood. This is one of the excellent measures which were taken by the family to overcome the risk and at the same time to use the resource that is available with them. Husband will collect the vegetables from the wholesale shop and bring here because the opportunity cost is around 200rs/day, which is not coming into the consideration when the family is realizing the profit. This family's next aspiration is to build a stall, but the entry cost is huge and they are bounded by the competitors.

Petty shop is a four-year shop which is having an income of 200rs per day. Their working capital will be around 3500 – 4000 worth of goods. She and her son used to maintain this shop. Her son is also employed in a private company where his earning is 8000rs/month. This shop has its market with a confined boundary and they have many competitors after that boundary. They have the profit margin of 250-300 Rs/day. Now their shop needs a labour to manage because,

she (owner) can't able to manage alone. If a labour is employed, then the total profit margin which was realized by the shop will be given to the labour which is not viable. She has this shop because it is giving a certain income and then she has her flexibility to attend the social obligation and she is using this as a tool to hold the customers as a relation for the betterment of her business. Another petty shop is running on loss, but the family is not realizing that they are incurring the loss because of the additional that they are getting from their son and daughter. All people in this family are generating income, which is supporting the family to meet the expenses. Per day 200 worth of goods they will buy and then they will maintain and sell. This shop is mainly they have to satisfy the daily expenses, and the other family member's income is to be saved. This was their plan. Instead of that, they are running the business by using the hard earned money of their children. Even some of the times, family realizes that there is a deficit in their business, for that, Husband will do another additional livelihood. He used to collect the newspaper from different household and then he used to sale it for the scrap value. Family who are linked with stationery and Departmental shop the invested the initial amount of Rs.20000 rupees 15 years before for the Department shop. For this livelihood, 4 persons in the family are engaged. The gross income per day for the department

store is Rs.4000-5000 and for the stationery shop it is 1000 Rs/day. Stationery shop was 4 years old. Before there was a stationery shop which was maintained by someone, while they left that place she grabbed the opportunity and opened the same kind of shop. She felt that, there is a demand for stationery shop which can be used for their business. She was doing the additional livelihood like weaving, but later onwards she left that. The family's next aspiration is to scale up the business like whole sale instead of selling directly to the customers. Another side towel manufacturing business holding family started their business then the women of the family took up the lead for running and maintaining this business. Her husband's primary occupation is driving. This shop is a manufacturing unit where they will get orders for the towel from different companies. All the raw materials will be given by the companies those who are giving orders. Value addition will be taken care by herself and her employees. In their manufacturing unit they have 8 power machines and the initial cost is Rs. 100000. 7 members are employed. The bonding between herself and her employee was quite good. Three days once, this production unit can do 600 dozen. Now they are planning to diversify the products like night dress for women and others. This business is earning a profit of 15000 Rs/Month.

Sector	Sl. no	Name of the livelihood	Annual Income	Annual Expenditure	Profit / (Loss)
Food Sector	1	Panipuri	450000	300000	150000
	2	Dairy	182250	73000	109250
	3	Hotel	600000	225000	375000
Shops	4	Vegetable vendor	286000	234000	52000
	5	Petty Shop (1)	182000	156000	26000
	6	Petty Shop (2)	120000	150000	-30000
	7	Stationery and departmental	700000	312000	388000
	8	Towel	420000	240000	180000

Conclusion:

Through this survey it is known that except 2nd petty shop all are in profit, after starting the family business they can manage their situation because in family business every member are involved in their work, work load is also distributed among all, if business is going to be loss all member of family will together give their effort to revive it. It is the place where people can share their opinion for stretching their business, collaboration and unity among members will also be present there that is very much important to keep the house financially and mentally in higher position. But still there is a lot of scope to improve their business. Each family is losing their opportunity cost to get the profit margin. Each family is engaged in this kind of

livelihood majorly to have flexibility in their timing of doing the livelihood and also to attend the social obligation to withhold the relationship with the neighbors and the other relatives. In Dairy farming it may be looking like they are realizing profit but the poor practices of dairy farming can be seen in that family, where at a time three cows are pregnant. This implies that the three cows will reach the dry period at the same time. During that time, the family has a huge demand for the money or credit to meet their daily expenses of the family. Still they are not realizing that, how they are managing the family during this draught period. Likewise, there are some unawareness needs to lure out, then only this kind of family urban livelihood can give a meaningful income to the whole family.