

The objectives of the independent study were to study problems of traditional retailers and influences of different types of modern retailers on the traditional retailers and strategic adjustments of the traditional retailers in Lampang Municipality, Lampang province. This study conducted in-depth interviews of 20 traditional retailing entrepreneurs.

The study of external environmental factors which are opportunities of the traditional retailers are as follow. Small and medium-sized products which are low-priced are in high-demand. There is a protest against modern trade which are the traditional retailers' competitors. There are clients who prefer services from the traditional retailers. In addition, the traditional retailers can buy from many local wholesalers.

The external environmental factors which are threats to the traditional retailers are as follow. Economic recession has caused a decrease in purchasing power. Retail and wholesale trade law gives the competitive advantage to foreign entrepreneurs. The government increases business tax rates and delays its helping measures. Consumers have changed their behaviors and life styles, and have attitudes in favor of services of the modern retailers. The modern retailers use various types of new technology to increase their operating efficiency. The traditional retailers are

competing with many competitors and cannot ward off the entry of new competitors. Customers can substitute the services of the traditional retailers by using services from the modern retailers. Furthermore, consumers and suppliers have more bargaining power.

The study of internal environmental factors which are strengths of the traditional retailers are as follow. They have a good location which is close to communities and consumers. The entrepreneurs manage and operate their businesses on their own so that they can offer fast services and problem-solving solutions. The entrepreneurs can remember their customers profiles without written customer database. Weaknesses of the traditional retailers are to compete with the modern retailers for the same target customers. The traditional retailers do not offer various kinds of goods and services. Prices are higher than modern retailers. Stores are not modernly decorated. New technology is not used in operating their businesses. Consumers cannot shop conveniently. Capital is limited and the stores expansion and adjustments are not easily done. Besides, there are no sales promotion and marketing research.

The traditional retailers face many problems. They cannot use low-price strategy, all year round advertising and sales promotion. There are not various kinds of products, various service centers, or modern technology. Capital is limited while operating costs are high. The entrepreneurs do not understand modern management. The government delays their helping hands. Consumer behavior and attitudes towards more services are favorable to the modern retailers. The consequences were decreased sales, working capital, and inventory.

According to TOWS matrix, the traditional retailers should reduce weaknesses and take opportunities by using adjustment strategies. Those strategies are selling small and medium-sized products which are lower-priced, buying products in volume that will not be left as high inventory to reduce storing costs. Besides, the traditional retailers should display products in separate categories, make the stores attractive to consumers, have sales promotion and use simple modern technology. The traditional retailers should avoid threats and use their strengths in implementing the strategic adjustments such as penetrating a niche market with good services and joining a retail trade entrepreneur association to build negotiation power and make proposals to the government for help.