

# Investment and profit margins of boutiques run by the women entrepreneurs in Punjab

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■ **ABSTRACT** : Entrepreneurship is a multidimensional challenging task that involves mobilizing resources and combining them to initiate action in the production and thereby profitable returns. The present study was planned with the objective to investigate the investment and profit margins of the boutiques run by women entrepreneurs in Punjab. A total of 200 respondents running boutiques from houses and shops in four cities of Punjab (Ludhiana, Jalandhar, Amritsar and Patiala) were included to extract the relevant information by an interview schedule. The information regarding the investment, income and profit margins of women running boutiques was thus worked out. Majority of the women (33.5 %) started their boutique with initial investment of Rs. 50,000-1,00,000 followed by 26 per cent who made an initial investment between Rs. 1,00,000-1,50,000. Over and above the initial investment, 24 per cent of the respondents invested below Rs. 10,000 followed by 20.5 per cent who made an investment between Rs. 20,000 - 30,000 per annum. Out of 200 respondents, 86.5 per cent used their own family resources for setting up their boutiques. Majority of women operating boutiques from shops earned Rs. 30,000-40,000 (30%) while the women operating boutiques from houses earned Rs. 20,000-30,000 (24%), per month. Forty one per cent of boutiques had profit margins from 20-30 per cent on their products and minimum profit margin was of 10 per cent. The average per month income earned from the boutiques came out to be Rs. 37,080 in case of boutiques operating from shops as compared to Rs. 29,900 for the boutiques operating from houses.

■ **KEY WORDS** : Entrepreneurship, Boutique, Investment, Income, Profit

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In the Indian socio-economic context income assumes great significance for women. There are number of enterprises which are being run by women entrepreneurs successfully. The market of readymade garments is flourishing in India. With such a boom in the market of ready-mades, came up the idea of boutiques in 1980s. 'Boutique' is a French word and has been defined as "a chic little store" selling smart or fashionable clothes and accessories. The boutiques are catering to the needs of lower and upper middle class customers and with varying profit margins. Hence, the study was planned to know the investment and profit margins of women entrepreneurs running boutiques in Punjab.

## ■ RESEARCH METHODS

The present study was conducted on 200 respondents

running boutiques from houses and shops in four cities of Punjab (Ludhiana, Jalandhar, Amritsar and Patiala). The respondents were selected purposively by using snowball sampling technique from selected cities. The relevant information regarding the investment, income and profit margins of the women entrepreneurs was collected by an interview schedule. The data were tabulated and analysed by using frequencies, percentages, t-value, Z- test and x<sup>2</sup> value.

## ■ RESEARCH FINDINGS AND DISCUSSION

Table 1 shows that 33.5 per cent of respondents started their boutique with initial investment of Rs. 50,000-1,00,000 followed by 26 per cent with an initial investment between Rs. 1,00,000-1,50,000. Only 13 per cent of the respondents invested more than Rs. 2 lacs to start their enterprise. The

average initial investment was found to be significantly higher on boutiques operating from shops than on those operating from houses as indicated by t-value 7.10 which was found to be significant at 1 per cent level. The high investment may be due to the higher infrastructure required on shops as compared to the boutiques at household level. The results are in line with those of Seth (2002).

Regarding per annum investment in the boutiques, 24 per cent of the respondents invested below Rs. 10,000 followed by 20.5 per cent with an investment between Rs. 20,000 - 30,000 and 16 per cent invested between Rs. 30,000-40,000. The average annual investment came out to be at par in both the groups of boutiques.

Table 2 depicts the income of the respondents from their boutiques. Majority of the women (30%) operating boutiques from shops earned Rs.30,000-40,000 followed by Rs. 40,000-50,000 (25%), above Rs. 50,000 (17%) and 20,000-30,000 (13%)

per month . On the other side, women operating boutiques from houses earned Rs. 20,000-30,000 (24%), followed by Rs. 30,000-40,000 (21%), Rs.10,000-20,000 (19%) and Rs. 40,000-50,000 (14%) per month. The average income earned from the boutiques came out to be Rs.37,080 in case of boutiques operating from shops, which was significantly higher than the boutiques operating from houses (Rs. 29,900). The results are parallel with the findings of Sharma and Batish (2000) who also revealed that women entrepreneurs earned good amount of income after involving themselves in business activities.

The profit margin was taken as the percentage of profit obtained from the sale of articles after meeting the cost price. Forty one per cent of boutiques had profit margins on their products from 20-30 per cent followed by 36 per cent of the boutique owners who had profit between 30-40 per cent. Ten per cent of the boutiques reported that they were working on 10-20 per cent profit margins, while as small as 5 per cent were

**Table 1: Distribution of respondents according to initial amount invested for starting the boutiques**

(n =200)

Amount (Rs.)	Boutiques operating from shops (100)		Boutiques operating from houses (100)		Overall boutiques (200)	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Below 50,000	-	-	35	35.0	35	17.5
50,000-1,00,000	28	28.0	39	39.0	67	33.5
1,00,000-1,50,000	36	36.0	16	16.0	52	26.0
1,50,000-2,00,000	23	23.0	10	10.0	33	16.5
Above 2,00,000	13	13.0	-	-	13	6.5
Mean	1,35,500		77,250		1,06,375	

\*\*\*, \*\* and \* indicate significance of values at p=0.01, 0.05 and 0.1, respectively

t value = 7.16\*\*\*

NS - Non-significant

**Table 2 : Distribution of respondents according to their income earned from the boutiques**

(n=200)

Personal monthly income (Rs.)	Boutiques operating from shops (100)		Boutiques operating from houses (100)		Overall boutiques (200)	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Below 10,000	4	4.0	9	9.0	13	6.5
10,000-20,000	11	11.0	19	19.0	30	15.0
20,000-30,000	13	13.0	24	24.0	37	18.5
30,000-40,000	30	30.0	21	21.0	51	25.5
40,000-50,000	25	25.0	14	14.0	39	19.5
Above 50,000	17	17.0	13	13.0	30	15.0
Mean	37080		29900		31990	

\*\*\*, \*\* and \* indicate significance of values at p=0.01, 0.05 and 0.1, respectively

t-value = 5.63\*\*\*

NS - Non-significant

**Table 3 : Distribution of respondents according to percentage of profit margins in boutique boutiques**

(n=200)

Percentage of profit margins (%)	Boutiques operating from shops (100)		Boutiques operating from houses (100)		Overall boutiques (200)	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
0-10	4	4.0	6	6.0	10	5.0
10-20	8	8.0	12	12.0	20	10.0
20-30	44	44.0	38	38.0	82	41.0
30-40	38	38.0	34	34.0	72	36.0
40-50	9	9.0	7	7.0	16	8.0

\*\*\*, \*\* and \* indicate significance of values at p=0.01, 0.05 and 0.1, respectively

$\chi^2$ -value = 1.93<sup>NS</sup>

NS - Non-significant

able to earn profit up to 10 per cent only. The results are in line with those of Katoch (2009).

**Conclusion :**

The information regarding the initial amount invested and profit margins earned by the respondents will provide an insight to start a boutique as an successful enterprise.

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