Chapter III

HISTORICAL PERSPECTIVE

3.1 Introduction

It would be appropriate to have an overview of the historical perspective of the subject under study. In the following pages the evolution of Marketing, Retailing, Direct Marketing and Home delivery are dealt with in detail.

3.2 Evolution of Marketing

Modern marketing has deep roots in history. It is stated that marketing is as old as man. Archeologists and historians on the basis of their respective evidences, find its origin in the Eastern civilizations of the third millennium B.C. They also claim that the silent barter system of trade, which prevailed among the ancient illiterate nomadic tribes, has to be assumed as the first form of modern trade. With the introduction of 'Barter Exchange' market activity started functioning. But the marketing has seen the light of the day only in early part of the 20th century: It has passed through many phases and is aiming to attain new heights. Different stages in the evolution of marketing is summarised as follows:-
THE STAGE OF BARTER

In the prehistoric times individuals gathered nuts and berries captured small animals, caught fish and the like. As time passed, people learned how to grow their own vegetables and grain and they raised some animals for their food as well.

People concentrated on producing those items they could produce best. As a result of division of labour and specialisation, there was over-production of some commodities and under-production of some others. People found it beneficial to exchange goods for goods. The next step in barter economy was the emergence of small merchants. Because of the advantages of division of labour, small manufacturers began to produce goods in which they were specialists, in large quantities with a view to exchange at a later date or in anticipation of future demand. Consequently there developed a group of people called merchants-middlemen-who becomes a link between the producers and the consumers. These middlemen established trading centers to facilitate communication, and making goods available to the consumers in different parts of the country and in foreign countries also.

THE STAGE OF MONEY ECONOMY

The invention of money as a medium of exchange enhanced the marketing process. In the earlier barter economy, goods were exchanged for goods. This produced several problems. All most all of the problems of the barter economy were adequately solved by using money as a medium of exchange and pricing became the chief mechanism of marketing.
THE PRODUCTION ORIENTATION STAGE

This stage started about 1850 and ended somewhere in the first quarter of the twentieth century. Far-reaching changes took place in this stage. The Industrial Revolution bore the germ of a new system. It introduced new products, new systems of manufacture, and new modes of transportation and methods of communication and brought about sweeping changes in the physical and economic environment of man. Mass production became the order of the day. A variety of low priced goods became available in great abundance. The Industrial Revolution also generated the income revolution, giving a great deal of disposable income to a large mass of people. And it was this income generation that sustained the mass production and mass distribution unleashed by the Industrial Revolution.

The development of the heavy industries such as iron and coal, the availability of steam power to drive machinery, the greater use of machines in all industries, particularly textiles, and the equally dramatic developments in communications, transport, agriculture and commerce transformed the economy, resulted in the growth of the factory system and saw the migration of the population from the countryside to the new industrial towns. During this period trade flourished, but because consumption had now become more dispersed over greater geographical distances, producers no longer had immediate contact with their markets. In order for producers to be able to manufacture goods and services that would sell in such markets, it became necessary for them to analyze carefully and interpret the needs and wants of customers and to manufacture products that would 'fit in' with those needs and
wants. This period also saw advancements in production techniques based on job specialization and the division of labour."

Manufacturers were in a suppliers' market and were faced with a virtually insatiable demand for goods and services. Firms concentrated on production and productive efficiency in order to bring down costs. Product decisions were taken first and foremost with production implications in mind. Firms tended to manufacture and offer products that they were good at producing, with customers' requirements and satisfactions given only a secondary importance. Firms tended to be 'production-oriented', and the man in charge of production man was the most important person in the organization, as it was thought that he held the key to the firm's prosperity. This production mentality was a workable philosophy as long as a sellers' market existed.

**THE SALES ORIENTATION**

The selling concept assumes that consumers will not buy enough of the company's products as long as they are not approached through intensive sales promotion, advertising and salesmanship efforts. Such a marketing concept points out that goods are not bought but they have to be sold with the help of salesmanship advertising and publicity. Managers began to realize that to sell their products in an environment where consumers had the opportunity to choose from among many alternatives required substantial promotional effort. Thus, the sales orientation stage was characterised by a heavy reliance on promotional activity to sell the products the firm wanted to make. In this stage,
selling related activities and sales executives began to gain respect and responsibility from company management.

THE CONSUMER ORIENTATION

In the 1950s firms found that a selling orientation would work for a short time, but then customers began to balk at hard-sell techniques. Thus, the consumer orientation began to take hold. The adoption of a consumer orientation made sense: It showed management a way to stay afloat and even slip ahead of competitors in the changing economy, and it elevated marketing's role in the organization. Marketers were encouraged to do consumer research and segment markets, to assist in tailoring products to the needs of different consumer groups, and to do a better job of designing marketing messages that communicated the product's benefits to picky consumers. In essence, the marketing concept, the idea that an organization can ensure its future by identifying and satisfying consumer needs, was born.

THE NEW ERA ORIENTATION

Yet another fundamental change in marketing is occurring in the 1990s as the search for long-term growth continues. While the customer is still king, many of today's forward-thinking organizations are seeing their commitment to quality as more than simply satisfying consumer's needs. A New Era orientation to marketing decision-making means a devotion to excellence in designing and producing products, as well as creating products that benefit the customer plus the firm's employees, shareholders, and fellow citizens. One outgrowth of this new way of thinking is the focus on relationship marketing.
and another is the emphasis on social marketing which includes effort to promote consumer's health, safety, and social well-being."

3.3 EVOLUTION OF MARKETING IN INDIA

Even though there was well developed marketing mechanism in ancient period, modern marketing has a very recent origin in our country. Due to the long colonial rule and the resultant market for the manufactured goods of the rulers there was slow industrial growth during the pre independence period. After independence it was the government that decided what had to be produced and how much. When the government initiated its first five-year plan, the country had to import almost everything and hence the focus was on creating a manufacturing base in the core sector and also in other areas. Demand for most products was much higher and the Indian market until the late 1970s was a picture of contrast - on the one hand there were queues outside shops to get basic products like coal, gas, kerosene and even candles, matches and textiles, while the small middle and upper income class consumer had to wait for as long as nine to ten years to get a new vehicle or else to buy it at a premium.

In the 1970s, the scenario started changing, as the domestic firms were allowed to enter many sectors. Further, there was the emergence of the post-independence educated middle class consumer. They had been educated in English medium schools and colleges in the country or abroad. These young people were more aware, had disposable incomes in their hands and were fast accepting international life-styles.
The 1980s was a decade that marked major changes in the Indian market. For one, the size of the middle class consumer now expanded and by the end of the decade almost 52% of urban households were categorised as middle class consumers. Production was at full swing and the Indian industry offered employment opportunities to the educated class. Nuclear and stand-alone families were now the order of the day. Dual income families with both husband and wife working were now gradually becoming universal because of remarkable advancement of education imparted to women. Demand was no more concentrated in the urban markets. Even in the rural areas, the customer was now demanding urban products mainly because they now had more disposable income. The green revolution and the white revolution (milk production) had changed the rural scenario.

It will not be out of place to say that 1990s is the information era. Cable Television, satellite and dish antennae have changed the Indian market in such a large measure that it became difficult to even believe that it was the same market of the 1980s. International news agencies like CNN and BBC now made it possible for Indian masses to know about a global event just when it occurred.

The government opened the doors of the Indian economy to foreign private investment, largely in response to post cold-war era, the disintegration of the Soviet Union, the collapse of communism and nearer to home the critical balance of payment situation. The government now asked Indian firms to "compete, "evolve your strategies in your board room", "let your customer determine your worth". Retailing was also undergoing a change. More chain
stores and large retail outlets with an attractive ambience started in the Indian markets. The wholesaler and stockists came to have more options. Their warehouses are full of almost every consumer product targeted at different market segments. The control of the Indian manufacturer over the Indian market started to dwindle.

The changes in the Indian market now pose newer threats to Indian firms. Marketing now comes into full play. Product management is now performing its destined or defined role of managing existing products, developing new products, determining prices and promotion strategies as also carving out new market niches. The strategic role of the product manager is now being realised.

**Marketing Milestones**

<table>
<thead>
<tr>
<th>Year</th>
<th>Marketing Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1955</td>
<td>Ray Kroc opens his first McDonald's Marlboro Man makes his debut.</td>
</tr>
<tr>
<td>1956</td>
<td>Lever Brothers launches Whisk, America's first liquid laundry detergent.</td>
</tr>
<tr>
<td>1957</td>
<td>Ford rolls out Esdel, loses more than $250 million in two years.</td>
</tr>
<tr>
<td>1959</td>
<td>Mattel introduces Barbie.</td>
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<tr>
<td>1960</td>
<td>The FDA approves Searle's Enovid as the first oral contraceptive.</td>
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<tr>
<td>1961</td>
<td>Procter &amp; Gamble launches Fampers.</td>
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<tr>
<td>1962</td>
<td>Wal-Mart, Kmart, Target, and Wool co open their doors.</td>
</tr>
<tr>
<td>1963</td>
<td>The Pepsi Generation kicks off the cola wars.</td>
</tr>
<tr>
<td>1964</td>
<td>Blue Ribbon Sports (Nike) ships its first shoes. Ford launches the Mustang.</td>
</tr>
<tr>
<td>1965</td>
<td>Donald Fisher opens The Gap, a jeans-only store in San Francisco.</td>
</tr>
<tr>
<td>Year</td>
<td>Event</td>
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<tr>
<td>1971</td>
<td>Cigarette advertising is banned on radio and television.</td>
</tr>
<tr>
<td>1973</td>
<td>Federal Express begins overnight delivery services.</td>
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<tr>
<td>1976</td>
<td>Sol Prices opens first warehouse club store in San Diego.</td>
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<tr>
<td>1980</td>
<td>Ted Turner creates CNN.</td>
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<tr>
<td>1981</td>
<td>MTV begins.</td>
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<tr>
<td>1982</td>
<td>Gannett launches USA Today.</td>
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<tr>
<td>1983</td>
<td>Chrysler introduces minivan.</td>
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<tr>
<td>1985</td>
<td>New Coke is launched; Old Coke is brought back seventy-nine days later.</td>
</tr>
<tr>
<td>1990</td>
<td>Saturn, GM's first new car division since 1919, rolls out its first car.</td>
</tr>
<tr>
<td>1993</td>
<td>Phillip Morris reduces price of Marlboros by forty cents a pack, loses $13.4 billion in stock market value in one day.</td>
</tr>
<tr>
<td>1994</td>
<td>In largest switch in ad history, IBM yanks its business from scores of agencies worldwide and hands its entire account to Ogilvy &amp; Mather.</td>
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</tbody>
</table>

**Exhibit E.1**


### 3.4 Evolution of Retailing

Customer satisfaction is the pivot of marketing management. The proposals that "firms exist to make profits" or "firms exist to create and protect jobs" or "firms exist to service" will materialise only when the "firms exist primarily to satisfy customer needs." Distribution is one of ingredients of marketing mix. The other variables of the mix are product, price and promotion. It is through careful planning of distribution that a manufacturer
interacts with the present and future customers of his products. The term channel is derived from the French word "canal" means pathway.

The channel of distribution includes the manufacturer, ultimate consumer and all intermediaries. The marketing people are called middlemen. When the manufacturer establishes his own shops or agencies for distributing the products, the distribution is said to be direct. It is considered as indirect when distribution of goods is done through wholesaler, retailer or special middleman. We can define formally the distribution channel as the set of marketing institutions participating in the marketing activities involved in the movement or the flow of goods or services from the primary producer to the ultimate consumer.

Wholesalers are the most hated lot in the distribution channel, and there is always a cry to eliminate them. Mass retailing has succeeded, to a certain extent, in reducing the importance of wholesalers, but still they as a whole, continue to exercise their influence on the distribution channel. Wholesaling covers all sales made to any buyer who is not an ultimate consumer, who consumes the product personally and in a non-business way. The purpose for which a product is bought determines whether it is a wholesale transaction or a retail one.

The word 'Retail' is derived from a French word with the prefix re and the verb tailer meaning, "to cut again". Evidently, retail trade is one that cuts off smaller portions from large lumps of goods. It is a process through which goods are transported to final consumers. Retailer performs many marketing
activities such as buying, selling grading risk taking and developing information about customers wants. According to American Marketing Association "retailing consists of the activities involved in selling directly to the ultimate consumer for personal non-business use". The retailers are the sources of supply to the consumers. To the producers they constitute an outlet for their product. Retailing is a trading activity directly related to the sale of goods or services to ultimate consumer for personal, non-business use. A retailer is the last middleman in the machinery of distribution and he is responsible to satisfy recurrent wants of consumers. Retail trade is selling of varied goods in small quantities to the final consumer. There are three distinguishing features of retail trade. The retailer deals in small quantities and his business is usually local in character. Secondly, retail trade always shows tendency towards variety, as it has to satisfy innumerable wants of consumers. A specialized retail shop is an exception. Thirdly, a retailer, by operating in a local market, sells his wares directly to consumers. Manufactured goods are worthless until they pass the acid-test of retail distribution. The retailer alone can offer safe and reliable goods to consumers.

An early form of retailing was peddling. In rural areas, peddlers traveled house-to-house carrying lines of merchandise such as cooking utensils and sewing materials. This is how Kaufmann's Department Store was started in western Pennsylvania. After three years of peddling notions, Jacob Kaufmann opened a 17-by-28 foot store in Pittsburgh.
Retail Trade Organisations

Small / Medium Size Retailers
1. Mobile Retailers
   Hawkers, Pedlars
   payment sellers.
2. Neighbourhood convenience Stores
3. Speciality Stores

Large-Scale Retailers
1. Super Markets.
2. Combination Stores
3. Department Stores
4. Chain Stores and Multiple Shops
5. Hypermarkets.
6. Discount Stores
7. Retail Catalogue Showrooms.
8. Manufacturer's Showrooms

Consumer Co-operatives
1. Co-operative Stores
2. Supermarkets and Super Bazars.
5. Apana Bazars.

Direct Marketing Channel-less Retailing
1. In home selling (House-to-house Canvassing).
2. Telemarketing
5. Vending Machines
6. Order-Placing Machines.

Nation-wide Public Distribution System and fair price shops all over India.

Note: Now we are having in all bigger cities posh and big retail stores offering wide variety of semi-luxury goods on par with their counterparts abroad.

Exhibit E.2

Source: S.A. Sherlekar “Marketing Management”
The original business focused on men’s tailoring, but soon Kaufmann expanded his stock to include other products. In 1885, Kaufmann’s opened a much larger store, The Grand Depot, and advertised that it sold “Everything Under the Sun.” More stores followed, and in time the Kaufmann’s chain became one of the two leading department stores in Pittsburgh, with 14 locations occupying 3 million square feet. In developments that represent the continual evolution of retailing, Kaufmann’s is now owned by May Department Stores and has been merged with Sibly’s, a regional chain based in Rochester, New York. Sears, Roebuck & Company is the world’s largest retail business firm (World Book 1999). Wal-Mart has become the world’s largest retailer by delivering on its promise, “We sell for less - always.”

In the barter economy the exchange of goods took place mainly in local markets. Wholesaling, retailing and other activities were centered around these markets. There are many references and evidences in ancient history about these markets. There were even "slave markets" where human beings were bought and sold on the basis of qualities possessed by the slaves. With the invention of money as a medium of exchange and the development of technology, the local markets evolved into national and international markets. Along with this the sphere of marketing and retailing activities were undergoing many changes. The old grocery shops or general stores now turned into the supermarkets and in the international scene to hypermarkets, speciality stores and discount houses.

Retailing which enabled a consumer to satisfy a human want has its humble beginning in the barter system which slowly developed into store
selling passing through the transitional phase of a crude system of home
delivery through hawkers, peddlers etc. Permanent forms of retail outlets are
briefly outlined as follows:

**Supermarket**

A super market is a relatively large, low cost, low-margin, high
volume, self service operation 'designed to serve the consumers total needs
for food laundry and household maintenance products.' According W. Cundiff
and R. Still, "a super market is a large retailing business unit selling mainly
food and grocery items on the basis of the low margin appeal, wide variety
and assortment, self service and heavy emphasis on merchants appeal." Philips
and Duncan define Supermarket as "a departmentalised retail store usually
handling a variety of merchandise and in which the sale of goods much of
which is on a self-service basis, plays a major role". Modern supermarkets
provide all kinds of goods and services, that is it deals in A to Z items.

Supermarkets first appeared in the U.S.A. during the inter-war period.
They appeared on account of the scarcity of high cost of human labour. It is a
depression created phenomenon "Self-service shops were first established in
the united states in the early part of the 20th century. The American merchant
Michael Cullen is credited with originating the first supermarket, which he
called King Kullen, in Jamaica Lang Island in 1930. In 1950's they spread
through out much of Europe and now feature in many countries around the
world."
Important features of a supermarket are self-service, display of merchandise, low price, wide selection, and centrally located with parking facilities. Margin Free Market, speciality Super market controlled by consumer protection and guidance society came into being in Kerala in 1994. The first Margin Free Market in Kerala was opened in Trivandrum in 1994. Today there are more than 220 Margin Free Market functioning in Kerala (as on 15/11/2001).

Department Stores

Department stores usually occupy a predominant position within a town centre or a large out of town shopping mall. They are large and are organised into discrete departments consisting of related product lines, such as sports, ladies' fashions, toys, electrical goods etc. Manor, for example, trade stocks, clothing for all the family, food, cosmetics, entertainment goods, electrical appliances, toys, kitchenware, home furnishing, decorative objects, gifts and accessories, as well as running restaurants in its stores.

Based on the concept of providing whatever the customer possibly needed the department stores not only supplies physical products but also extend services like operating hairdressing and beauty parlors, restaurants, and travel agencies. In some stores, individual departments are treated as business units in their own right. Taking that concept a little further, it is not surprising that concessions or 'stores within a store' have become common. With these a manufacturer or another retail name purchases space within a department
store, paying either a fixed renta' per square meter or a percentage commission on turnover, to set up and operate a distinct trading area of its own.

The department store is not without problems. In the UK, it is under threat from out of town shopping and the general growth of specialist retailers. There are also difficulties with the high cost of city centre location and operation. The department stores' overcome these problems by a concerted effort to improve their purchasing policies, to update their images and provide a higher quality ambience through refurbishment of existing stores, and to locate new stores out of town in retail parks. According to Tordjman (1995), department stores are a stable format in the UK, weak in Italy, dynamic in Spain, declining in France, but are leaders in non-food retailing in Germany.

**Chain Stores**

A Chain Store System consists of four or more stores, which carry the same kind of merchandise, are centrally owned and managed, and usually are supplied from one or more central warehouses. A chain store is one of the retail units in chain-stores system. Chains have been interpreted as a group of stores in the same kind of field business, under one ownership and management, merchandised wholly or largely from central merchandising head quarters and supplied from one or more distributing warehouses or directly from manufacturer or orders placed by the buyers.

**Multiple Shops**

The multiple shops are the retail units with a different variety of goods of an individual manufacturer, for example Bata Shoes and Usha Machines.
The only aim of such an organisation is to specialise in the trading of particular merchandise. Multiple Shops are opened in different cities to compete against departmental stores.

**Variety Stores**

Variety stores are smaller than department stores, and they stock a more limited number of ranges in greater depth. C&A, for example, sells only clothing, but provides a great deal of choice within that limited definition, covering ladies' wear, men's wear, children's clothing, party wear, sportswear, lingerie etc. Some retailers offer all that in the clothing sector, but add extra ranges too. According to Tordjman (1995), variety stores have suffered mixed fortunes across Europe. In the UK it is powerful, in Germany and Italy it is very weak, while in Spain it is marginal and in France declining but stabilising. Variety stores tend to offer limited additional services, with an inclination towards self-service, and centralised cashier points. In that sense, they exist between a department store and a supermarket.

**Hyper Markets**

The Hypermarket is a natural extension of the super market. According to Stanton "super store also called as hyper market is the newest and possibly the toughest innovative competitor of the supermarket". It combines the features of a supermarket and a general merchandise store. It is a very large store. A large area is needed and as such it is situated at the edge or outside the city. It deals in a variety of goods. The self-service method is followed. In France it is known as hypermarket and in Germany it is known as giant store.
It combines supermarket, discount and warehouse retailing principles. "Its product assortment goes beyond routinely purchased goods and includes furniture, heavy and light appliances, clothing items and many other things. Super stores are larger than the conventional supermarket and aim at meeting the consumers total needs for routinely purchased food and noon-food items. Services are also provided like laundry, dry cleans, shoe repair, cheque cashing and bill paying.

**Speciality Store**

It specialises in a single line of goods with a deep assortment to give wider choice to customers. Stores selling ready-made garments, electronic goods, furniture, books, jewellery etc. are speciality stores. There are town center speciality stores and out of town speciality stores. It concentrates on discounted prices and emphasises value for money.

**Convenience Stores**

Convenience stores offer great shopping convenience to customers. They are found near residential areas, fuel stations and other busy street corners. When the consumer has forgotten something from a supermarket or an emergency happens outside normal shopping times, he can easily and conveniently make purchase from these stores. They open long hours and charge higher prices than other stores.

**Discount Clubs**

Discount clubs are rather like cash and carries for the general public, where they can buy in bulk at extremely competitive prices. Discount clubs
do, however, have membership requirements, related to occupation and income. The discount clubs achieve their low prices and competitive edge through minimal service and the negotiation of keen bulk deals with the major manufacturers, beyond anything offered to the established supermarkets.

**Markets**

Most towns have markets, as a last link with an ancient form of retailing. There are now different types of market, not only those selling different kinds of products, but street markets, held on certain days only; permanent markets occupying dedicated sites under cover or in the open; and Sunday markets for more specialised products. Typical market products include fresh food, clothing and house wares. Some goods are down market, but other are simply unusual, for example a craftsman or crafts woman selling items they have made themselves.

**Catalogue Showrooms**

A fairly recent development, catalogue showrooms try to combine the benefits of a high street presence with the best in logistics technology and physical distribution management. The central focus of the showroom is the catalogue, and many copies are displayed around the store as well as being available for the customer to take home for perusing. Some items are on live display, but not the whole product range. The consumer selects from the catalogue, and then goes to a checkout where an assistant inputs the order into the central computer. If the item is immediately available, the cashier takes payment. The consumer then joins a queue at a collection point, while the
purchased product is brought from the warehouse behind the scenes, usually very quickly.

NON-STORE RETAILING

A growing amount of selling to individual consumers is now taking place outside the traditional retailing structures. Non-store selling may involve personal selling, selling to the consumer at home through vending machines.

3.5 Evolution of Direct Marketing

Direct marketing has a long history, dating back to the 15th century when an Italian printer was using it to sell books, coinciding almost with the introduction of printing in Europe. Dr. Johnson in 18th century summed up the essence of advertising and direct marketing in his two statements: 'Promise. Much promise is the soul of advertising.' Consumers are interested in knowing what the product can do for them, rather than what it actually is. Printing and further innovations has given a boost to direct marketing. It has made the mail order catalogues economical. Literacy is a great boon for direct marketers. Kennedy's apt description of advertising as 'salesmanship in print' is equally applicable to direct marketing. Advertising in general and direct marketing in particular must build an added value into the product beyond its physical constituents."

According to the Direct Marketing Association (DMA) "Direct Marketing is an interactive marketing system that uses one or more advertising media to effect a measurable response and/or transaction at any location."

Today, many direct marketers see direct marketing as playing a broader role,
that of building long-term relationship with the customer (direct relationship marketing). Direct marketers occasionally send birthday cards, informational materials, or small premiums to select members in their customer base. Airlines, hotels, and other businesses are building strong customer relationships through frequency award programs (for example, frequent-filer miles) and customer relationship programs.

Sales produced through traditional direct-marketing channels (catalogs, direct mail, and telemarketing) have been growing rapidly. While U.S. retail sales grow around 3% annually, catalog/direct-mail sales are growing at around 7 percent. These sales include sales to the consumer market (50%), business-to-business sales (29%), and fund-raising by charitable institutions (21%). Sales through catalog/direct mail are estimated over $252 billion annually. Per capita annual direct sales are $461.

The extraordinary growth of direct marketing in the consumer market is a response to the marketing reality of the 1990s. Market "demassification" has resulted in an ever-increasing number of market niches with distinct preferences. Consumers are responding favorably to direct marketers' toll-free phone numbers, their willingness to accept telephone orders at night and on weekends, and their commitment to customer service. The growth of 24-hour and 48-hour delivery via Federal Express, Airborne, DHL, and other express carriers has made ordering fast and easy. In addition, many chain stores have dropped slower-moving specialty items (for example, back scratchers), thus creating an opportunity for direct marketers to promote these items directly to interested buyers. Finally, the growth of affordable computer power and
customer databases has enabled direct marketers to single out the best prospects for any product they wish to sell.

Direct mail and telemarketing have also grown rapidly in business-to-business marketing, partly in response to the high and increasing costs of reaching business markets with different media. Clearly, when out-of-town field sales calls cost $250 per contact, they should be made only to high-potential customers and prospects. Lower cost-per-contact media—such as tele-marketing, direct mail, and the newer electronic media prove more cost effective in reaching and selling to more prospective and customers.

Electronic communication and advertising media are showing rapid growth indeed. The creation of the "information super high way" promises to revolutionise commerce. Electronic commerce is the general term for a buying and selling process that is supported by electronic means. Electronic markets are sponsored information utilities that:

1. Describe the products and services offered by sellers and
2. Allow buyers to search information, identify what they need or want, and place orders using a credit card.

The product is then delivered physically (to the consumer's house or office) or electronically (for example, software can be sent directly to a customer's computer). The electronic shopping explosion is all around us.

3.6 Evolution of Home Delivery

Home Delivery is one of the services provided by retailers to consumers. House to house selling is one of the oldest non-store personal
retailing methods, which built around direct contact between the seller and customer at the home of the customers. Home Delivery system is an innovation in the field of chain of distribution. It envisages an arrangement in which the consumers are presented with a unique opportunity to satisfy their wants at their doorstep. It involves a clear departure from the traditional modus operandi of marketing of consumers coming to the goods (carriers of wants coming to the providers of means) to the goods coming to the consumers. Even though the term home delivery system is newly coined, instances of the activity have historical background. The story of cap seller, Kabooliwalla, the history of Arabian, Chinese and European traders etc., are worth reckoning in this respect. Kautilya's "The Arthashastra" has clearly mentioned the rules regarding pooling of goods and then delivering the goods to customers.

Direct delivery is being undertaken by specialist companies such as Food Ferry in London, where certain branches of M & S and Sainsbury also offer this service. Moreover because of the ever-increasing penetration of home computers, it is likely that doorstep deliveries of goods will thrive on a large-scale, particularly now that the Internet provides a network for inexpensively transferring orders. Indeed Fernie (1997) comments that 'possibly the most significant likely change to affect the retail environment in the near future will be that associated with the information super highway. It remains to be seen whether this distribution option will be explained primarily by retailers as an 'add-on' service, or by manufacturers as a strategic channel.
choice." The established companies are Electrolex, Fuller Brush, Amway, Mary Kay and Tupperware.

In home retailing is often performed by organisation without several Tupper Ware-style party merchants. Unfortunately for the many legitimate companies practicing this form of retailing, same unethical sales people have tarnished the image of the door-to-door approach.9 "One customer service offered by retail grocery stores before the widespread growth in supermarkets was home delivery. Large chains did not generally adopt this practice. However, some retailers kept their foot in the door by operating specialized home delivery routes. An example is the Jewel Company's home delivery system. Evidence suggests that home delivery of such items as food may have lost its appeal to both consumers and retailers. Total food delivered to the home dropped from 8.6% of total sales in 1960 to 1.2 percent in 1977 and less than 1 percent in 1990." From a total-cost perspective it may be possible to provide consumers with better service than they receive at a typical retail store at a lower total cost. Such a radical innovation would require significant institutional changes and greatly modified consumer-shopping habits.

In the Indian context home delivery does not appear to be an isolated or a rare phenomenon. Traces of home delivery system are evident in a number of activities. A doctor going to the house of a patient, a technician visiting a site, building materials appearing at the door step of the consumer, responding to bulk orders at special occasion like marriage etc., entertaining institutional orders of hospitals, hostels etc. - all are various forms of the system. Home delivery is more cost effective compared with store marketing. This economy
is passed on to the consumer resulting in better relationship and enhances satisfaction. The future prospects of home delivery are amply illustrated by the marketing experiments conducted by Kroger in 92 at Detroit which predicted that home delivery will grow in the future by leaps and bounds.
REFERENCES:


5. Ibid. P.3.


