PART IV

Retail Trade in Grocery Provisions
(Findings of the Survey)

CHAPTER: VIII Retail Business in Grocery Provisions and Survey Design for Field Study

CHAPTER: IX Retail Grocery Business Trade—Characteristics

CHAPTER: X Merchandise—Management

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CHAPTER VIII

RETAIL BUSINESS IN GROCERY PROVISIONS AND
SURVEY DESIGN FOR FIELD STUDY.

The role of grocery retail business, in total
distributive trade is critical and significant. The
distribution of food stuff is one of the oldest business.
Today the process of this business has become more
complex.

This Chapter is designed to discuss the nature and
size of grocery retail business and the survey design
for field study. The Chapter is divided into three
sections in which Section-I is devoted to the description
of the nature of business and size of the retail
establishments, Section-II attempts to review the
results of marketing research studies, which were carried
to study the nature of trade and trade practices,
Section-III proposes to analyse the need, objective,
scope and research methodology followed. The shortcomings
of the data and the limitations of study are also
discussed at the end.

SECTION-I

THE NATURE OF RETAIL GROCERY BUSINESS

The retail trade is grocery provisions is a very
ancient one, although the goods in which the grocers
deal had changed much through the years. The early
grocers in India were called "Sellers of Kirana Goods."
The word "Kirana" refers to the group of commodities
relating to the condiment-spices. In upper India the
grocers were called "Parchuniya", "Pansari", or "Kirani."²
In Maharashtra he is known as "Wani."³ The more
elaborate meaning of the word "Wani" is given in
Maharashtra Shabdha Kosh and the meaning is given as:
who deals in "Wan" is called "Wani." The word "Wan" means
a commodity required daily for consumption by house-holds.
The so called "Wani" moves from one place to another
with "Wan-pasara" for selling it to the house-holds
located in villages and towns. At present times, because
of increase in population, change in market economy, and
availability of goods in large number, these "Wanis" in
most of the villages and towns sell these goods from
fixed places. Thus the fixed "place of their business"
came to be known as "Grocery Stores" and it carried
different lines of goods related to food.

The retail trade in grocery provisions mostly
depends upon the provision of convenience to the
customers. The policy of assortment varies with the
factors that determine the viability of the business.
The retail business of a grocery shop mostly depends
upon : (1) the confidence of the customer that the
grocer wins, and (2) continued customer patronage for
his stores. One way it could infuse a patronage of the
customer is by supplying all their daily requirements. This critical element in turn determines the merchandising of the grocery shops.

An examination of the assortment of goods carried by the grocery stores revealed that most of the retail stores carried two types of products. The first category consists of the traditional items of goods that the grocer has to carry in his stores for meeting the daily requirements of the households and the second category consists of the list of modern items i.e. those lines of grocery provisions which are added to the traditional lines, with the motive to win the patronage of customers.

A. **Traditional lines of grocery provisions:**

1. **Food grains**
   - Rice, Wheat, Jawar, Bajra

2. **Other cereals**
   - Mat, Urad, Chawali, Vatana etc.

3. **Pulses**
   - Gram, Tur, Masur, Mung, Urad.

4. **Sweeteners**
   - Sugar, Jaggery (Gur), Khandseri.

5. **Salt etc. for tastes**
   - Salt, Chillies, tamarind, turmeric.

6. **Edible oils**
   - Sweet Oil, Coconut oil, Til Oil, Mustard Oil.

7. **Ghee**
   - Vegetable ghee, pure ghee.

8. **Spices**
   - Coriander, Jeera, Mustard, Garlic, Pepper, Cardomum.

9. **Conditments**
   - Pickles, etc.

10. **Dry fruits**
    - Kismis, Badam, Cashewnuts.
11. Beverages  
   Tea, Coffee.

12. Confectionery  
   Biscuits, Sweets, Toffies.

13. Tobacco  
   Tobacco, Tobacco products, Beedi, Cigarettes.

14. Soap  
   Washing Soap, Bath soap, detergent powders.

B. Modern lines of grocery provisions:

   Tinned and bottled fruits, vegetables, James, Juices, Jellies, Syrups, Sharbats, Baby foods, Malt, Milk products, household cleaning materials, tooth pastes, tooth powder, tooth brushes, cosmetics (ladies and gents), shaving supplies, hair oils, vaseline, household medicines, stationery articles, electrical goods, bulbs, switches etc.

C. Unrelated lines:

   Cattle feeds and medicines.

Grocery Trade after Independence:

   In India, after independence, the grocery trade has grown out of all proportion. From dealing in ten or a dozen articles, each of which came from one well recognised source, the grocer has become the purveyor of commodities measured by hundreds, many of them arriving at different seasons and in varying quantities or conditions from every part of a country. Free trade and transportation of goods by railways and road, is
mainly responsible for the new development. In urban India, mostly in metropolitan cities the "Janata Bazars" (Super Markets), the consumer stores, the departmental stores have successfully estbalished the growth of grocery trade. The growth and efficiency of canny industry, the increased production of branded as well as packaged foods for which national advertisements have created demand, and increased productivity in consumer goods industry, are all additional factors contributing to the development of grocery trade. The physical facilities have changed over the years. The fittings and arrangements of the shops, the handling and protection methods for preserving the merchandise have also undergone a complete change.

The cleanliness, both in fittings and arrangements of the shops and in the handling or protection of goods is regarded as most important principle of successful modern grocery trade. The whole arrangement in the stores is systematised. A set of shelves are reserved for particular commodity. The changes in weighing and packaging system all have brought changes in selling of merchandise.

The size and structure of Indian retail trade in grocery provisions:

The distribution of daily consumption goods is one of the oldest retail business. In the context of its long history, the lack of systematic information and the
knowledge about the nature and functioning of this sector is indeed very surprising. While information on the over-all size of retail trade is available through Census of India (1971 and 1981), little else is known that can enlighten about this sector. The Operations Research Group, Baroda, has conducted Census of retail outlets two or three times in the seventies, which gives some basic information on the number and distribution of retail outlets and stocking pattern of different goods.

According to the Census of 1971, there are nearly 33 lakhs retail establishments in India, which directly serve the needs of consumers, of these, nearly 21 lakhs are involved in distribution of non-durable mass consumption goods. Table No. 8.1 gives the break down of different types of retail outlets in various categories. Over 2/3rd of all retail establishments are grocers dealing in products of daily consumption, engaging 33 lakhs of persons.

As per the Census of outlets (Operation Research Group, Baroda 1969) there were 14.20 lakhs grocery stores, which had the total yearly sales of Rs.3100 Crores. The turnover of various types of outlets in 1969 is indicated in Table No. 8.2. It is estimated that retail outlets dealing in non-durable consumer products had an annual sales turnover of over Rs.5000 Crores. The comparable turnover of retail establishment for 1975 would be approximately 10,000 Crores. This excludes
<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Types of business</th>
<th>Total number</th>
<th>No. of persons employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Food, food articles and beverages.</td>
<td>23,30,390</td>
<td>33,23,666</td>
</tr>
<tr>
<td>2.</td>
<td>Textiles</td>
<td>2,90,066</td>
<td>5,57,399</td>
</tr>
<tr>
<td>4.</td>
<td>Fuel and other household utensils and durables.</td>
<td>3,18,716</td>
<td>5,64,687</td>
</tr>
<tr>
<td>4.</td>
<td>Retail trade in other areas.</td>
<td>3,85,063</td>
<td>7,09,049</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>34,24,245</td>
<td>51,54,801</td>
</tr>
</tbody>
</table>

Source: Census of India, 1971
Series of India, Part-III B(i)
(Establishment Tables).
**TABLE No. 8.2**

Sales of various types of outlets, 1969

<table>
<thead>
<tr>
<th>Sr. Retail outlets No.</th>
<th>Total Yearly sales (Rs. lakhs)</th>
<th>Total outlets (No.)</th>
<th>Yearly sales per outlet (Rs.'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Grocery stores</td>
<td>3,08,340</td>
<td>1,18,124</td>
<td>22</td>
</tr>
<tr>
<td>2. General Stores</td>
<td>59,780</td>
<td>1,23,183</td>
<td>49</td>
</tr>
<tr>
<td>3. Chemists</td>
<td>27,540</td>
<td>29,534</td>
<td>53</td>
</tr>
<tr>
<td>4. Cooperative/Super markets</td>
<td>25,080</td>
<td>15,016</td>
<td>159</td>
</tr>
<tr>
<td>5. Restaurants</td>
<td>7,980</td>
<td>40,385</td>
<td>20</td>
</tr>
<tr>
<td>6. Pan Bidi shops</td>
<td>18,090</td>
<td>2,40,766</td>
<td>07</td>
</tr>
<tr>
<td>7. Bangle Stores</td>
<td>1,230</td>
<td>5,652</td>
<td>22</td>
</tr>
<tr>
<td>8. Others</td>
<td>74,250</td>
<td>1,90,454</td>
<td>39</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5,22,290</td>
<td>20,63,924</td>
<td>25</td>
</tr>
</tbody>
</table>

Source: Operational Research Group
Baroda, 1969.

***
consumer durables, textiles, cigarettes, and tobacco and sales through non-fixed establishments like hawkers and peddlers. As can be seen from Table No. 8.2 the average size of retail establishments is fairly small, average annual turnover of retail outlet in 1969 was Rs. 22,000 for grocery provisions stores.

**Grocery Trade in Poona City**

Professor S.B. Rao (1973) conducted a distributed trade in Poona city. His conclusions about the operating of grocery shops was found to be useful in assessing the operational characteristics of this business. As regards shopping area, the area ranged between 16 and 1025 sq.ft. and average shopping area 240 sq.ft. per shop. As regards the operating scale he noted that the 37 retail shops had an average sales of Rs.29,30 lakhs and average of Rs.79,400 per shop. The annual sales ranged between Rs. 1500 and Rs.3,25,000 and average annual net profit was of Rs. 8,970 per shop. The profits ranged between Rs.300 and Rs.50,000 per shop. The average rate of net profit, that is net profit as a percentage of sales was 11.3 per cent. It ranged between 1.7 and 80 per cent.

While commenting on the future of the business, those participated in the survey, singled out three problem areas as the major sources of their concern:

1. Profit squeeze largely resulting from increased operating cost.
(2) Intensified competitive pressure.

(3) Changes in store patronage pattern and shopping habits of average consumers.

SECTION-II

THE NATURE OF THE GROCERY RETAIL MARKETS.

In this Section, some of the empirical findings relating to the nature of grocery retail market, and conclusions drawn from it will be presented. Attention will be paid to the market research results which are made available in the area of shoppers behaviour, frequency of purchase, customer patronage to a store, service provided by grocers and response of customers towards them and the working hours of business.

Profile of a grocer's customers:

Most customers shop very frequently. Alfred Bird and Sons Limited, while commenting on their research findings, of a research project "Mrs. Housewives and their grocers" in 1957 found that 21 per cent of the customers shopped every day for groceries and a further 42 per cent at shopped least twice a week. By 1960, the proportion in buying, more often than once a week, had, however, dropped from 63 per cent to 58 per cent. British Market Research Bureau, in 1961, found similar proportions in respect of 'main household shopping' for housewives interviewed at home. European Productivity
Agency (E.P.A.) in 1958 found that milk bread, and meat were brought daily by over 50 per cent of housewives in all the five countries. This frequency of shopping, seems to have varied with the size of family of shoppers and his place of residence.

Frequency of purchases is related to proximity, for "a commodity of universal and uniform consumption", it was found that 38 per cent of customers' travelled less than three-tenth of mile, 39 per cent travelled between three-tenth and nine-tenth of mile and only 23 per cent travelled more than nine-tenth of mile. British Market Research Bureau, found that in "good suburban" London, 43 per cent of customers walked to the shops, 38 per cent went by bus, 10 per cent went by car. According to European Productivity Agency's study, 60-70 per cent wives were visiting shops themselves, usually used the nearest one, 90 per cent or more walked or bicycled to their usual family grocers. In Austria, Germany and Italy about three-quarters of them reported that they were within ten minutes walk - the same proportion as given by Birds in 1957. According to the British Market Research Bureau enquiry, children accompanied the shoppers in nearly a quarter of cases and another adult in some of the remaining ones.

Customer's patronage:

The fact that people do not go far for purchasing convenience goods, does not mean that they always deal
with the same traders. In Britain, the recent years, there seems to have been an increase in the degree to which food shoppers move around. Bird's found that the number of housewives who said they always went to the same grocers dropped from 52 per cent in 1957 to 27 per cent in 1960. The most loyal were the working class, the elderly, and those in slum areas. The 83 per cent of the total either always went to the same grocers and went to one more than to others, was, however, practically unchanged, and among them 83 per cent had dealt with their regular grocer for over two years. It was mainly for dairy products, or beverages, for which they went elsewhere. This may indicate mobility pattern rather than week by week, since 89 per cent of the housewives, questioned by British Marketing Research Bureau said they normally went to the same shops for particular things. The proportions of housewives in the countries, who had stayed with the same grocer for a given length of time were broadly comparable. There is naturally a strong co-relation with age. But there were interesting variations in the proportions, who usually brought particular commodities from more than one traders. The reasons for going to one shop rather than to another can be summed up as the locational convenience, the quality and range of goods available, the service given and the price demanded. Bird asked those who went to more than one grocer, why they went to the same one they had visited most recently? Their answers may be
classified as; proximity 44 per cent price and goods, each 13 per cent; service 9 per cent and vague or unspecified 21 per cent. Service was mentioned most often by those under 35 and by those in the upper social class and price most often by those in the urban area in a lower social class and proximity by those in private labour. There was no significant difference according to size of household or the presence of children. Classifying the results by type of organisations of the stores referred to, find that cooperative stores scored low on service and high on goods, multiple high on goods, and independents high on proximity and low on price.

Similar results were obtained when those who had changed their grocer, (25 per cent of the total) were asked why. Almost equal numbers mentioned proximity, price and service factors. Only half of them mentioned goods. Independents had attracted customers mainly by proximity and service by price. Cooperatives attracted customers apparently by dividend. However, all organisational types showed a good spread of reasons for being preferred.

**Price consciousness**

One test of price consciousness could be whether housewives think that they remember what they paid and whether they are right. In the sample of 425 housewives in Nottingham¹⁰ it was found that for fifteen grocery
products purchased in the previous seven days, in 62 per
cent of the cases the housewives claimed to remember the
price as quoted one. In the case of seven of the
commodities, a check could be made and in these cases
64 per cent of the prices, names were correct. The
percentage of recall in respect of individual commodities
ranged from 62.7 per cent for flour and 94.7 per cent
for tea.

Retailers pricing policies depend mainly on their
ideas about their customers price consciousness.

Services provided by grocers:

The Bird's survey undertaken in 1957, furnishes
some interesting information about the services that the
grocers provided and how housewives regarded them. As
regards the credit, most housewives claimed that their
regular grocers would allow them credit but only one in
three took advantage of this, half of all housewives
stated a preference for paying as they want or not liking
to run up bills.

A home delivery service, was apparently provided
by most grocers. About 85 per cent of housewives said
their grocers did or would deliver their groceries.
Further 7 per cent said he would not and 8 per cent did
not know. But 52 per cent never availed themselves of
it and always carried their own groceries home. Proximity
and buying in small quantities were the main reasons for
not using home delivery service. But suspicion of the shopkeeper, expressed by "prefer to see what I buy" and "may substitute for what I ordered" also featured and did such snags as inconvenient delivery times. Of the housewives in upper class 47 per cent sometimes ordered goods by phone. This may be compared with overall average of 9 per cent and 2 per cent among the working class. Fifteen per cent of the buyers that the grocer collected their order, but this figure was 33 per cent in county districts and 11 per cent in towns.

As regards of business hours, two grocers out of ten were closed for lunch. But this did not worry their customers. Very few grocers were open after 6.30 a.m. but 97 per cent of housewives found their grocers', hour of opening, convenient.

Housewives were asked whether during the past week their regular grocer had not, in stock anything they wanted and 11 per cent replied "Yes". But it was not possible to tell whether the reasons were the inadequacy of the stock, assortment or run out of stock temporarily.

Little is known about the Indian shoppers, the result of above studies, more or less, seems to be applicable about the Indian shoppers for grocery provisions. It has been observed that the Indian shopping habits so far grocery provisions is concerned are not different markedly from those in the Western countries. In the cities the consumer makes a daily
shopping trip to buy grocery, fruits, vegetables for family use. Neither the vendor nor the shopper feels right if the sale is made without some bargaining.

The study of Table No. 8.3 and Table No. 8.4 broadly indicate about shopping criteria and shopping habits observed in the Indian shoppers.\textsuperscript{11}

The Indian shopper gives more weightage to private small stores, as compared to the large scale retailing, such as Super Bazar. In turn, it affects, the Government policies envisaged at for distribution of essential commodities to consumer at a reasonable prices. The market research results relating to shopping habits of shoppers indicate broad characteristics of shoppers of food stuff as can be seen from the statistics shown in Table: No. 8.5.

SECTION-III

DESIGN FOR SURVEY OF RETAIL TRADE ESTABLISHMENTS IN GROCERY PROVISION.

In this Section, it is proposed to analyse the need, objectives, scope for and the research methodology of the field survey. The shortcomings of the data and the limitations of analysis are also discussed.

The need for the survey:

The need for the present survey arose mainly on account of the necessity to ascertain the operating
<table>
<thead>
<tr>
<th>Shopping criteria</th>
<th>Super Bazar</th>
<th>Independent Stores</th>
<th>No difference</th>
<th>Don't know</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Better location</td>
<td>18</td>
<td>106</td>
<td>21</td>
<td>25</td>
<td>160</td>
</tr>
<tr>
<td>2. Better decoration and layout</td>
<td>09</td>
<td>99</td>
<td>41</td>
<td>11</td>
<td>160</td>
</tr>
<tr>
<td>3. Better fashion and quality</td>
<td>-</td>
<td>143</td>
<td>12</td>
<td>05</td>
<td>169</td>
</tr>
<tr>
<td>4. More variety and selection</td>
<td>-</td>
<td>151</td>
<td>07</td>
<td>02</td>
<td>160</td>
</tr>
<tr>
<td>5. More reasonable prices</td>
<td>33</td>
<td>35</td>
<td>89</td>
<td>03</td>
<td>160</td>
</tr>
<tr>
<td>6. Better credit services</td>
<td>-</td>
<td>65</td>
<td>86</td>
<td>07</td>
<td>160</td>
</tr>
<tr>
<td>7. Quicker customer service</td>
<td>02</td>
<td>93</td>
<td>61</td>
<td>04</td>
<td>160</td>
</tr>
<tr>
<td>8. Continuous supply</td>
<td>22</td>
<td>21</td>
<td>60</td>
<td>51</td>
<td>160</td>
</tr>
<tr>
<td>9. More courteous salesman</td>
<td>21</td>
<td>54</td>
<td>77</td>
<td>08</td>
<td>160</td>
</tr>
<tr>
<td>10. Easier to return or adjustment</td>
<td>17</td>
<td>16</td>
<td>108</td>
<td>19</td>
<td>160</td>
</tr>
<tr>
<td>11. For better buy</td>
<td>10</td>
<td>35</td>
<td>110</td>
<td>06</td>
<td>160</td>
</tr>
<tr>
<td>12. Generally more reliable</td>
<td>58</td>
<td>51</td>
<td>41</td>
<td>10</td>
<td>160</td>
</tr>
<tr>
<td>Total</td>
<td>190</td>
<td>868</td>
<td>721</td>
<td>141</td>
<td>1920</td>
</tr>
</tbody>
</table>

TABLE No. 8.4
Indian Shoppers classified according to shopping habits.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Shopping habits</th>
<th>No.</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Principally interested in quality and variety</td>
<td>21</td>
<td>13.12</td>
</tr>
<tr>
<td>2.</td>
<td>Primarily interested in price and used to shop from store to store.</td>
<td>125</td>
<td>78.12</td>
</tr>
<tr>
<td>3.</td>
<td>No interest in shopping go to convenient stores</td>
<td>13</td>
<td>08.13</td>
</tr>
<tr>
<td>4.</td>
<td>Like to go to super bazar cooperative stores</td>
<td>01</td>
<td>00.63</td>
</tr>
</tbody>
</table>

Total 160 100.00

conditions of the retail trade establishments in grocery provisions. It will be revealed that in the retail business community and in the society in general, the main belief is that the commercial and organisational deficiencies confronted by those establishments are by far the important handicap responsible for halting their progress and rendering these institutions relatively inefficient. In the earlier Chapters, a theoretical exposition of the rationale and technological capacities of small size and large size business in food stuff was provided. The data from the field survey was collected therefore to ascertain operating characteristics of these stores and to ascertain the specific problems encountered by these units and the measures needed for solution of their problems. This would also help in formulating a specific policy for the development of distributive trade by the Government and the development agencies.

It is known that the data relating to retail business, is scanty and whatever data is available, is disconnected and uncoordinated. The retail trade system in different types of goods have, however, not been studied before. In India due to traditional and historical reasons the distributive trade in consumer goods was developed mostly in the informal sector. In the Indian context, marketing and distribution efficiency assumes significance. The merchandising research in retail business was not attempted in larger way. The functioning
of retail trade establishments in informal sector, in terms of its efficiency and performance parameter, i.e. profitability and use of capital has not been studied adequately.

It was, therefore, thought necessary to undertaking an independent enquiry so that the requisite data could be collected in the required manner for the present study.

However, on account of practical consideration such as the unorganised nature of these retail establishments, their dispersed location, businessman resistance to part with the information, as also the absence of accounting habits and so on, it was found necessary to restrict the field investigations to a manageable blocks of certain areas. In view of these considerations, it was decided to select Aurangabad city for this field survey. The reasons which weighed in selection of the Aurangabad city are: (1) Aurangabad is medium sized town located in centre of Maharashtra and is divisional head quarters of Marathwada region, (2) It is characterised by the rise of new industrial township in its vicinity and rapid population growth. In 1961, it had a population of 95,000; in 1971, the population increased to 1.5 lakhs and in 1983 it was more than 3 lakhs, (3) From December 1982, Aurangabad has obtained the status of a Municipal Corporation.

The results though based on sample study relating to Aurangabad city only, it is hoped that the conclusions
would be equally relevant to most of other towns, in India except metropolitan towns.

Objectives:

As stated earlier the primary objective of this study is to gather the knowledge about operating conditions of the retail trade establishments in grocery provisions. Specifically this survey seeks to attempt:

i) An appraisal of the operative conditions of retail stores in grocery provisions,

ii) A assessment of the numerous business practices adopted in conducting this business, and

iii) An objective analysis of merchandising management, practices etc. in the business.

It may be noted here that the above is a broad set of objectives which are sought to be achieved through the present study to the extent possible within the limitations to which any study of the present nature is subjected to.

Design of the Survey:

Economic characteristic of Retail grocery business in Aurangabad:

The retail selling of grocery provisions in Aurangabad town is mainly seen in areas known as Aurangpura, Kumbharwada, New Mondha, Chelipura, Kasari Bazar and in neighbourhood areas such as Osmanpura,
Begumpura, Juna Bazar, Padampura and others. It has been reported that there were about 720 fixed retail outlets located in different localities, of the town, including speciality stores selling edible oils, grains, tea, etc. There are also street hawkers and peddlars engaged in the retailing of grocery provisions. Twice in a week there is also a market day in three different localities of the town where the hawkers and peddlars sell their grocery provisions, to the people.

The retail business in grocery provisions in Aurangabad town is mainly dominated by the grocery shops, known as "Kirana shops". There is a large number of grocers in Aurangabad town. They sell all types of cereals, pulses, gur, sugar, edible oils, soaps, tobacco products, confectionary articles, packaged and unpackaged food products.

The stock in trade of individual shop varies in value from Rs. 500 to Rs. 50,000 depending upon the character of the retail store. The majority of shops are, however, small with a stock worth about Rs. 200 to Rs. 2,000. The grocery articles are generally brought from the wholesale markets located in the city, where few grocery shops have direct connections with outside merchants.

Servants are generally employed for handling or weighing commodities. The larger sized shopkeepers
sometimes employ clerks, accountants, for maintaining accounts of the shop.

Reach:

It has been reported that about 750 fixed retail establishments cater to the needs of the people in Aurangabad city, having population of 1,90,000 in 1981. In other words it would mean one retail grocery store for every 240 people. In terms of households, (taking on an average five members in each household) there will be thus one grocery store for about 50 households. In i.e. 20 retail outlets for every 1,000 households.

Majority of the grocers are the members of the Association i.e. "Retail Kirana Merchant Association" formed mainly for safeguarding the interests of their members.

The list furnished by the Association, was freely used for selecting the stores for detail study. Prior to this, efforts were made to obtain the list of such establishments from the registering authority under Shop and Establishment Registration Act. But it was found that most of the retail stores were not registered with this authority. It has been reported that during that period the practice of registration of the retail establishments was not so popular among the retail businessman.
It is, therefore, decided to use the list of the stores, furnished by the Association.

Due to variability in size and large number of small stores, it was decided to cover at least hundred stores which may be representative sample for analysis. Thus it will form the 20 per cent of the sample of the universe.

Strategy of Sampling:

A method which is most often used in the random sampling. This method cannot be adopted in the present case because of (1) non-existence of sampling frame and (2) of possible complications arising from non-response of the retailers. Because of this purposive sampling method adopted. It included those stores, where the owner showed initial willingness to participate in the study. Within these limitations efforts were made, however, to enlarge the sample so as to make it representative to the extent possible. Under the prevailing atmosphere of cooperation and willingness on the part of businessmen, in addition to this, while collecting the information, the practice as envisaged in "Retail Research Method", where one needs for those reasonableness of the results subjectively and to make as many checks with every possible information for the extent possible was used.

Primary data Collection Method:

The following methods of collection primary data
are in common use:

(a) Direct personal investigation
(b) Indirect oral investigation
(c) By schedule or questionnaire and
(d) By local reports.

The information was collected through schedules and questionnaires. In order to ensure detailed information the practice of personal approach with informat alongwith the questionnaires for recording the information was followed. This method is very useful in extensive enquiries, and with it fairly dependable results can be expected.

The data collection work was started after Diwali 1979, and continued upto December, 1980. During this period most of the informants were found to busy with the analysis of their business performance for last financial year.

Scope of the study:

For various reasons narrated above the scope of the survey has been limited to small retail grocery stores. For the purpose of this study, a small store was defined as one, with one or two individuals fully occupied in its management.

Limitation of study:

It will be observed from the above that as attempt was made to collect primary data through adopting random
sample survey method. Though efforts were made to be very objective in taking sample, but it was not possible to give proper weightage to the stores located in different localities in the sample. This was mainly because of non-availability of the financial record and willingness of respondent to supply the information. It was, however, observed that they were not frank enough to give information on financial nature. They had certain reservation while giving the information on financial matters. Allowance has to be made for these natural restraint, while analysing the performance.

It must be admitted that even with the limitations noted above the response from the informant was satisfactory. Some of the observations are indicative of broad characteristics of all retail establishments in grocery provision. The data on retail business practices collected in the course of enquiry, did not lend themselves easily to statistical measurement. The research findings are, therefore, mainly exploratory and speculative. The study was handicapped considerably by the absence of any secondary data in its subject matter.

Presentation of the survey findings:

As far as the survey of retail establishments in grocery provisions in Aurangabad city are concerned, this survey covers the following aspects. The findings
of the survey are presented in Chapter XI, in Section I, II and III and in Chapter XII therein the detail analysis of the merchandise management were presented.

The findings covered the following aspects:

(1) **Characteristics of the trade:**

Aspects like form of organisation, details of product lines for sell, provision of physical facilities for the use of customers and in conducting the business.

(2) **Who enters business:**

The study in particular covers area such as role of heredity, educational level of grocers, language, religion of proprietors, what motivated them to enter the business.

(3) **Business practices:**

Aspects such as credit facility home delivery, selling techniques, like pre-packing, price marking, price negotiations, accounts keeping, shopping hours and physical stock takings.

(4) **Merchandising Management and Economics of Trade:**

The study covers like stocking pattern, sales, modes of operation, investments, profits and profitability.
(5) Employment:

The study also covers volume of employment, scales of pay, relationships of employee with the employer etc.