CHAPTER XI

Notes and References:


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CHAPTER XII

SUMMARY AND CONCLUSIONS

The preceding eleven chapters may be broadly classified into four parts. Part I discussed the issues relating to the concept of retailing and retailing institutions. This part also attempted a comparison of retailing practices in different countries. Part II is devoted to description of the retailing environment and it broadly examined the structure of retail trade in India. Part III and Part IV referred to retailing environment and retail trade pattern in selected towns in India namely Aurangabad. Part III has presented a profile of Aurangabad town and is related to retail trade pattern. In Part IV an attempt is made to present the findings of the survey - the researcher's has undertaken. In Part V, aims at summarizing the various chapters and drawing valid conclusions. It also lists some of the important limitations of the present study and make suggestions for further improvement in retailing field. At the end, suggestions have been made regarding some of the research area, which may be undertaken as follow-up research projects.
Chapter I, of Part I, has developed important concepts relating to retailing. It has explained retailing, as organised behaviour system. Secondly, it also developed retailing, as an economic productive human activity. Particularly it referred to four important economic bases, namely, transactional efficiency, place convenience, the resolution of economic 'discrepancies' and the provision of other services. Retailing performs three important basic activities such as anticipation selection, communication information and provision of convenience. It emphasises that its aim is to satisfy customers.

In Chapter II, the researcher had tried to distribute the universe of retail institutions. It is proposed that retail institution can be classified, on the basis of ownership, extent and nature of lines handled and location, for the purposes of detailed study. The classification based 'margin and turnover' is useful in formulating retail strategy.

The institutional change can be described by several theories put forward by the scholars, one that has been widely acknowledged is - retailing institutions as a social system. Chapter III in Part I addressed itself for studying the retailing policies and
practices in different countries - both developed and underdeveloped. It presented the findings regarding the retailing practices in India, Japan, U.S.A., Soviet Union and Great Britain.

The United States meets the need of its consumers to-day with the most streamlined and efficient distribution system. Super markets were one of the great retailing institutions to emerge in the retailing field. The super market has had good effect on the entire structure of retail distribution of U.S.A.

The term 'large scale retailing' may be a misnomer in Indian economy. Indian culture and its social set up could not support even the 'renissance of socialised retailing - super bazars' - started by the Government of India, under mass merchandising concept for holding the price line. The Japan retailing system succeeded in large scale retailing.

Chapter V analysed the structure of retail business and the study revealed following important characteristics of retail business in India.
1. The retail business are mainly carried on in small shops which are family owned and operated. For every outlets there are 45 families. Majority of these shops sell mainly staple foods items and cater to a few adjacent households. Every 1000 people have 6 to 7 retail outlets.

2. Another notable feature of retail distribution system is that it is highly complex and circulating merchandise particularly consumer goods pass through multiple levels of marketing institutions. It may be noted here that there are approximately 2.86 wholesale and other types of traders to serve the 37.59 lakhs retail institutions. This means that for every 15 retail establishments there is one wholesaler and semi-wholesaler and other intermediaries. It is obvious, therefore, that coverage of Indian wholesale system is also substantial.

3. The small store survive as business enterprise because no rent and retailing costs are charged, labours costs are not considered, investment in equipment is almost nil. Therefore the gross margin is considered as net profit in the retail business.

4. The main reason for the continued presence of a highly tiny retail stores is that the distribution sector in India has absorbed a large share of surplus labour force. Nearly 58 lakhs persons were employed in trading sector which is larger than the employment in manufacturing sector. Entry into retail trade activities particularly small scale retailing has been relatively easy, thus attracting a large number of the unskilled workers who could otherwise have been unemployed. This greatly increase the number of small stores resulting in the proliferation of marketing establishments, competition among a myraid of small wholesale and retail establishments has been extremely keen. Many are erecting out on meagre existence and are unable to grow to the minimum size for economic operations.
Retail trade in urban area has been studied in detail in Chapter VI and Chapter VII. The socio-economic profile of Aurangabad town has been presented in Chapter VI. Some of the important socio-economic characteristics of town Aurangabad are noted as follows:

1. Aurangabad in the medieval period was an important trade linking town and was a leading town in Deccan, which linked trade of South and North India. In that period banking business was the main activity of the town.

2. The existence of highest four storied skyscraper shop building was a prominent feature to be noted in the context of modernization of trading at that time.

3. As a regional headquarters of Marathwada region of Maharashtra State, Aurangabad is already a focal point of administrative activity. During the last few years with the commencement of industrial activities on an increasing scale, there has been a new awakening in the city and it is visibly changing its character in the
The process of emerging into a new era of unprecedented prosperity. It is now poised for entering into an altogether new phase of development.

The Chapter VII indicated the important features of retail business of selected towns: Aurangabad, some of the important features are as follows:

1. The decentralisation of retail business has been a natural evolution of urban expansion. The main bazaar which was regarded as hub of retailing activity began to lose its importance.

2. As regards the size of retail stores in terms of size of employment, generally the stores are small. On an average the retail stores, in Aurangabad had employed 1.4 persons per store.

3. About classification of retail stores, on the basis of location, 60% of the total stores (3765), were neighbourhood stores, 30% stores are central town stores and 10% are market stalls and stands. Classification on the basis
of merchandise carried, the total retail stores (2825) has been classified as below:

i) General stores 10%

ii) One line stores 80%

(Groceries, shoes, clothes)

iii) Departmental stores 2%

iv) Variety stores 8%

4. In terms of growth of different types of retail business the retail business in grocery provisions, building materials, apparel and accessories were quite old compared to the retail business in furniture and other hard goods. The automobile stores are of recent origin.

5. In terms of reach, there are 15 retail stores for every 1000 population.

For detailed study of retail trade in grocery provision in Aurangabad, the researcher had undertaken a survey of hundred grocery stores. The survey revealed following interesting characteristics.
Characteristics of retail grocery stores:

1. In terms of reach there is one grocery store for every 50 households.

2. A broad merchandise assortment include both 'food' and 'non-food' of daily use for every household.

3. Emphasis on rapid turnover of merchandise through relatively low prices and rigid limitation of merchandise to the fast moving items. The typical grocery store turns its inventory about 25 times a year.

4. Price as main sales appeal. Bargain over prices are common.

5. Retail stores have relatively inexpensive building, equipment and fixtures. The average investment per store in fixture and equipment is Rs. 700/-.

6. Most of the stores premises are attached to owners' dwelling premises.

7. Low rent locations.
8. Long hours: from 7 in morning to 8.30 in the night. No day off.

9. Less use of merchandise and accounting control.

10. Percentage of credit sales to total daily sales is 40%.

11. Low profit as a percentage of sales.

12. Limited consumer service.

13. Average selling area per store is 60 sq. ft. in isolated stores. For other areas, it ranged between 650 sq. ft. and 1500 sq. ft.

14. Average sales per day per sq. ft. is Rs. 3.50.

15. Frequency of purchasing merchandise for sale is 10 times a month.

16. Low sale per transactions per customer.
   average sale per transactions per customer is Rs. 5/.

17. Low profit as a percentage of sales 8 to 9 per cent is quite common.

18. Average wages per day per labour is Rs.
   10, it ranged from Rs. 5 to Rs. 15.

19. Average sales per person per day is Rs. 375/.
These are some of the salient characteristics of retail stores in grocery provisions that still dominates the Indian marketing system.

Chapter X attempts to examine the management practices and attitude of retail businessman towards grocery business. The complacent feeling of the retail businessman and the tendency that "I wish to preserve my independence" and the policy of live and let live, are the important dimensions in management practices.

Conclusions:

The conclusions are broadly presented into following manner:

1. Regarding operation of stores and entry into business.

2. Adoptive behaviour of retail establishments.

3. Factors responsible for improving retailing efficiency.
1. **OPERATION OF STORES AND ENTRY INTO BUSINESS**:

(1) The data lead us to certain conclusions. That the stores are numerous, extremely small in terms of sales volume, physical space, inventory. Further, credit sales form an overwhelming proportion of the total sales, number of suppliers, serving to these stores are also extremely high. The ratio of wholesaler to retailer is 1:20.

(2) Entry into commercial activities particularly small scale retailing has been relatively easy and it attracted a large number of unskilled people who would otherwise might have remained unemployed. This greatly increased the number of small stores, resulting in the proliferation of marketing establishments. Many are at a meagre existence level and unable to grow to the minimum size of economic operations.

(3) In roughly 83 per cent of the total stores, surveyed the owners themselves are mainly responsible for operation of stores. In addition to this 60 per cent of the respondents stated that their family members
also participated in store operation, which is a essential for long working hours of the stores.

(4) Another noteworthy finding is that for a large number of respondents, the store did not constitute the main source of income. In fact, 2/3 of those interviewed indicated that their revenue from the retailing operation accounted for less than 60 per cent of the total income. Roughly 2/3 of the stores are operated as a side business and as such in majority cases the other members of family were employed in some other economic accounting and they support the family maintenance.

(5) The absence of clear-cut separation between the stores and their living quarters goes beyond the physical nearness is reflected in a similar practice in financial matter that no formal distinction is made between their household's budgets and the budget of the stores. The accounting records are loosely maintained.

(6) Another extremely interesting finding from the observations of this survey is that nearly 2/3 of the stores surveyed derived at least half of their
total sales from a rather small group of regular customers, with whom the stores owners are personally acquainted and who live in their neighbourhood. More than 1/3 of the stores surveyed obtained as high as 80% of their total sales from this group of customers. It is also interesting to note that 60 per cent of these stores, their regular customers consisted of fewer than 50 per stores. Moreover, on an average 30 per cent of the total sales are made after 6.00 p.m.

The evidences clearly point out that these stores serve a very limited number of customers and trade heavily on personal relationship and convenience.

(7) As regards the competition in this trade the majority of the respondents were aware of grocery competitive pressure from other retail establishments such as departmental stores, consumer cooperative stores, etc. Further 28% of the stores reported that they faced competition from the smaller stores while 22 % of the respondents mentioned that they faced competition from the stores of a size larger than their own. Further about 30 % of the stores felt that they faced competition from large scale stores located in central
market. Roughly 20% of the respondents, however, felt that they were virtually unaffected by competition. Asked what they feared most from their main competitors the respondents frequently mentioned the wide assortment of merchandise and low price, liberal use of leaders and aggressive promotion by liberal credit policy and home delivery services.

Those who felt that they were competitively vulnerable were asked to cite how they most effectively could respond to this threat. Over 88% of the respondents mentioned that greater emphasis on personal service and strengthening personal ties with their customers would be their strategy for facing the competition. Given their traditional background and the absence of their effective competitive tool this reaction is readily understandable. It is interesting to note, however, that nearly 60% of the respondents felt that there was no other effective competitive tool available.

An interesting finding of the survey was that over 70% of the respondents had used credit from wholesalers, despite the fact that this would increase cost of goods sold as supplies on credit are normally expensive. The
retailers cited different reasons for their reluctance to deal in cash. The important reasons were (i) working capital shortage (ii) area of the store and storage facilities (iii) low knowledge regarding merchandise marketing and their prices, and (iv) facilities of collection of dues, in daily instalment is the specific reason to have the credit from wholesalers and other suppliers.

Thus personal relationships were shown to be the key factors for retail traders in dealing with both their customers and suppliers.

(8) Gross percentage margin, including cash discounts, averagely remain practically same for all stores, located in different localities:

<table>
<thead>
<tr>
<th>Locality</th>
<th>Profit percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Main Bazar stores</td>
<td>10-12</td>
</tr>
<tr>
<td>2. Neighbourhood stores</td>
<td>10-11</td>
</tr>
<tr>
<td>3. Street stores</td>
<td>10-12</td>
</tr>
<tr>
<td>4. Isolated stores</td>
<td>11-15</td>
</tr>
</tbody>
</table>

Number of stock turnover in the grocery stores, ranged from 28 to 30. In main bazar stores, on an
average stock turnover in the grocery stores around 17 times a year in the medium size stores around 25 times a year. This is indication of poor capacity of stock holding capacity.

(9) The running of small retail establishments is a form of disguised unemployment and entertainment for a socially active family. For neighbouring households, which cannot afford are not in any way educated to manage their food inventories for weekly use, these small stores conveniently located, do the work of storage of frequently used items for the households.

(10) Higher birth rate in food stores in city may reflect entrepreneurial belief, that the needs of this provisions are not being adequately met within the existing commercial structure. The reason for higher birth rate could be due to the lower costs of getting into food retailing. For example, it is a practice of many wholesalers to finalise finance a significant portion of inventory after initial stocking is completed. A combination of these two effects may exist. The birth rate of grocery stores in the neighbourhood area, is high. The grocery stores also requires less capital reflecting different set up of entrepreneurial perceptions.
2. ADAPTIVE BEHAVIOUR OF SMALL RETAIL ESTABLISHMENTS:

Future of retail grocery business:

As to the future, those participating in the survey have singled out three problem areas which worried them.

1. Profit squeeze largely resulting from increasing operating costs.

2. Intensified competitive pressure, from large scale retailing.

3. Changes in store patronage pattern and shopping habits of the average customers, particularly their growing preference for one-stop shopping.

Despite these problem areas, the study reveals that the majority of the respondents were somewhat optimistic about the future. When they were asked about their prospects for future years, only 28% of the respondents had rather dim view of the business, 43% did not visualise significant change and 26% felt that the performance of their stores could improve significantly.
Further more it is significant that 62% of the respondents interviewed indicated that they had no specific plan for the future. The 20% of the respondents were planning to expand their operations and 7% were considering reduction in the size of their operations. The widespread absence of specific plans to the future may well be due to partially to the fact in 41% of the owners of stores surveyed, were 50 years old or more. It is not unreasonable to assume that the age factor is an important variable in determining their attitude towards innovation.

Two dominant characteristics emerge from this study, one is the owner's complacent attitude in face of rapidly changing environment. Underlying it is the lack of a sense of urgency, and several major factors. One detects sense of resignation stemming from their pragmatic experience - they feel that because they have such limited resources they could hardly influence the course of events no matter how hard they tried. There is also a widely shared view that some how they could continue to survive
dispite the changing environment. This stems, in part, from their intuitive feeling that changes will not take place at a drastic rate as others anticipate and that there will always be demand for their services. Surely they do concede that some very marginal stores will be forced out by competitive pressure, but somehow their particular store will be spared.

This complacency at least in part, stems from the age factor mentioned earlier which limit their time horizon and alternative opportunities. They are relatively confident that their stores can continue to survive for another five to ten or even fifteen years. The potential reward for innovations hold little appeal to these men considering the efforts cost and risk involved. Moreover, as we have noted to a substantial number, the revenue derived from their store represents, only a supplementary sources of income. This fact, too, discourages risk taking and serious commitment of their efforts. There is also a strong preference among the owners of small stores for independence of action.
The dominant impression that emerges from the analysis is that the majority of the owners of retail establishments are aware of the growing competitive pressure from innovative forces in the distribution.

3. RETAILING EFFICIENCY:

Factors that are affected retailing efficiency in grocery business are as follows:

(a) Absence of modern retailing techniques:

Retailers in this business have to spend more time to each customer telling about prices, quality of products and other information to each customers as prices are seldom displayed. It consumes lot of time of the seller. Price tagging or price display on each commodity will improve performance of the retailers in the sense that he will be able to cater to more customers within a specified time.

(b) Absence of standardization and gradation:

Most of the products, in which grocers deal are not subject to standardisation and gradation. The AGRMARK and ISI authorities can play an important role by covering the 'food' & items generally sold through the grocery stores. The consumer guidance society has
much more scope in this field.

The standardization and a gradation will definitely improve the efficiency of the retail stores. The customer will be assured of the quality of the product, if he is made aware of the standard of Trademark. The retailing efficiency, especially relating to food product has been affected by the poor quality of the products. A check on the sandar-standardization of product and quality control probably would ensure better result.

(c) Lack of self-help:

In most cases, the customers are not allowed to see the commodity before purchase. The self help techniques could not be adopted by grocer because of the pre packaging of the commodities, nearly 80% of the commodity - are without 'packaging' and 'labelling'. At present he has to undertake 'wrapping' packaging functions, in the presence of customer. Secondly the spoilage and pilferage of the goods from the stores and the shoplifting by the sales assistants and the customers is common. If retailer is encouraged to 'small packaging', it would increase the sale per workers.

(d) Price variations:

Price-variation from store and store, for the
same commodity is affecting the retailing efficiency to a great extent. The majority of the customers think that prices vary from shop to shop. Just for this reason, the customers take resort to bargaining even though they do not like it. If the prices were uniform for particular commodity in all the stores of marketing area, the time requirement for making price could substantially be reduced and any reduction in the buying time, of customer would contribute the efficiency of retailing system.

Because of limited financial resources and their limited physical size, there is tendency for retail stores to be highly specialised in the types of
products they handle. This characteristic is also
illustrated by conditions prevailing in grocery
business in Aurangabad city. In Aurangabad in 1975,
there were more than 100 retail stores selling only
edible oils, 50 meat shops, 50 retail stores,
engaged in selling tea, 75 stores selling only
sugar and cur and 125 stores selling only condiment
and spices. It seems that the trends in grocery
business is towards more specialisation.

Another notable feature of grocery trade is
that it is highly complex and circulatory. Merchandise
particularly consumes goods must pass through
multiple levels of marketing intermediaries each
performing narrow and highly specialised functions.
It is not uncommon for the merchandise to pass through
different types of wholesale primary - secondary -
regional and local wholesales. This is evident when
one notes that the volume of transaction among
wholesalers exceed than normal.
It may be inferred from all this that food retailing in Aurangabad is much more than the impersonal transfer of goods from the producers to the consumer, at the lowest possible price. But competition is infrequent. While the non-price consideration including credit, friendly relations, with customers, with fellow retailers, and so on form a large body of "services" rendered along with the distribution of goods – it is still open to question whether these services provide an effective substitute for the economies to the consumer from more energetic competition.

Limitation of the Study:

This study carried all the limitation of statistical enquiry. The present study does not attempt to present comprehensive behaviour of retailing and retail trade and it also cannot claim that all important factors of retail business have been identified.

The scanty availability of secondary data relating to retail trade establishment, limitation of the financial resources and limitation of manpower, mostly restrict the field of study. It is sincerely
felt that the research in retailing and retail business could be further pursued, particularly in following area.

Scope for further research:

Retailing is a dynamic field. It is vitally important in marketing, always to accept the premise that nothing is permanent except "change".

The following are the broad areas where there is further scope for research:

(1) **Business History**: Historically the trades had never been to attain social status in society. It would be interesting to examine how far the attitude of society has changed in modern time. The formed the important area of research.

(2) In the society there is strong belief that retail trade is the root cause for corruption and fertile field for unaccounted money to play its role. It is time to verify this hypothesis.

(3) Study of the role of distribution agencies in the various commodity trade:
The complex nature of problems involved and the functions and interests of various links in the distribution chain, sometime complementary and sometime conflicting, deserve careful study to enable better appreciation of the role of distribution agencies in different commodity trade.

(4) Changes in both retail techniques and the retail standard rest upon fundamental changes in the market. In coming century we have more consumers than ever been. They are better educated and prosperous than they have been and they are willing to express their confidence at the retail counters of the country. The survey of shopping behaviour, shopping pattern, consumption pattern, in changing of socio-economic environment is mostly needed.

(5) Retailers are busy throughout the day in their operation hardly find time to maintain detail accounts of each and every transactions. They are in need of new accounting techniques which facilitate their work and help in day to day working. They need new accounting techniques.

At the end researcher has attempted to make important suggestions, which it is hoped would be
fruitful if followed by the concern authorities. Some of the suggestions are addressed to the trader and other class of suggestions are addressed to government and academicians and the expert in business field.

Suggestions:

Retailing in India, in general has hardly changed during half a century, though one does see striking examples of innovations in major towns, where departmental stores, cooperative consumer stores (Janata Bazars) with a wide range of assortment concerning both food and non-food have come up to meet the rising demand of urban centres. For example, in Bombay, Akbarallys, Asiatic Store, Kala Niketan, Foop Mahal, various state emporia for selling handicrafts, Apna Bazars, Sarda Cloth Stores (with hundred employees on pay roll, having average daily sale of Rs.80,000/- ranging from 50,000 to 2 lakhs) at Ahmednagar of Maharashtra State are one of the few innovative institutions in the universe of retail institutions in India.

Retail trade relating to food is still in primitive stage characterised by number of small
stores, low volume of sales per store, low investment in fixture and equipment, faulty layout plan of the store, poor decoration, low sales per person, high ratio of 98.2 selling area to non-selling area, low investment in store building, majority of the food establishments are not separated from owner's residential place, lack of efforts for improving internal environment so as to result in attracting more customers. Although changes have occurred in traditional form of retailing methods, but stores' environment as aspects continued to be neglected.

Food retailing is much more than impersonal transfer of goods from the producers to consumers at the lowest possible price, price competition is infrequent, while the non-price consideration, including credit, friendly relations, with customers, and fellow and so on, form a large body of "services" rendered along with the distribution of goods — It is still open to question whether these services provided an effective substitute for the economies to the consumer from more energetic competition.

However, a surrounding of the store play an extremely critical role in improving the image of retail establishments in eyes of consumers.
No doubt "Consumer is a king" is still a philosophy for food retailing, but still this king is being served with primitive methods. Environment forces and consumer behaviour forces are active in marketing now it is the retail trader's owes itself to start the process of modernisation, so that it can remain in tune with aspiration of the community that it serves. They should be more responsive to the changes.

It is not true that, even in underdeveloped economy, that community support the large number of plinthy stores, but consumers are forced to use it because there is large number of such stores.

The following are the major factors responsible for such development for eradication of the same is essential for health, growth of retail business:—

(1) The Propensity of growth:

According to E.B. Weiss, virtually everywhere the retail business is known for the high turnover, characterised by on one hand by case of entry, on the other hand by a high rate of transformation. This characteristics is certainly applicable to Indian situation. While a firm remained small, it may be the shadow of a man. Its dominant characteristics
may be a reflection of his character, its growth rate may be largely attributable to his own ambition and drive. The presence of large number of stores, in food retailing, may be the result of low propensity of growth. The problem is how to accelerate the element of prosperity to grow the answer is self-searching.

(2) Complacent attitude:

The complacent factor of the retail businessman and the tendency "I do wish to preserve my independence" assume the importance in discussing the issue of adoption of innovative practices. The existence of many small firms, may thus be the result of two interacting forces, the refusal of owners to delegate responsibility and traceable partly, to disbelief in ability of others. Here lies the importance of management education to small business man.

(3) Adaptive behaviour of businessman:

In retail grocery business a number of generalised forces and tendencies have been identified. One of the force is "assembled" merchandising" and "continuous increase in sales volume of large size" stores.
The most consistent change in the retail trade has been the constant shifting of merchandise assortment, as each retailer to find the particular bundle of goods on which he could speculate most efficiently and at the same time enjoy all the profits and attractions inherent in offering his customers a wide choice. More recently a wide "range of food" retailing to grocery wandered into the chemist store merchandise mix, while their high mark up make them especially attractive to margin starved chemist.

The traditional pre-eminence of the grocery store, now is being challenged by rapid growth of pre-packaging food. The traditional grocery stores have enjoyed uncontested leadership for so long, have been slow to see the implications of changing environment.

(4) Diversification for profits:

Traditionally, retailing has looked to the merchandising function for its net profit, but now, the retailers, begin to think that other sources of income become exceedingly attractive. These "other" sources of incomes are "non-merchandising"
sources. It has been revealed that money earning through real estate business, are the business of more profit, less risk to the grocer. Most of the grocers diverted their business for this purpose. In this survey, it has been observed that for at least a few sizeble retail stores, the non-merchandising function, it contributing to 40 to 50 per cent to the total family income of the grocer.

To check this tendency is challengable. This factor contributed to the fragmentation of retail stores.

(5) Wholesalers and merchandising financing:

The ratio of financing stock of the grocers by wholesaler is 59% in small size store while it rises to 159% for large size store. This finding, indicates the extreme dependence of the grocers on their suppliers. It seems the grocers are their extended hand. It results in loosing the bargaining power of the retailers with suppliers. It amounts to the development of complanent feeling and the feeling of live and let live policy.

There is need to change this ideology.
In Indian situation the small scale retailing is likely to persist where products are not standardised, market is small and local. Small establishments need more capital and more technological assistance to be free from wholesalers, but they also stand in need of better management. The need for improved management would in fact grow, as higher level of capital is attained. It is in this way, that small firms will gradually expand in size and eventually become big and thus escape annihilation in the struggle for survival.

It is there lies important to determine the specific method in which the management of small business and tiny units of various categories can be improved and to make constructive endeavours to get this method inserted into their working practices. In this regard the marketing scientist can innovate through the establishment of separable retail institution devoted to cause of retail market development. The Central Government can play role of catalytic agent by financing the such institutions at the promotional level.

Now we could like to consider indirect methods for improving the retailing efficiency and for retail development.
(1) **Government regulations:**

The continued presence of small retail establishments results in excess capacity in retail business. This excess capacity in retail business is mostly generated by the motive of free entry into retail business. This can be checked partly by introducing compulsory registration of retail business establishments. In this connection, it may be noted that the scheme of compulsory registration for S.S.I. units, bring some rationalization in regulating the excess capacity. The schemes of registration could be implemented by State Government by establishing separate State Bureau for Business. The functions of these bureau must be kept separate from revenue collection agencies. In addition to these functions, they may be entrusted with the work of extension of education in the field of consumer protection, food adulteration, importance of weighing, by organizing seminar and group discussions.

(2) **Establishment of State Business Finance Corporation:**

It is proved by U.S. Based that generally the
retail business is self financing, is successful, once the business set off there is no need for tapping sources for finance. But the study revealed that about sixty per cent of retailers are in need of emergency finance and expansion finance. The role of bank credit in financing retail business was observed to be negligible. In 1980, the share of wholesale trade in total Bank credit as declared. The wholesale trade received Rs.1850 crores, which amounted to only 16 per cent. The share of retail credit had marginally increased from Rs.12 crores in 1950 or 2.5 per cent of the total bank credit to Rs.800 crores, or 3.4 per cent during said period.

The retail sector has to depend upon unorganised sector for all types of their financial needs where the rate of interest is exhorbitant ranging between 25 to 30 per cent per annum. Consequently the retail trade field or any business field become the fertile ground for unaccounted money to grow in its magnitude.

In view of this as a social welfare measure or at least to act competitor to the unorganized sector, Government should go in this field by establishing a separate Finance Bureau for business.
It will definitely check the role of unaccounted money in the business.

(3) **Regular Census of Business**

It seems paradoxical that although retail trade, next to agriculture is perhaps the most important in the country in terms of number of establishments, employment, yet it never attracted the attention of experts or academicians. It was only at the instance of Planning Commission, that some pilot surveys were conducted. Government can play the role of Friend and philosopher to enrich the field of retailing by providing data on business, by introducing the scheme of regular census of business establishments. Even though it is costly and herculeous task, but it should be instituted in the same spirit as we introduce a live stock census, in this country and are living and also living spices.

(4) The habit of buying groceries and essential commodities on credit is disturbing factor for expansion and innovation, in retail grocery business. A remark by one successful businessman, that 'you cannot sell grocery unless you sell on credit' is
detrimental to the large scale retailing in food.

Hence the role of consumer education and positive help by financing institution, will be welcome step, in modernising the store.

(5) The number of colleges and Universities offering curriculum in marketing has been expanding and that is indication if it will continue to be the case. The academicians and business experts must appreciate the retailing from the following angles.

The discipline of retailing:

As a social science discipline, retailing is the study of interaction of consumers and their social institutions as they conduct transactions (that is, exchange of goods, services, ideas) in the market place.

The Science of Retailing:

The retailing as a science is the attempt to organize our knowledge about retailing through observation, study and experimentation and to use this information is broadening our base of knowledge.
The Managerial point of view:

For the Manager, retailing is the attempt to manage transactions at the point of ultimate consumption for the benefit of the organization and society.

Knowledge of retailing is useful to those entering any phase of business education. There is now discussion of retailing method in banking industry.

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CHAPTER XII

Notes and References:


4. Ibid., p.339.

5. Ibid., p.344.


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