The objective of all economic activity in the ultimate analysis is to satisfy the needs of consumers. The goods and services whoever produces and wherever the same are produced must reach the prospective consumers. The process and the course through which the title and control over the product or service pass from the original producers to end users is called the distribution system. In modern societies the standard of living attained is dependent in large measure upon effectiveness and efficiency of their distribution system. If this system does not provide the goods desired at the time and place needed, consumers will be denied of many of the satisfactions which they might otherwise enjoy. If the distribution system fails to perform its functions with a maximum degree of efficiency, the consumers will be faced to pay more for the goods and services that can be satisfied from either economic or social point of view. As the economic development of community progresses, this aspect of economic endeavour becomes increasingly important in the lives of all people in the country as well as in smooth functioning of economy.
In such distribution system, number of agencies wholesalers, retailers, commission agents, brokers, transport agencies operate. The performance of such institutions is of critical importance in developing economy.

DISTRIBUTIVE TRADE SECTOR IN INDIA:

Distribution sector in India consists of three sub-sectors, i.e. trade, storage and transportation. The distributive trade sector in India is itself a very large sector consisting of four million establishments providing employment to over eight million people. The structure of distributive trade in India consists primarily of two major types of agencies i.e. wholesalers and retailers. In addition to this, there are other types of agencies facilitating the transactions in the form of agents or brokers. As per 1971 Census, there were 3.4 million wholesale and retail establishments in the country employing 4.00 million people. Of these, the retail establishments alone were estimated to be 3.3 million. In addition to these fixed establishments, a very large number of temporary and mobile establishments exists. In rural areas, stalls at weekly markets,
or at fairs, as well as hawkers and mobile shops form a significant part of the distributive trade.

Distributive trade in India is predominantly in private hands consisting of individuals or family owned establishments. The share of cooperatives and government or quasi-government establishment is very small.

II. SIGNIFICANCE OF STUDY:

Retail Trade in India:

In a developing country like India, retailing is regarded as the last operation in the distribution of output produced in country’s economy. The task of retail distribution involves making goods available at the right time and at the right place at the right price, to the consumers. This is an enormous task, specially in a country like India where 600 million consumers reside in nearly 600 thousands of cities, towns and villages spread through out the country. The task of retailing, in this country, naturally involves, performing of the contractual function among producers, consumers and variety of intermediaries. It also involves the job of transporting and storing
of goods for facilitating the early availability of goods to the consumers. The importance of retail trade in India may be recalled from the fact that according to one of exide estimate in India in 1975, there were 33 lakh retail establishments, providing employment to 58 lakh workers. The total turnover in this sector was estimated at Rs. 15,000 crores, and an amount of Rs. 4,000-5,000 crores are invested in it. As regards its contribution to the national income, it was estimated that wholesale and retail trade together generated the income amounting to Rs.7,323 Crores, in 1975. It was estimated that in the past 15 years, the increase of income generated by trade was to the tune of Rs.6,029 Crores. The trade sector income grew at the rate of 466 per cent in this period, as compared to the increase of 355 per cent in national income. These figures indicate the trading sector is widening its activities.

In terms of reach of retail facilities to the society, it is reported that at the national level there were 42 families per retail outlet in rural area and 14 families per retail outlet in urban area. Thus, there is retail store of some kind or the other
for every 20 families in the country.

In terms of spending of personal disposable income by consumers, the retail trade assumes the significant importance in the economy. It was estimated that the percentage of total personal income spent in retail trade in 1981 was about 65%. Thus most of personal income is channeled back into the economy through the retail trade.

The study of retail trade, assumes the utmost importance in examining the various proposals of economic development, formulated by the Government for uplifting the standards of living of masses.

Need for Study:

The study of size and structure of retail trade in India is challenging and fascinating. The operating scale of retail outlet itself shows the wide variation. On the one extreme there is a small independent retail store with a merchandise worth of few rupees and on the other extreme there is a retail outlet with a stock of fluctuating around Rs.50,000 and more. And in absence of regular Census of business, outlet as carried out in the countries like U.S.A., United
Kingdom, or Japan, it would be very difficult to appreciate the vastness and complexities prevailing in the retail trade and to assess the impact of economic development on such important sector. In such situations we have to depend upon the occasional studies carried out by the Government agencies and experts in this fields.

OBJECTIVE OF THE STUDY:

Retailing is the final link in marketing process to deliver the goods to ultimate consumers for non-business use. Little is known about this link in the chain of distribution, which plays an important role in uplifting the standard of living of masses. Through this study efforts are made to examine in detail the unique aspects of marketing at retail level and secondly to identify the management problems of retail business.

The main objectives of study are listed below:

(1) To examine in detail the character of retail trade.

(2) To evaluate the financial performance of the institutions engaged in retail trade.
(3) To study the shopping pattern of consumers in determining the size of retail trade establishments.

(4) To study the socio-economic and cultural factors affecting the retail business.

(5) To find out the factors affecting the viability of retail stores.

(6) To find out the scope for large scale retailing in India.

Method of Study:

The extensive use of both the methods, viz., primary and secondary methods of collecting relevant information has been made.

The statistical data, regarding retail trade structure its growth has been collected by studying the following published reports:

(1) National Sample Survey of Household Trade.

(2) Census of 1971 - Establishment Tables.

(3) Report on Census of Retail outlets by operation Research Group, Baroda.

(4) Report on Assisted Retail Trade Establishment - Reserve Bank of India.

For studying the identifying the problems of management of retail grocery business, the relevant
information is collected through the field study.

**Field Study:**

Through the use of questionnaire "Survey of retail establishments in grocery provisions" in Aurangabad city, detailed information relating the management problems of retail trade in grocery provisions was collected and analysed. The method of personal interview was adopted. The purposive random sampling method for selecting retail establishments in grocery provision was used.

The information on relevant points from hundred selected retail establishments was collected and analysed for the purpose of identifying their business problems.

**SCOPE OF STUDY:**

The scope of the study in terms of coverage and time may be described as follows:

The study covers only the retail establishments engaged in grocery provisions. The period of study was the year 1981. The most of the financial data was for the trading financial year 1980-81. The most of the financial study carries all the limitations of a statistical enquiry.
RESUME OF CONTENT

This study is presented into four parts, so as to fulfil the objective of integrated study of the subject. All these four parts of study are inter-linked. The concept of retailing, innovative changes in the universe of retail institutions and retailing practices in developed and under developed countries has been discussed in Part-I. This part also attempts to locate the role of retail trade in the industrialisation process. Part-II, reviews the historical development of trade and retail trade in ancient India, and also analyses the Indian retail trade structure. This part also covers the review of studies relating to retail business. The historical perspective of retail trade situation and the socio-economic profile of the selected town Aurangabad and the analysis of retail trade pattern in Aurangabad are dealt with in the Part-III. Chapter-VIII deals with nature of Retail Grocery Business and presents in detail the Research Methodology of the field survey and Chapters-IX, X, XI of Part-IV are based on the analysis of primary data collected about retail establishments in grocery provision.

The summary and conclusions of the findings suggestions and the scope for further research in this
field, are presented in Chapter-XII.

It is hoped that this study would prove helpful to a customer to be better informed citizen, to the public service personnel, especially in administration of municipalities, in solving the problems in connection with zoning ordinance, urban land development and Ministry of Civil supplies in formulating rational policy for public distribution scheme of essential commodities and in the last, to the students of Marketing Management in broadening their horizons about retailing practices in Indian Market and it may be worthwhile exercise for the manufacturer facing the problem of distrusting consumer products and for the trader in the retail business of grocery.

( G.M. Pande )

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