PART I

Retailing: Concepts, Growth and Practice

CHAPTER: I  Retailing & Retail Trade
(Concepts & Growth)

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CHAPTER - I

RETAILING AND RETAIL TRADE

(Concepts and growth)

Retailing, the activity involved in the sale of consumer goods to ultimate consumers, has been identified by many economists and marketing scientists as a vital force in the process of marketing in particular and in economic development in general. Paul Mazur defines marketing as 'the delivery of standard of living.' By satisfying the existing needs of the consumers and creating new desires for better and improved products, marketing sets the pattern of consumption and improves the living standard of the people. This chapter is designed to discuss briefly - the position of retailing in the socio-economic system and in marketing system, and to develop an appreciation of the basic economic foundation that provides the reason for the performance of retailing activities. Section - I of the chapter briefly deals with the place of retailing in the economic and marketing process and the issues involved in defining the retailing as a marketing activity, Section - II attempts to discuss the number of functions, that the retailers perform, the main
economic characteristics of retail trade and to point out unique aspect of marketing at retail level and lastly attempt was made to define 'What is retailing' from different angles.

Section - I
MARKETING - RETAILING SYSTEM

Retailing is a part of the marketing system, and will see, how the marketing system to some extent is an integral part of the economic system.

Marketing, as the term is currently and widely used, is concerned with the activities necessary to provide for the physical distribution of goods and to effect transfers in their ownership. To elaborate, marketing is further concerned with the entire group of services and functions performed in the distribution of merchandise from producer to consumer, excluding only operations relating to changes in the form of goods normally regarded as processing or manufacturing operations. The tendency in modern economic writings is to give more appropriate recognition to production in the broader, truer and more meaningful sense. Among those who have given careful study to the matter, it is now well accepted that marketing is a major aspect
of economic process. The marketing process is enmeshed or entwined with other processes in the economic and social system. Accordingly, for such purposes, the following definition is formulated by the marketing philosophers,

"Marketing is the process in a society by which the demand structure for economic goods and services is anticipated or enlarged and satisfied through the conception, promotion, exchange, and physical distribution of such goods and services."³

Marketing is basically a process as farming or manufacturing. As such, it is essentially functional in character and may be viewed as consisting of those activities or functions which are required for the accomplishment of the purpose contained in the above definition. Retailing, as a part of this marketing process is considered as a final link existed between producer and final consumers. What is the position of retailing in the economic system of which it is a part? In developing an answer to this question, it is helpful to identify three essentially different but basic types
of economic activity. These three types of activity are - (1) extractive or manufacturing activities, (2) marketing activities, and (3) consumption activities.

Extractive processes are those that involve the withdrawal of natural resources, for instance, mining, fishing and agrarian pursuits. Manufacturing includes those processes that alter the form or the chemical composition of matter; for instance, assembling, processing, fabricating, and chemical and molecular modification.

Marketing activities do not normally alter physical and chemical compositions, although they may. Marketing activities include those forms of human involvement which create 'time', 'place', and 'possession' utilities. Time utility may be defined as the increment of economic value which results from the holding of merchandise until it is most marketable. Storage may create time utility. Please utility is economic value created through the physical movement of goods to those markets which are most desirous of them. Transportation may create place utility. Possession utility is value created primarily through
the process of informing the prospective buyer regarding the attributes, capabilities, and usefulness of products. Marketing activities are performed by both wholesaling and retailing forms and in some cases by manufacturers and final consumers.

Consumption activities are the justification for both extractive/manufacturing and marketing activities. Consumption involves the performance of activities which result in a reduction in the economic values or usefulness of a product. Economic value is thus embodied or created by the extractive/manufacturing processes and economic value is withdrawn or 'used up' through consumption.5

The marketing sector of our economy is comprised of many specialised institutions which add economic value to the products which they handle through the creation of time, place, and possession utility. These marketing institutions may be viewed as a kind of economic bridge between manufacturing and consumption. The final link in this 'chain' - the link that immediately precedes consumption - is retailing.

In as much as retailing creates values that are esteemed by the society of which it is a part,
retailing contributes to the overall well being of society.

The Retailing System:

From the overall framework of economics, and marketing system, the focus is turned now to our primary areas of concern, the retailing system. The retailing system might be more correctly called the retailing sub-system, and it plays a vastly important role in both the larger systems of which it is a 'part', namely economics and marketing.

The word retail comes from the French root 'taillier', which means to cut. Retail means literally to recut or to cut down, to reduce from a larger to a smaller whole. The word tailor is derived from the same root, and the old French word, - retaille may be interpreted as 'a piece cut off'. To sell at retail means to sell 'a shred, paring or small piece cut from a thing.' A shopkeeper engaged in small sales and thus becomes known as a retailer. Merchants were more likely to sell at 'wholesale' or in gross. The transaction dealt with the entire thing, whole meaning complete, as opposed to the breaking bulk activity implied at retail. Firms that deal on such scale are
known as wholesalers. In the interest of still more precision, the notion of a 'whole' sale is no longer crucial basis for distinguishing between the two institutions. A retail sale is now defined as, one in which the purchaser is the ultimate consumer, or 'one who buys or uses goods or services to satisfy personal or household wants rather than for resale or for use in business, institutional or industrial operations.'

Thus a retail sale is one in which the buyer is an ultimate consumer as opposed to a business or institutional purchaser, and the motive is personal or family satisfaction stemming from the final consumption of the article being purchased in contrast with purchases for resale or for business, industrial or institutional use.

From this, wholesale transactions become those not made on the retail level. They include sales made to retailers, industrial organizations and government bodies. It even subsumes those sales to the householder that may be used for commercial purposes, such as the sale of car to a household for use in his side job or selling cosmetics door to door.
The curious and important aspect of this definition is the disparity it creates between the term wholesale and wholeseller and between retail sale and the retailer. The distinction between a wholesaler and the retailer is again based upon the concept of 'Primary' activity as measured by the relative importance of one type of transaction versus the other. Many wholesalers do engage in retailing, as do the retailers in wholesaling. The result is that not all wholesale sales are made by wholesalers, nor are all wholesalers sales made at wholesale.

In harmony with this definition, William R. Davidson defined, 'retailing is the final part of the marketing process in which the various functions of the seller, usually a store or service establishment, and the buyer, an individual consumer are primarily oriented to accomplishing the exchange of economic goods and services, for purposes of personal, family or household use.'

It is very difficult, and insurmountable difficulties would be encountered in distinguishing retail sales from sales to business firms when a business user of a commodity makes a purchase of small
quantity of an item in a regular retail store and at
the same price paid by the ultimate consumer. In
result such sales to business users are usually regarded
as retail in character. Thus retailing is indeed only
part of a continuous process going on between factory
and household in which goods are changed in form,
packed, transported and sub-divided.\textsuperscript{11} It is this last
that is the etymologically true retailing function,
since the word is related to 'tailor' or cutter.\textsuperscript{12}

Following few more definitions help us to
understand the perspective meaning of retailing as
marketing process. In encyclopaedia of social sciences,
the retailing was narrated as the retailing is that
phase of general commerce devoted to the distribution
and sale of goods for ultimate consumers'. The
distinguishing feature of the retailing is that its
activity consists of selling merchandise to ultimate
consumers. Similarly, the term was defined as retail
trading means, is the branch of commerce which
distributes goods into the hands of people who finally
buy them.

Recent shift in the strategy of marketing of
consumers goods, lay even more emphasis on the sale of
the retailers than has been in the past. The retailers in the new approach to be considered not as a final link in distribution with the consumers, but as the initial link with them.

Retailing - Fundamentals:

At various places, the term 'retailer', 'retailing', 'Retail Establishments', and 'retail store' will be used. In a more specific study of retailing, the popular and confused manner in which such terms are often used will not suffice, and a need for greater precision is introduced. Several questions may indicate the confusion that prevails. Is a sale 'retail' because it was consummated in a retail store? Does a retail sale necessarily involve a small quantity of goods, a higher price than in a wholesale transaction or a particular kind of merchant who effects the transactions? When a consumer buys from business firm claiming to be wholesaler and obtains a price lower than the ordinary retail price, is the consumer purchasing at retail or wholesale?

The variety of uninformed answers to such questions points to the need for considering the meaning of important retailing terms as authoritatively recognised.
Carefully formulated definitions are necessary for meaningful discussion and analytical study, for proper classification and measurement of quantitative data and for various legal purposes.

Establishments, Stores, and Retailers:

The composition of its transactions gives an establishment its principal character. A retail establishment is, therefore, a single or separate place of business, principally engaged in the performance of marketing functions, wherein or out of which sales are made primarily to ultimate consumers. In borderline cases such as are encountered in attempts to classify special functions of establishments (i.e., those that sell partly at retail and partly at wholesale), the classification is usually effected on the basis of the rule of more than 50 per cent of the volume of business. Thus an establishment is considered as retail if more than one-half of its volume of business consists of sales to ultimate consumers.

Store:

Most retail establishments are stores or places of business open to and frequently by the general public, and in which sales are made primarily to ultimate
consumers, usually in small quantities from merchandise inventories stored and displayed on the premises. Some retail establishments are operated by non-store \textit{retailing} organization. The major types in this category consists of mail order establishments headquarters for house-to-house selling companies and vending machine operator facilities.

\textit{Retailer:}

Any person or business firm can own and operate a retail store or a retail establishment. The very great majority, however, are operated by retailers. Retailers are merchant middlemen who are engaged primarily in selling to ultimate consumers. Unlike manufacturers or farmers who may operate retail establishments, retailers specialise in retailing activities. They stand in the channel of distribution between manufacturers, farmers or wholesale \textit{middlemen} and ultimate consumers. They buy and assemble stock of merchandise, which they own and hold at their own risk, and attempt to resell them at a profit.\textsuperscript{15}

The \textit{retailing}, is an activity word and denotes selling at retail. Among authorities who have given the most serious study to the question, the consensus
is that the only clear, sound criterion for
distinguishing retailing from other business activities
is the status or motives of the purchaser. Thus a
retail sale, is one in which the buyer is an ultimate
consumer, as opposed to a business or institutional
purchaser, and the motive is personal or family
satisfaction stemming from the final consumption of
the article being purchased, in contrast with purchases
for resale or for business, industrial or institutional
use.

Section - II

THE SOCIO-ECONOMIC FOUNDATIONS OF RETAILING

Retailing is natural and productive human activity.
It is not a facet of some grand of commercial scheme
intended to part a fool and his money; nor it is
'unproductive' in the sense that it adds no economic
value. Specially retailing evolves because of the gains
over alternative system of distribution which it offers.
Retailing rests firmly upon the economic base that
includes following elements.16

(a) Specialisation and division of labour.
(b) Transactional efficiency.
(c) Place convenience.
(d) The reduction of economic 'discrepancies'.
(e) 'Informational' activities.
(f) The provision of miscellaneous 'services'.

Louis P. Bucklin17 — while defining the rationale behind retail activities, described the importance of this task by defining a product's distributive system, as a series of agencies which in the process of bridging the gap between production and consumption, operate upon three major distinguishable flows. The concept of flow is another construct of some historical and theoretical importance in marketing thought. Within the context of distribution, a flow may be regarded as the movement of a definable object, or bit, requisite to the purchase and consumption of goods. This is most clearly understandable as we observe the movement of product from agency to agency. Although a number of flows have been identified, this discourse will be limited to only three types of bits, product, information and title. The marketing function that the middlemen perform may be regarded as the activities that pump, store and monitor the status of these three bits. Recognition of the types of channel flows in which a
middleman participates defines in large measure the types of functions he will undertake.

All these movements in regard to product bit, information bit, or title bit, formed socio-economic foundations of retailing.

(1.2) Patric Mc Anally in his research project, entitled "The Economic of Distributive Trades" putforth, following proposition for describing the fundamental of retail trade. He clarified that 'movement', is a verbal noun. It needs to be accomplished by some adverbial expression. His proposal is to regard distributive trade, as:

"movement, with changes of ownership occurring at customer discretion subject to distributor's advice and in surrounding and with services provided by distributors."

He regards all the adverbial functions, noted above as an output of distributional trades.

The above discussion summarizes the retail fundamentals, as the retailing is mechanical activity reduces the inconveniences caused to society by reducing the volume of transaction creating the place
utility by reducing the distance hazard to the consumer, and psychological transformation of the product to the consumer. These are the basic socio-economic fundamentals of retailing in all economy.

The activities undertaken by retailer comprise the broad spectrum of functions that encompass the field of marketing and are performed in conjunction or in competition with other agencies that is producers, consumer, a carrier. These functions have been defined in numerous ways by various authorities. For elaborating the functions of retailers the study would be resorted to output approach.

Retailing organizations create economic value by the performance at least to some extent, of all basic marketing functions, thereby creating place, time and possession utilities and to a limited extent, form utility. Place utility is added by bringing goods from wholesale markets to conveniently accessible stores. Time utility is provided by anticipating consumer wants and storing goods from time of its receipt until time of consumer purchase. Retailers make a substantial contribution to possession utility by transferring the ownership from business organizations that have no use for goods other than trading, to ultimate consumers for
whom value in use is high. However, the creation of form utility by retailers is incidental rather than the principal attribute of retail organization.

Analytic View of Output of Retail Trade:

Patric McAnally minutely observed the functions of retailer, and elaborated those functions of retailers as an output of retailing. This output consists of the value created by performing the following functions of:

1. Changes of ownership
2. Provision for customers discretion
3. Distributor's advice
4. Provision of surrounding and services.

Changes of Ownership:

'It is not impossible for distribution to take place without any change of ownership. Handling changes of ownership is a virtually all pervasive part of the work of distributive trade. The distributive trades have to handle vast number of items, often at high speeds and in confined spaces. In principle each change in the ownership of goods passing 'downwards' in a distributive channel is paralleled by a change in
the ownership of money passing 'Upstream'. The responsibility of (1) concreteness, (2) preservance of the institution of private property, (3) opportunities to the customer for exercising vigilance and (4) the provision of opportunities in exercising choice, are the essential conditions in changing ownership of goods. These responsibilities may seem obvious but their discharge, lays the foundation of the retailers relations with the suppliers, his customers, and his staff and thus this may be regarded as an important part of the retailer's output.

At Customers' Discretion:

The second fundamental condition to regard the movement of goods (as an output of retail trade) is movement of the goods at the customers' discretion. The sense in which movement combined with changes of ownership at customer's discretion was clarified in detail by Taussing, the American Economist as 'Imagine' that every one intending to buy a pair of shoes or a suit of clothes was called on to send notice of his proposed purchase a week or two, in advance, to give a preliminary account of things wanted, and then to accept an appointment for stated place and time at which the purchases must be made. It is easy to see
how the work of retailing could be systematised, how the selling force would be kept constantly employed, how stock would be kept to the minimum. As things now stand, we pay heavily for the privilege of freedom, in the use of our time for vaccination and choice, for the maintenance of a stock and a staff adequate for all tastes and all emergencies. Not only do customers not have to notify their intention in advance but they get opportunities to change their minds after they have made them up. This is meaning of giving discretion to the customers. This is another aspect of the output of the distributive trade. The most extreme manifestation of giving discretion to the customers is perhaps the willingness of retailers to take back goods which have been sold and stated thereafter to be unsatisfactory.

The degree of these choices available in many transactions may drop to zero. It depends upon the availability of goods, price range and other factors. The giving frequent discretion to the customers is of prime importance in the distributive trade.

Subject to Distributors' Advice:

Many types of goods as they reach public are useless unless they are accompanied by precise technical
information. This may range from statement about size and washability characteristics in the case of clothes, and elaborate working instructions in the case of engineering products. The retailer will not necessarily frame this sort of advice himself but he is responsible for seeing that it is available to customers. His advice may also be of a less verbal nature. The distributors ensure that the customers can know the price of each article and make relevant comparisons with the price of other articles, and he does the same for aspects of quality that are not easily put into words. The reason for the comparatively elaborate display of the retailer to reveal the real quality and purpose of the goods and to assist the customer to make comparison and this in itself constitutes a form of advice to his customer. Furthermore, by ordering, or not ordering, as well as by commenting or criticising, he gives advice to manufacturers. Manufacturers are influenced by the advice coming upstream to them from distributors.

Retailers Role in Surrounding And Service:

It has already been indicated that it is possible for retailer to proceed by post, or in the open street, or market place. It is not necessary for all retailers
to provide premises for price of exchange, but most
of them did.

Retailer's have come a long way. They must
move and must accept for keeping up with rising
standard of living, not only in the goods chooses,
but also in surroundings, he provides. They have had
to install such improvement, such as electric lighting
central heating and refrigerators for preserving
witnessed striking improvement in the surrounding of
retail distribution. For example between the independence
movement and planned development in India, very striking
improvements in this respect were achieved, especially
in shops catering for low incomes. On the whole these
improvements were what the public required.

Apart from the surrounding, there are some
services which are not embraced in output of retailers,
as have been described so far. Delivery of goods to
customer's home, is included in movement, and
advertising is included in advice. The main type of
output that is outstanding is the provision to
customer, of credit in variety of forms.

The above discussion regarding the functions of
retailing is an answer to the questions generally
raised against the distributive trade. The questions are -

(1) What does the distributor do?
(2) What does he make?
(3) What sort of transformation does he assist?

French writer, Avril Paul\(^2\) stated that retailer undertakes the following kinds of transformations.

(1) Material Transformation
(2) Transformation in time and place
(3) Psychological transformation.

This is integrated marketing functions performed by the retailer. It will be clear that a manufacturer is concerned primarily with material transformation but he involves himself also with transformation in time, or space and psychological transformation. This is what his marketing activities are about. On the other hand the trade will be primarily involved with the last two transformation. They may also concern themselves with material transformation. Retailers inevitably undertake measuring, cutting up and weighing, and packaging and weighing.
**Psychological Transformation:**

Psychological Transformation is the novelty of distributive trade. Its meaning may become clear if about the distributor's function of the matching the forces of production and consumption.

Avril envisaged that at any movement in any channel of distribution there might be a state of supply upstream and state of 'demand downstream'. They have to be made to match and if this has been done once it will have to be done again, because the flux of circumstances inevitably cause the state to change. It is the function of distribution continually to adjust one state to other or both to make them match. The kinds of adjustments that can be made are summarised by following matrix.

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An upstream adjustment for quality means that distributor tells manufacturer to make some adjustment
to his specification. A downward stream adjustment to quality means that he enables his customers to arrive at new idea about the quality of goods. To get goods moving in a way that gives satisfaction upstream, downstream, and to himself, a distributor may have to make adjustments corresponding with the eight cells in the matrix or with fewer.

**Retailing - As a Specialised Area of Knowledge**

Marketing is the process in a society by which the demand structure for economic goods and services is anticipated or enlarged and satisfied through conception, promotion, exchange and physical distribution of such goods and services. It includes the continuous interaction of original producers, middlemen, factory agencies and indeed, also the marketing activities engaged in by individual consumers.

While retailing derives significance and purposes only from the large process of which it is part, it is an activity the performance of which tends to be carried on by institution, specially engaged primarily in it. By virtue of its distinctive attributes, it is recognised (as a specialised area of knowledge for purpose of study and research) as a separate system under the broader area of marketing and economic system.
There are several definitions of systems - a Marketing Scientist defines a system as 'an organized or complex whole; an assemblage or combination of things or parts forming a complex and unitary whole.'

Another writer has defined the concept in the following way 'A system is a collection of entities or things (animate or inanimate) which receives certain inputs and is constrained to act concentratedly upon them to produce certain outputs with the objective of maximising some functions of inputs and outputs.'

From definitions of general system, one can move to definition of more specific system for instance - the manual.

The (marketing retailing) system is a set of interacting variable.

A management system is that sub-system of the organization whose components consist of a set of individual (man to man) whose duties are to receive certain organisational problems (inputs) and thereupon to execute a set of activities (processes) which will produce organisational solutions (output) for either increasing the value of return of the total organisational activity (satisfactory) or for optimizing
some function of the total organizational inputs and outputs.26

The latter definition attracts the attention to treat the retailing system as the specialised area of knowledge for purpose of study or research.

Systems are conventionally represented by flow charts or simple block diagrams - and a rudimentary system generally takes the following form:27

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Input   Process or operation   Output
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The component parts of the system are the input, the process or operations and the output. There are numerous inputs to any given system. The environment within which the system operates is to a large extent a part of, or input to the system. For example, the retail firm as a system must consider as inputs to its system - the behaviour of its competitors, the demands of its consumers, the legal frame-work, government policies and the structure of its competitive environment.28

Since retailing is a specialised system in society, from the rest of the marketing process and
identified as the separate subject for study the discussion of retailing functions assumes the shape of discussion towards the managerial functions of retailing.

The retailing management resources or process is the accomplishment of desired results through human effort and is responsible for the performance of at least three basic activities.

(1) Anticipation-selection. The retailing manager is responsible for correlating his goods selection with anticipated needs of the market place. His tools for accomplishing this correlation and coordination are market research, inventory systems and control audits, and other statistical record keeping and planning devices. The relevant resources include finances, personnel, and education.

(2) Communication-information systems. Communication literally means to establish a commonness between sender and receiver. The retailing manager must establish channels or routes through which information can flow from consumer-buyers to the firm and he must provide for feedback loops.
Feedback is the process whereby a part of the original signal emanating from a communication system is recovered in order to correct, modify, or control the system. Both consumers and the firm operate on the basis of information established by the communication system. Effective system operation depends on proper linkage among components of the system. Communication/information is the adhesive that binds the components of the system into a cohesive whole.

(3) Convenience. Consumer wants can be viewed within a structured framework of convenience. The merchandising function of retailing has historically conveyed the idea of the planning involved in having the right goods, at the right time, at the right price, etc. This is the true and literal meaning of the word convenience as it relates to the management of retailing systems. Consumers desire to optimize their shopping purchase behaviour by minimizing their shopping inputs such as time, money, and physical and psychic effort and by
receiving a maximum output of shopping purchase satisfactions.

The retail store has often been described as a machine for selling. Actually, it is a means of both generating and releasing a stream of customer satisfactions or convenience. It is the vehicle through which flow the processes and the out-puts of the retail management system, a system that must structure a package or total bundle of customer satisfactions consisting of well-planned merchandise assortments, a range of fair and just prices, effectively promoted and communicated to relevant market targets; and offered in facilities and surroundings that enhance and contribute both to the customer's convenience and to the convenience and function of the total system.

**Unique Aspects of Marketing at the Retail Level:**

The detailed study of the unique aspects of marketing at retail level definitely enlarges the scope and subject matter relating to retailing. Because of retailing focus on the ultimate consumer, the nature of marketing at the retail level is substantially different from marketing activities of original producers, manufacturer or middlemen who are
selling to resellers. One of these unique features is the nature of individual consumers motivations.

In a generally prosperous society, where the gratification of basic physical needs is more or less taken for granted by the overwhelming majority, the value sought by consumers tend to have high psychological component, they include knowledge, distinctiveness, timeliness, prestige, convenience or social appropriateness. On the other hand, the business buyers, even when not as well informed and when more emotionally motivated than they should be, generally dealing in quantities of larger economic significance, is proceeding on the basis of the need to accomplish a business purpose and is more likely to have made comprehensive comparisons of values available from alternative services. The values sought by individual consumers are not merely those of the physical product peruse but they are in large part values, contributed by the retailing organisation itself.

(I) Consumer's purchases tend to be in very small quantities:

The ultimate consumer's purchases tend to be small in very small quantities, giving rise to a very large number of transactions relative to the sales
volume of an establishment. For example a large size retail store may achieve annual sales of Rs. 10.00 lakhs, but it does this by selling about Rs. 6.00 lakh or worth of merchandise on the average, in Rs. 2.00 lakhs separate transactions during the year. A typical supermarket in U.S.A. with weekly volume of 40,000 will have processed some 8,000 separate customers transactions to achieve the total. 33

This necessitates unique approach to methods of processing transactions, accounting for sales, recording information and so on.

(II) Immediacy:

Many purchasers are the results of an impulsive reaction to a display of merchandise. There is an of immediacy about retailing. Grocery shopping is oriented today to the next few days.

A man may have in mind the purchase of a new suit for a long time, but once exposed to the one he wants and can afford, he desires to have it quickly. An unexpected change in the weather has drastic and immediate effects upon the sales of airconditioning units, and raincoats. If the opportunity is missed it is for ever lost to the competitors. In marketing
transactions where the purchaser is a business firm, the situation is governed by usually forward planning, scheduled activities, and general awareness of normal lead times between the placing of orders and delivery.

Consumer initiates the Marketing Contact:

In retailing the usual situation is that, the consumer initiates the marketing contacts, as compared with marketing on the wholesale level, where an outside salesman commonly seeks out or maintains continuing relationship with business buyers. Since the consumer usually visits the retail stores and takes merchandise home at the same time, factors of business location are usually significant and can be modified substantially by new competition, the rerouting of highway or the deterioration of surrounding areas.

Both the internal and external atmosphere of stores tend to be important aspect of marketing strategy contributing to the values sought or achieved in the consumers buying process; Partly because of the consumer's tendency to initiate the marketing contacts when want is recognised and partly because of the great diversity of competition, time and place considerations in retailing are extremely important.
Store must establish hours of operation that will serve the wants of its clientele, in view of the prevailing alternative shopping opportunities available to potential customers. And more so than any other level of marketing, retailing is local.

Moreover, retail stores are to be found whenever people are, following population movements, to suburbs, to growing small towns, to urban redevelopment area. In the search for prime locations retailers often lead rather than follow the market potential, established new units on the basis of confidence that future trading area growth will justify the investment in faculties.

**Consumer Shopping:**

The buyer's activities in transactions at wholesale, whether they involve consumer or industrial products, are means to an end. To certain extent this is also case with consumer buyer because it may be said that the housewife's grocery shopping is essential to her purpose of providing meals for the family, that family shopping for a new car is done to satisfy the objective of acquiring a transportation device. Beyond this however much consumer shopping is an end in itself.
Thus to an important degree, retailing involves the creation of an exposition-like atmosphere, with such thing as excitement, colour and theatres, which is valued in itself, apart from its connection with the exchange of physical objects of merchandise and or services. Other unique aspects of retailing could be cited but the foregoing are adequate to reflect the distinctiveness of retailing.

The manner in which retailer responds to such factors tends to create distinctive types of management activity in retailing.

**Significance of Retailing**

Retailing occupies a highly important role in the overall marketing system. Viewed in one light, retailing might be considered the neck in the bottle of distribution. This is certainly true as far as ultimate consumers are concerned. For them retailing is the nexus that ties them immediately to the distribution or marketing system.35

Retailing facilities equalising and dispersal activities required of a consumption oriented economy. The presence of retail merchants and institutions in the form of a specialised trader facilitates the
marketing process immensely by reducing the number of transactions and, therefore, by reducing transaction time. The retail system acts as a gigantic screening filtering and facilitating mechanism in aggregating vast quantities of goods, anticipating consumer needs and disposing these goods, throughout the consuming population. Retailing is a specialised kind of marketing activity concerned essentially with facilitating the marketing and sorting process which emerges from consumer demand and manufacturer and wholesale supply.

The retail function consisted of aggregating merchandise assortments and then cutting them down so to speak, or making them available in smaller, more usable quantities for ultimate consumers. To this date, this function remains the central task of retailing, i.e. aggregating assortments in anticipation of customer demand and making available this concentrated variety\(^\text{36}\) for the convenience of ultimate consumers.

**Overview – What is Retailing:**

In the light of foregoing comments about the nature and scope of retailing and its distinct aspects
of marketing system, certain basic ideas and convictions are set forth. For defining what is retailing? Within the modern retailing-marketing concept with its customer orientations, its sensitivity to environment pressures, it is difficult to give a single definition of retailing. Every study will offer its own definition and careful investigation will show that the definition advanced during the past, suggests that retailing was selling goods in small quantities to householders. Since then great deal of progress has been made and with the dynamics of our environmental philosophic and institutional parameters it is preferable to define retailing from following three points of view:

The discipline of retailing:

As a social science discipline, retailing is the study of the 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:

Retailing as a science is the attempt to organize our knowledge about retailing through
observation, study and experimentation and to use this information in 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.

A positive approach to retailing calls for a recognition of the fact that retailing enlarges the total fund of consumable values.
Chapter - I

NOTES AND REFERENCES:


36. Concentrated variety is a concept of Seymour Baranoff's and can be more thoroughly explored by looking at Seymour Baranoff, "Retailing as an Operating System" in Reavis Cox, Wore Alderson and Stanley J. Shapiro (eds) Theory in Marketing, (Richard D. Irwin, Inc. Housewood III 1964) p. 161.


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