

Chapter I

Introduction, Nature & Scope of the study

1.1 Introduction

The term 'business' refers to the state of being busy, as an individual or society as a whole, doing commercially viable and profitable work. Business also means an organization engaged in the trade of goods, services, or both to consumers.

Right from civilization, business exists as a part of the society and hence is also intimately affected by social, economic and political changes. At the same time, any businessman faces many issues and problems while conducting his business. In dealing with these issues, businessmen realized that they should come together and form their association. Such associations have the following benefits:

1. They provide a common platform to the businessmen to share their experiences.
2. They help to unite the businessmen to fight out problems commonly faced like issues relating to weighing, storage, testing, gaining market information and dispute solving.
3. They provide representation to the local authorities like Municipal Corporation and also state and central government departments, bureaucrats, policy makers and ministries for drafting or amending trade related policies.
4. They help to develop best business practices which would be beneficial in the long run.
5. They also perform other functions like information sharing, providing education by arranging visits and guest lectures, initiating publications and others.

Such organizations take the form of trade associations or *chambers of commerce*. *Trade associations* are formed by businesses that operate in a specific industry.

While *chamber of commerce* is a local organization of businesses that operate in a specific geographical area i.e. a town, city or at the state or national level. Generally a chamber of commerce would have industrialists as its members. A *merchants chamber* is related to merchants or trading community of a particular geographical area. It is different from a Chamber of Commerce.

These organizations exist at various levels like:

1. International level , for example World Trade Organization.
2. National level, for example NASSCOM, the National Association of Software and Services Companies.
3. State level, for example MACCIA, the Maharashtra Chamber of Commerce, Industry and Agriculture in the state of Maharashtra.
4. Regional level, for example Poona Merchants Chamber, an association of traders dealing in groceries and certain essential commodities.

1.2 Wholesale Grocery Business

The trade of grocery items is one of the oldest trades in India. In India, traditionally, there have been many middlemen involved in the distribution channel of groceries in the chain from the agriculturist (farmer) to the final consumer. In addition, agents are also involved in the intra and inter-state transportation of agricultural goods to the wholesaler in the cities. Historically, the wholesale grocery trade of Pune too flourished with the development of the city.

1.3 City of Pune- Profile and Developments

During the past few decades, the city of Pune has witnessed tremendous growth in various sectors like agriculture, industry, education, hospitality and others. There has also been huge growth in the population of the city and the city has witnessed tremendous development. This has created huge demand for food grains and various grocery items and also various packaged and processed food products. There has also been growth in the food processing industry in and around Pune in the past decades. Thus this represents a huge opportunity for the wholesale grocery traders in Pune city, who may wish to expand or diversify their business.

1.4 Wholesale Grocery Business in Pune City

Today, the wholesale grocery trade in Pune includes trade in a wide variety of agricultural items like cereals, pulses, edible oil, sugar and jaggery, coconut, dry fruits and also certain processed items like flour, suji, besan and also what is popularly called 'poha' and murmura'. The goods are brought to Pune from all parts of India. In all, there are around 550 wholesale grocery traders in Pune city out of which 495 wholesale grocery traders are the members of Poona Merchants Chamber. Earlier the market for wholesale grocery items was spread in the heart of the city like Nanapeth, Ganesh peth, Bhavani Peth and other areas, but in the year 1975, the Agricultural Produce Marketing Committee (APMC) shifted the entire market to Market Yard and hence now most of the wholesalers operate from the Market Yard only. Yet there are certain traders who still operate from the previous areas also.

1.5 The Poona Merchants Chamber

The Poona Merchants Chamber is a non-profit organization, acting as a representative of traders dealing in grocery items. It was established in the year 1949 as a non-profit making company under section 25 of the Indian Companies Act. Today, the Chamber has 495 traders as its members and there are innumerable business associations of Maharashtra associated under the leadership of the Chamber. The main objectives of the Chamber are:

- Protection of traders' interest and fighting against injustice.
- Bringing about unity amongst the traders and ensuring the further growth of the trade.
- Promoting awareness amongst the traders regarding legal and other relevant issues pertaining to the trade.
- Undertaking activities as a contribution to society.

At the same time, it also ensures that the interests of the customer and the farmers are not violated.

All alone, an individual trader becomes ineffective, his resources, knowledge, capacity to fight against injustice is limited. **Hence the Chamber has designed its motto 'United we stand, divided we fall'.**

1.6 Statement of the Problem

The Poona Merchants Chamber has been working for the promotion of the wholesale grocery business since the year 1949, and continues to do so even today. During the long span of its fruitful existence, it has provided many services to its members, represented the wholesale grocery traders before the government and also provided leadership to the other trade associations in the State of Maharashtra. Today there are around 550 wholesale grocery traders operating in Pune city out of which 495 are the members of the Poona Merchants Chamber. Thus it would be worthwhile to study the organization and working of the Poona Merchants Chamber and to evaluate the role and contribution of the Chamber for the promotion of wholesale grocery business in Pune City. Thus the Study has been titled as: *'A Study of the Contribution of Poona Merchants Chamber in the Promotion of Whole Sale Grocery Business in Pune City'*.

1.7 Relevance of the Study

The present study of the contribution of Poona Merchants Chamber in the promotion of wholesale grocery business in Pune city is quite relevant in the present context.

- **General relevance:**

Grocery items are the basic necessity of mankind besides clothing and shelter. This research work starts with the Literature review on Trade and Commerce, need for Trade Associations and Chambers of Commerce. The profile of Agriculture sector in India and in Maharashtra State shows the need for establishing a solid distribution channel of grocery items from the agriculturist to the end-user or consumer. Poona Merchants Chamber was established in the year 1949 as a body of Wholesale Merchants. It is an important pioneering organization of Wholesale traders.

In the first part of this research work, the organization structure of the Chamber, its functions and activities, intermediaries in the wholesale grocery market like agents, 'adatiya', 'tolari' and others have been explained. Today the Chamber mainly operates from the Market Yard area.

- **Special Initiatives and Leadership of the Poona Merchants Chamber-**

In the second phase of this research work, the Poona Merchants Chamber is explained more in detail. There are a number of special initiatives undertaken and

continued successfully by the Chamber over the last several years. Conferring awards on successful businessmen, recognizing journalists in the field of agricultural marketing, continued healthy relations with the ‘ hamaals’, ‘ Stree Kaamgaar Kalyan Yojana’ , ‘ Ladoo-chivda program’ etc. are some of them. The Poona Merchants Chamber is not only a body of wholesalers, but also respected by other stakeholders. The Poona Merchants has been providing up-to-date information, creating a platform for representation with the government and settling many important issues. Hence it has been the leader for other Trade Associations and Chambers in the state. Even in the policy framing of the government, the Chamber is invited to express its views.

- **Academic relevance-**

This research work makes an overall, in depth study of the Poona Merchants Chamber. Similar study can also be conducted for other Chambers of Commerce or other bodies. Even the points of suggestions made for the further development of Poona Merchants Chamber would help in enhancing the working of Poona Merchants Chamber in future.

Thus this research work has been a completely relevant exercise for the students and faculty in Commerce education.

1.8 Objectives of the Study

The Objectives of the present Study are:-

1. To study the organization and working of Poona Merchants Chamber and its contribution in the promotion of the wholesale grocery business in Pune city.
2. To evaluate the role and contribution of Poona Merchants Chamber in terms of
 - (i) Protecting the interest of members.
 - (ii) Representing before the government in policy making.
 - (iii) Undertaking activities for member education and providing a common platform for members.
 - (iv) Social contribution.
3. To enlist the various problems faced by the Poona Merchants Chamber.

4. To suggest measures to address these problems and enhance the level of performance of the wholesale grocery business.

1.9 Justification of the Objectives

The Poona Merchants Chamber has been consistently working since the year 1949 for assisting the traders in dealing with their business issues. The help provided by the Chamber enables the wholesale grocery trader to carry on his business smoothly which can also lead to increase in turnover. Thus the Poona Merchants Chamber contributes in the promotion of the wholesale grocery business in Pune city. In addition, the fact that the Poona Merchants Chamber still exists, still has majority of wholesale grocery traders as its members, and is relevant even today points out to its successful working.

Thus the researcher intended to study the organization and working of the Poona Merchants Chamber, evaluate its role and contribution in the promotion of wholesale grocery business and also the problems that the Chamber faces in fulfilling its functions. Then appropriate suggestions are also offered to improve the functioning and effectiveness of the Chamber.

1.10 Statement of the Hypothesis

The following hypothesis has been framed for the purpose of the research study:-

Hypothesis 1

“Poona Merchants Chamber has helped in improving the structure and systems of Wholesale grocery business in Pune city”.

Hypothesis 2

“The member-traders of Poona Merchants Chamber are generally satisfied with the working and services of the Poona Merchants Chamber”.

1.11 Scope of the Study

- a. Geographical scope- This study is restricted to Pune city only.
- b. The focus is on the wholesale grocery traders who are members of Poona Merchants Chamber.

c.. The exhaustive list of stakeholders was not available. Researcher has considered the other stakeholders for opinion purpose only

d. For the historical data, scope is restricted to records of Poona Merchants Chamber and availability of other documents.

1.12 Limitations of the study

a. This research work is undertaken and completed by the researcher alone. So there are obvious time constraints, monetary limitations and physical limits.

b. One of the methods used by the researcher is Observation method. Hence the opinions expressed by the researcher and the conclusions may be biased.

1.13 Research Methodology and Sources of data

The Researcher proposes to adopt both Primary and Secondary data for this research. The following methods will be used for collecting the information and data required for the study:-

1.13.1 Survey and Questionnaire Method

The Primary data will be collected through the appropriate questionnaire, which will be prepared for the Member-traders of the Poona Merchants Chamber. In addition, a separate questionnaire will also be prepared to collect data from the various stakeholders of the Poona Merchants Chamber.

1.13.2 Interview Method

In order to support the Survey and Questionnaire Method, in-depth interviews of the current as well as former Office-bearers of the Poona Merchants Chamber like President, Vice President and Secretary will be conducted. In addition, interviews of some eminent personalities associated with the wholesale grocery business as well the Awardees of the Poona Merchants Chamber will also be conducted. This will enable the researcher to give an all-sided perspective on the Chamber.

1.13.3 Observation Method

The Chamber's office plays a vital role in co-ordinating with the stakeholders and keeps a running record of the Chamber as an organization. The day-to-day working and activities of the Poona Merchants Chamber will also be observed by the

researcher carefully. In addition, the special events of the Chamber will also be attended and observed by the researcher. Also, the day-to-day working of the wholesale grocery market, its structure and systems and its various intermediaries will also be carefully observed.

1.13.4 Library Method

The secondary data also plays an important role in providing information about the working of the Chamber over the last five decades. The secondary data will be collected from books, newspapers, journals, websites, monthly magazine of the Poona Merchants Chamber –‘VanijyaVishwa’ as well as special memoirs published at the time of the diamond jubilee of the Chamber and also the Memorandum and Articles of Association of the Chamber. In addition, the data about the wholesale grocery business at Pune APMC office will also be collected.

1.14 Population and Sample

1.14.1 Member-traders

The Chamber has a rich tradition of having members from generation to generation. The list of member-traders of Poona Merchants Chamber, ending on 31st March, 2015 was considered. It consisted of 495 member-traders. In the initial survey of few traders, it was observed that the traders deal in many commodities, not only one. Since the population is homogenous in respect of association with Poona Merchants Chamber, it is decided to have a sample of 100 traders. For selection of sample, simple random sampling method will be adopted. Care will be taken to include traders of various commodities like rice, wheat, spices and dry fruits, jowar, bajri, pulses and ‘dals’, jaggery, sugar, tea-coffee, so as to have a fairly representative sample.

1.14.2 Stakeholders

The Poona Merchants Chamber is linked directly and indirectly with many individuals and bodies for years together. They include officials of Pune APMC, ‘hamaals’ or porters, commission agents, consumers, farmers and ‘stree kaamgaar’ or female workers in the wholesale grocery market.

The exhaustive list of stakeholders was not available anywhere. These stakeholders are not directly associated with the Chamber. Hence it is decided to have interviews

with various stakeholders, to know about their opinion of the Chamber. Such stakeholders would be selected through convenience sampling method.

1.14.3 Office Bearers

In order to have an in depth account of the internal working of the Chamber and the problems faced by it, interviews of office bearers, present and past, will be conducted. For this, Convenience Sampling method will be used to collect the opinions of office bearers like President, Vice-President and Secretary.

1.14.4 Eminent persons

Eminent persons including social leaders and individuals associated with the field of wholesale grocery business as well as the Awardees of Poona Merchants Chamber will be identified and interviewed. This will enable the researcher to have better and in depth idea about the development stages of the Chamber.

1.15 Analysis and Interpretation of Data

In order to draw meaningful conclusions out of the Primary data, the following points of analysis and interpretation will be adopted:-

- i) Initiatives undertaken by the Poona Merchants Chamber for improving the structure and systems of wholesale grocery business.
- ii) Opinions of Member-traders about the Poona Merchants Chamber.
- iii) Opinion of stakeholders about the Poona Merchants Chamber.
- iv) Opinions/Interviews of Office Bearers.
- v) Opinions of Eminent persons and Awardees.

1.16 Testing of Hypothesis

On the basis of the Secondary data and the important interpretations of the Primary data, the Hypothesis will be put to test.

1.17 Findings and Interpretations

On the basis of the entire research work, suitable findings will be enlisted and interpretations will be drawn and suggestions will be made.

1.18 Scope for further Research:

- a) Such kind of research can be conducted for other Chambers of Commerce or Merchant Chambers of grocery items in other cities of Maharashtra or other parts of India.
- b) Such type of research can also be conducted for trade associations or Merchant Chambers in other commodities in Pune city.
- c) Research can also be conducted to know the in depth opinions of all stakeholders of wholesale grocery business regarding the activities of Poona Merchants Chamber.

1.19 Epilogue

Trade and Commerce is an essential social organ of every society. Right from International, National, State and upto regional levels, there are many Trade Associations and Chambers of Commerce, who have made a yeoman's contribution in the development of trade and commerce over the last several years. Poona Merchants Chamber is one of the pioneering organization of the Wholesale Grocery Traders of Maharashtra, providing active leadership to the trading community over the last six decades. This Research work shall make an in depth study of the Poona Merchants Chamber as an organization, its special initiatives and contribution in the development of the Wholesale Grocery Business of the city of Pune.