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INTRODUCTION

Retail trade is one of the oldest and widely used business service in any country. It is the final business service or component in the channels of distribution which links the suppliers or the manufacturers with the ultimate consumers. The retailers play their basic roles in different ways. They make a trade off of expectations between the suppliers or and the manufacturers and the consumers through buying and selling of consumer products (goods and services). There could be no mass production without the retailers to make the goods and services conveniently available to millions of customers. Retail trade makes it easier for us to buy consumer products. Without retailers, we would be forced to go from manufacturer to manufacturer or from supplier to supplier to purchase goods that we need daily. Retail trade affects every facet of our life. Retailing is such a part of our everyday life that it is often taken for granted. Customers are not aware of the business decisions retailers make and the technologies they use to provide goods and services.

Retail trade is one of the largest sectors of our economy and this trade is going through a period of rapid expansion, exciting and rapid change. Consumers likes, dislikes, needs and wants are changing, demoraphics are changing, consumers are becoming more knowledgeable, demanding better value and service. New products are coming in the market as a result of the scientific and technological innovations. Retailers are to make complex decisions in this rapidly changing environment to make the customers satisfied. It is most familiar part of marketing to the average person but very little is known about the issues related to the rapid development of this part of business service, about the persons who occupy crucial positions in the channels of distributions and about the retail decision making process in this highly competitive and changing environment.

The present research is an humble attempt to disclose some facts in the field of retail trade. It purports to explore the significant personal, social, environmental and managerial field forces that distinguish the retailers in different areas. As an empirical study in retail
trade, this investigation seems to represent an interest in this field of Indian business that was left fallow for many years.

To analyse the issues relating to the rapid development of retail trade, the profile of retail traders, their enterprises and the management of this branch of business, the researcher used the notion that the major outcome of any system is realised by the inter-actions of all the factors of the sub-systems and not by factors or activities operating in a particular sub-system in isolation. In an on-going economy, the rapid development of retail trade may represent high growth of population at a particular period, but the other factors too and so, some key issues were taken into consideration for searching the roots of rapid development of this branch of business service. Namely, mechanisation or technological issues, the process of urbanisation, population and demography, the development in the field of agriculture and industry, development of transport, administrative policies (especially regarding private entrepreneurship including socio-cultural issues and legal considerations). Apart from these external issues, some items like formalised credit plans, competitive environment, consumer behaviour, market structure etc. were also taken for into consideration for analysing the development of retail trade. So, the development of retail trade can not be viewed in isolation. So, briefly the main assumption is that the rapid development of retail trade in an economy is the result of interactions of the whole economy and not just the effect of factors operating in the segment of retail trade.

Secondly, retail trade represents one of the largest source of employment in India. These enterprises are mainly managed by the private individuals. Tremendous variety exists among retail stores as they range from all the way from roadside garment stand to the multicrore departmental store. The success of all the business ultimately depends on the selling of its products and this function is performed by the retailers and the performance also ultimately depends largely upon the ability of the retailers. The socio-economic back ground, educational qualifications and familial conditions determine the ability of the persons in this crucial positions. So the researcher investigated the background and demographic characteristics of the retailers and the market environment within which the retailers were to operate.

Lastly, the success of a small retailer or a major retail departmental store depends largely on how much it embraces the retailing concept. The retailing concept is a
management orientation that focuses a retailer on determining its target market needs and satisfying those needs more effectively and efficiently than its competitors. The retailing concept emphasises that high performance retailers must be strong competitors. They can not achieve high performance by simply satisfying customers' needs. They must also keep a close watch to ensure that competitors do not attract their customers. So retailers need a good understanding of the environment (competition, consumer trends, buying behaviour, ethical and legal issues etc.). In this connexion, the researcher investigated the practices of retailers in the field of financial management, human resource management, store management and merchandise management practices. As a result of that the study covered both the retail trade management practices and some theoretical issues on decision making process in retail trade management.

1.1 Basic objectives of the Research work:

a) To identify the key environmental issues relating to the development of retail trade in India.

b) To discuss the changing retail formats and to analyse the potentials of changing consumer market in India and the role of retailers in this vast changing market characteristics.

c) To identify and compare the personal, socio-economic, cultural and familial background of the person who are engaged in this branch of business with special reference to store retailing in West Bengal.

d) To find out and compare the retail trade management practices with special reference to financial, human resources, store and merchandise management.

e) To unearth the causes of store loyalty,

f) To analyse the problems faced by the retailers and to make suitable suggestions to improve the workings of retail enterprises.

1.2 A FEW KEY CONCEPTS

Retail Trade Management

The significance and meaning of the word 'retailing' has been subjected to various influences and has, as a result, undergone many changes. Looking into the etymology, it is found that the word 'Retail' stems from the french word with the prefix re and the verb tailer, meaning
"to cut again", "to divide into pieces". Evidently, retail trade is one that cuts off smaller portions from the large lumps of goods. Retailing is that phase of general commerce devoted to the distribution and sale of goods to ultimate consumers. It includes not only the sale of merchandise but also of services incidental or necessary to the use of such goods. "The term is not usually applied, however, to businesses engaged in selling nothing but services, such as public utilities or to such business as laundries, barber shops and undertaking establishments or to the professions that serve consumers such as banking, pawnbroking, dentistry, medicine and law", "But this meaning has changed now-a-days hospitals, lawyers, schools, motion picture theatre, restaurants, dry cleaning establishments, automotive repair shops and equipment rental agencies - all these institutions deal with ultimate consumers and they are very much treated within the field of retailing. "The selling of services, instead of goods, will be referred to as service retailing. As the growth in the service sector continues, service retailing also grows." In other words retailing consists of the activities involved in selling directly to the ultimate consumers for personal, non-business use. It embraces the direct-to-customer sales activities of the producer, whether through his own store, or by house-to-house canvassing or by mail order business or by virtual store, i.e. non-store retailing. Thus the retailing is the activities in selling consumer goods to the ultimate consumer. It focuses on ultimate, rather than industrial consumers. "If we think of production and consumption as the two poles of the distribution process, wholesaling would be nearer to the production pole and retailing would be nearer to the consumption pole." Therefore, today's retailing is not confined only to the merchandise retailing. Many organisations that offered services to consumers - such as banks, hospitals, Health care clinic, legal clinics, entertainment firms and universities - traditionally have not considered themselves as retailers. Due to increased competition, these organisations are adopting retailing principles to attract customers and satisfy their needs. For example, banks are following the practices of retailers by emphasising the need to deliver products and services conveniently, quickly and knowledgeably to consumers. They are placing branches in convenient locations, switching from 'banker hours' to 'retail hours' and adapting services offered and branch design to the needs of the local communities. With the advent of new technologies, direct access to customer has increased dramatically. Non-store retailing attempts to provide the organisation with a competitive advantage through greater access and service to the customer. Some retailers have become heavy users of new technologies to gain access to consumers at home and at work, others rely on more traditional means to accomplish the same objectives.
Objectives of providing benefits to the customers, manufacturers and wholesalers.

### Fig 1 Retail Trade Benefits

<table>
<thead>
<tr>
<th>Customers</th>
<th>Manufacturers /Wholesalers</th>
<th>Creates Economic Utility</th>
</tr>
</thead>
<tbody>
<tr>
<td>* Bulk breaking</td>
<td>*Distribute goods to customers</td>
<td>*Form</td>
</tr>
<tr>
<td>* Assorting</td>
<td>*Channel of Information from customers</td>
<td>*Place</td>
</tr>
<tr>
<td>* Storing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Informing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Serving</td>
<td>Physical deterioration</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fashion change</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Technological obsolescence</td>
<td></td>
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<tr>
<td></td>
<td>*Smooths the production cycle.</td>
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</tbody>
</table>

In order to provide benefits to the parties concerned the retailer is to develop a strategy considering location, merchandise, price, service and communications. These factors are supported by store operations, logistics, purchasing, market research, finance and technology. The retailer attempts to achieve the end result of quality as it relates to customer. The retailers are to understand the environment of retail trade, customer, store design and layout, human resource management and financial management, merchandise management including pricing and the retailers are to communicate with the customers for meeting the challenges and changes ahead.

### 1.3 Consumer Products

"A Product is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need". One of the main characteristics of this study is that it includes only the retailers who are engaged in retailing of the manufactured
consumer products. Generally Products are classified broadly into two. One is consumer product and the other one is business product or industrial product. Distinction is made on the basis of the use of the products. Products used by individuals and households for final consumption are treated as consumer product and those used in producing other products or in the operation of business enterprise or public or Private institution are called business or industrial products. The most difficult problems are found in marketing consumer products for personal consumption. "To the extent that is true it is due to the special characteristics of the market for such commodities". Consumer products are sold for use by ultimate consumers wherever people are found. In case of national trade, this means all the population of the human beings in the country. "These consumers are unknown to the manufacturer, but they normally expect to purchase when the need or desire for products arises and without previous notice." Retail purchases are generally made in small quantity and for satisfying the needs of particular individuals, the products are purchased. The consumers are not skilled or have special knowledge in purchasing. Though day by day more and more people are getting information regarding the products through different medias. Earlier the manufacturers were unaware of the needs of the consumers and they used to manufacture consumer products on conjectural basis. But the market situations of today are something different from that of the past. Now-a-days the producers are making survey on the needs of the people and according to the reports of the survey they are trying to make their products and thereby making the products entry into the market less risky. That means now they are attempting to determine what types of products consumers need and at what price before production. Then the manufactures are producing the products which conforms to the desires of the target customer group and here, price also plays a very important role.

Fig. 2: Product Classifications

According to Durability
Or Tangibility
Product

Services
Non-durable goods
Durable goods
Consumer products are commonly purchased in relatively small amount in retail stores, the machinery used in marketing them has been developed around the retail store. But the ways in which consumers purchase products at retail vary considerable. There differences in consumer purchasing habits are the chief basis for classification of consumers products—convenience goods, shopping goods, speciality goods, unsought goods. Another way of the classification of consumer products is the durability or tangibility of the products. Products can be classified into three groups according to their durability or tangibility.

**Nondurable goods** - These goods are tangible that normally are consumed in one or a few uses.

**Durable goods** - These goods are also tangible that are used over a long period of time.

**Services** - Services are intangible. The benefits which are offered for sale.
• This study mainly deals with the consumer goods and so the meanings of all categories are being stated in brief hereunder.

• Convenience goods – The goods that the customer usually purchases frequently, immediately and with the minimum of effort in comparison and buying.

• Stapples – The goods which are purchased by the customer on a regular basis.

• Emergency – The goods which are purchased by the customer at the time of urgent need.

• Impulse – The goods which are purchased by the customer without any planning or search effort.

• Shopping goods – The goods that usually involve a considerable outlay of money, are purchased by the customer only after due consideration and at infrequent intervals.

• Homogeneous Shopping goods – The goods which are as similar in quality but different in price are treated as homogeneous goods. These goods are purchased to justify shopping comparisons.

• Heterogeneous shopping goods – The goods which are different from one another in terms of their features.

• Speciality goods – The goods which have some particular attraction for the customer, other than price, which induces him/her to put forth special effort to visit the store in which they are sold and to make a purchase without shopping.

• Unsought goods – The goods which the customer does not normally think of purchasing.

These classifications are not always confirmed by all the products. In case of particular products it is very difficult to classify and easily distinguishable. Nevertheless, the
classifications of products are important and the retailers are to be aware of the classifications and the characteristics with respect to the products suitability, quality, price, style, demand etc., in order to understand the market. Otherwise the retailers may be led astray by too easy generalisation.

1.4 Types of Retail Trade Organisations

Though this study mainly deals with the store retail organisations of consumer products, a brief discussion on the types of retail enterprises is given here in order to understand the tremendous variety of retail enterprises. New retail-enterprise types emerge to replace old enterprise-types because of wheel of retailing. The wheel of retailing has been discussed in the next chapter. Conventional retail organisations typically offer many services to the customers and price their merchandise to cover the cost. This provides an opportunity for new organisations to emerge. That means, new forms of retailing obtain a foot hold on the retail scene through emphasising a price appeal made possible by operating costs inherent in the new form of organisations. Overtime the new organisations upgrade their facilities and services requiring added investment and higher operating costs and the next new form comes in.

Retail trade organisations are classified mainly on the basis of ownership, size the assortment and amount of goods carried.

Classification of types of Retail Stores

<table>
<thead>
<tr>
<th>By ownership</th>
<th>By size</th>
<th>By Assortment and variety of merchandise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unaffiliated independents</td>
<td>Number of Employees</td>
<td>General line stores</td>
</tr>
<tr>
<td>Corporate retail chains</td>
<td></td>
<td>Limited line stores</td>
</tr>
<tr>
<td>Voluntary chain</td>
<td></td>
<td>Food stores</td>
</tr>
<tr>
<td>Franchise system</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumers co-operatives</td>
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</tbody>
</table>

Another classifications regarding types of Retailers have been suggested by Philip Kotler. He stated (a) Store retailers (b) non-store retailers and (c) retail organisation.
## Types of Retail Institutions

<table>
<thead>
<tr>
<th><strong>Store retailers</strong></th>
<th><strong>Non-store retailers</strong></th>
<th><strong>Retail organisations</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Speciality store</td>
<td>Direct selling</td>
<td>Corporate chains</td>
</tr>
<tr>
<td>Department Store</td>
<td>Automatic vending</td>
<td>Voluntary chain</td>
</tr>
<tr>
<td>Supermarket</td>
<td>Buying services</td>
<td>Retailers Cooperatives</td>
</tr>
<tr>
<td>Convenience stores</td>
<td></td>
<td>Franchise organisation</td>
</tr>
<tr>
<td>Superstore</td>
<td></td>
<td>Merchandising</td>
</tr>
<tr>
<td>Combination Stores</td>
<td></td>
<td>Conglomerates</td>
</tr>
<tr>
<td>Hyper market</td>
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<tr>
<td>Discount Store</td>
<td></td>
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<tr>
<td>Off-Price retailers</td>
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<tr>
<td>Catalog Showroom</td>
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</tbody>
</table>

A very brief description of the major important types of retail trade organisations is given hereunder in order to have an overview of retailing.

- **Department store** - It is a retail shop, handling several classes goods, each class being separated from others in management, accounting and location.

- **Speciality stores** - It is a store carries a narrow product line with a deep assortment within that line.

- **Supermarket** - It is a relatively large, low-cost, low margin, high volume, self service operation designed to serve the consumer's total needs.

- **Chain store** - It is a retail trade organisation composed of two or more retail stores owned by and operated under one management

- **Discount store** - It is a store which sells standard product at lower prices by accepting lower margins and selling higher volumes.
- Catalogue showroom - It is a store which sells a broad selection of high markup, fast moving, branding goods at discount prices.

- Franchise - It is usually owned by independent retailers who operate according to franchise agreements with their distributors or manufacturers.

- Voluntary chain - It is also an association of independent retailers but it is sponsored by a wholesaler rather than by the retailers themselves.

- Virtual Store - It is as any communication and selling retail format that relies on electronic technology to interact with a potential customer.

- Unaffiliated independents - It is a retail format established, owned and operated as a single-unit operation. It is owned and operated by a family and offers the personalised atmosphere and service that so often characterize independently owned stores. The success depends exclusively on the skills of its owner-manager.

- Service retailing and non-store or virtual store retailing organisations are gaining ground day by day because of the development of economic conditions and information technology.

It is not possible to cover all types of retailing types in a study, so the Researcher considered only the important type of retail trade organisation in India. The small unaffiliated independents dealing with consumer products constitute largest segment of retail trade organisation in India and so this study covered only that type of retail trade organisations.

1.5 Customer Service

In most lines of trade, retailers offer basically the same product assortments, if not exact duplicates, provide similar services and offer their assortment at similar price levels. Location still plays an important part in differentiation as do differences in operating hours and conditions, though even these are not as important as they once were. There is also less
and less clarity among market participations as to who are competitors. The once clearly established definitions between super markets, drug stores, variety stores and the like are no longer present. The problem is further exacerbated by changes in life style, income pattern and demographic factors. The most important area left to affect retail demand is customer service. It represents one strategic element which can differentiate retailers from one another and most importantly can be effectively used by retailers of almost any size. While customer service is something that all retailers say that they are doing, few approach it in a systematic way. Traditionally retail customer services are activities that augment a retailer's offerings. Much of the attention in the service area has been traditionally paid to activities in four major areas: (a) Support services such as Credit, delivery, gift wrap and so on. (b) Sales support services including telephone and mail order activities. (c) Revenue services including leasing programmes. (d) Courtesies primarily related to behaviour in respect of sales transaction and post-transaction activities such as returns, maintenance and warranty matters. Now an integrated customer service concept is needed. In this concept, the retailers are required to consider not only the customer needs but also they are required to pay attention to the quality of customer services provided by their suppliers and must also take responsibility for co-ordinating them in the context of marketing channel. Integrated customer service requires the integration of four service elements: availability, information, convenience and support.

Actually, customer service is the set of activities and programmes undertaken by retailers to make the shopping experience more rewarding for their customers. These activities increase the value customers receive from the merchandise and services they purchase. The quality of retail service can vary dramatically from store to store and from customer to customer within a store. This is because most services are provided by people. It is hard for retailers to control the performance of the employees who provide the service. Thus a sales-person may provide good service to one customer and poor service to the next customer. The difficulty of providing consistent high-quality service provides an opportunity for a retailer to develop a sustainable competitive advantage.
1.6 Urbanisation and Rural-Urban Differences

Though the main objectives of this study is to unearth the socio-economic, entrepreneurial and managerial characteristics of the retailers, a comparative analysis has also been made considering the locational differences of the retailers respondents. Urbanisation is a worldwide process and it has been considered as an index of economic development as well as an important factor of social change. The process of urbanisation has a very great impact on the development of retail enterprises. In this present research work, this particular aspect also has been taken into consideration in order to depict a clear picture of the characteristics of the village, town and city retail entrepreneurs and their enterprises. One may argue that there is no dichotomy in India between the village and the traditional city as both are elements of the same civilisation. So, what is the necessity to classify the features of the retail entrepreneurs and their enterprise on the basis of village, town and city. "Such a view expressed by pocock which is to my mind, an oversimplification of the similarity between the village and the traditional city"16

"Any sharp distinction drawn between urban and rural or among city - town - village, in West Bengal would be unreal in terms of the social and ideological life of the people"17. Mukherjee also pointed out that rural-urban differences are certainly there in society with respect to economic organisations i.e. rural-urban stratification effected in society in terms of economic organisations and the consequent cultural impulses would have its role in due course in making this differences. Other sociologists like Rao. M.S.A (1974)18, Ghurye G.S (1963)19, Srinivas M.N. (1967)20, Sovani (1965)21, Kapadia. K.M. (1956)22 viewed in the same way. According to Gibbs "It has been suggested that rural urban differences historically tend to bear a close relation to the degree of urbanisation. Thr random observations made to date suggest a fairly uniform pattern. In the early stages of urbanisation when a small percent of the total population resides in cities, the differences are at a minimum, but as time passes and urbanisation increases, rural - urban contrasts rapidly become more and more prominent. This process does not continue indefinitely, however, for as the degree of urbanisation reaches higher levels, differences between the two become less pronounced"23.

This present study covered the rural market areas only, where a certain degree of urbanisation took place. A comparative analysis was done covering all three (city-town-village market) areas so as to make the study truly representative of the actual scenario.
1.7 References


10. Clark and Clark op. cit P. 100.

11. Ibid P. 160.


17. Ibid. Mukherjee. P. 189.


