

# **RETAILING**

INTRODUCTION: CONCEPT OF ORGANISED & UNORGANISED RETAILING, TRENDS IN RETAILING, GROWTH OF ORGANISED RETAILING IN INDIA

SURVIVAL STRATEGIES FOR UNORGANISED RETAILING

RETAIL FORMAT: STORE FORMAT/NON-STORE FORMAT

STORE PLANNING - STORE DESIGN & LAYOUT

RETAIL SCENARIO: RETAIL SECTOR IN INDIA & GLOBAL CONTEXT- PROSPECTS & CHALLENGES IN INDIA

MALL MANAGEMENT: RETAIL FRANCHISING, FDI IN RETAILING, CAREERS IN RETAILING

## INTRODUCTION:

### CONCEPT OF ORGANISED & UNORGANISED RETAILING

The concept of retail is derived from the French language word 'retailleur', which means to 'cut off a piece' or 'to break bulk'. A retailer is a trader or dealer who sells goods in small quantities or one who repeats or relates.

**Philip Kotler**, 'Retailing includes all the activities involved in selling goods or services to the final consumers for personal, non-business use. A retailer or retail store is any business enterprise whose sales volume comes primarily from retailing'

The dictionary of Economics & J.L.Hanson defines retail trade as one 'which forms the final stage of distribution - the selling of goods to people who actually wish to use them. The commonest retail outlet is the shop, popularly called as 'Dukandar' or 'Vani' or 'Baniya' or 'Kirana/ General stores' In addition there are street traders, pedlars, hawkers etc.

## **CONCEPT OF ORGANISED & UNORGANISED RETAILING**

Modern retail has entered in India since the mid-1990's, on account of LPG drive. Retailing is a dynamic industry with a great potential. Hence it is referred to as 'the 21st Century Sunrise Industry of India'. Retailing is developing towards becoming the next booming industry, after BPO/ITES. It has brought about a dramatic changes in the shopping pattern of the urban Indian communities.

**Organised retail**, also termed as modern retail has grown in Indian cities town and rural areas at a scorching pace in the last few years. The mall culture is spreading like wildfire in the big cities like Mumbai with new properties mushrooming in the different suburbs of the city.

**Unorganised/traditional retail** is concerned with trade activities through the conventional convenience stores, family-run stores, street vendors, traditional bazaars, grocery and general stores etc.

## **DISTINGUISH FEATURES OF ORGANISED & UNORGANISED RETAILING**

- 1. ORIGIN & OWNERSHIP**
- 2. OPERATING COST**
- 3. PRODUCT RANGE**
- 4. PROMOTION**
- 5. CONSUMER FAMILIARITY**
- 6. CUSTOMER PROFILE**
- 7. SHARE OF RETAIL MARKET**
- 8. SHOPPING CONFERT**
- 9. INVESTMENT**
- 10. INCENTIVES TO SHOPPERS**
- 11. TECHNOLOGY**
- 12. TRAINING TO STAFF**
- 13. LOCATION**
- 14. BREAK-EVEN POINT**

## **TRENDS IN RETAILING**

- 1 GROWTH RATE IN RETAIL SECTOR**
- 2 SHARE IN GDP**
- 3 SHARE IN EMPLOYMENT**
- 4 ENTRY OF CORPORATES**
- 5 TRENDS IN FOOD & GROCERY BUSINESS**
- 6 TRENDS IN FDI**
- 7 TRAINING TO RETAIL PERSONNEL**
- 8 SHARE OF ORGANISED SECTOR**
- 9 INCREASED INTEREST BY OVERSEAS RETAILERS**
- 10 TECHNOLOGY IN RETAILING**
- 11 GROWTH OF ONLINE RETAIL**
- 12 GROWING TRENDS IN FRANCHISING**

# **SURVIVAL STRATEGIES FOR UNORGANISED RETAILING**

**1 CUSTOMER RESEARCH**

**2 CUSTOMER RELATIONSHIP STRATEGY**

**3 STOCK STRATEGY**

**4 SPECIAL SCHEMES TO LOCAL CUSTOMERS**

**5 SPECIAL SERVICES**

**6 TECHNOLOGY**

**7 TRAINING TO SALES STAFF**

**8 PURCHASE STRATEGY**

**9 PRICING STRATEGY**

**10 PROMOTION STRATEGY**

**11 PRODUCT STRATEGY**

**12 LOCATION STRATEGY**

# **RETAIL FORMAT**

## **STORE FORMATS**

### **FORMATS**

**MALLS**

**AUTOMATIC VENDING MACHINES**

**MULTI BRAND OUTLETS**

**RETAILING)**

**SPECIALITY STORES**

**SUPERMARKETS**

**MARKETING :**

**DISCOUNT STORES**

**television shopping**

**DEPARTMENTAL STORES**

**HYPERMARKETS**

**CONVENIENCE STORES**

## **NON STORE**

**ELECTRONIC (ONLINE)**

**DIRECT SELLING**

**DIRECTING**

**- Mail order retailing /**

# **STORE PLANNING - STORE DESIGN & LAYOUT**

## **GUIDELINES FOR STORE PLANNING**

- |                                |                             |
|--------------------------------|-----------------------------|
| <b>1. Location</b>             | <b>6.</b>                   |
| <b>Signage</b>                 |                             |
| <b>2. Lighting &amp; Music</b> | <b>7 Colour</b>             |
| <b>3 Floor Layout</b>          | <b>8. Arrangement of</b>    |
| <b>Merchandise</b>             |                             |
| <b>Straight Floor Plan</b>     | <b>9. Trail</b>             |
| <b>Rooms</b>                   |                             |
| <b>Diagonal Floor Plan</b>     | <b>10 Trendy Mannequins</b> |
| <b>Angular Floor Plan</b>      | <b>11 Entrance</b>          |
| <b>&amp; Exit</b>              |                             |
| <b>Mixed Floor Plan</b>        | <b>12 Tips to</b>           |
| <b>minimise Theft</b>          |                             |



## **RETAIL SCENARIO IN INDIA**

**1 Prominence of organised retailers in urban India**

**2 Share of GDP & Employment**

**3 Share of organised sector**

**4 Growth rate of retail trade**

**5 FDI in retail**

**6 Technology**

**7 Training**

**8 Schemes & Facilities**

# **RETAIL SCENARIO IN GLOBAL CONTEXT**

## **PROSPECTS AND CHALLENGES IN INDIA:**

### **PROSPECTS**

**1 HIGH GROWTH RATE**

**2 INCREASE IN DISPOSABLE INCOME**

**3 FDI**

**4 POPULATION GROWTH**

**5 AVAILABILITY OF COMPETENT MANPOWER**

**6 URBANISATION**

**7 CHANGING LIFESTYLE & CONSUMER BEHAVIOUR**

**8 E-COMMERCE**

## **CHALLENGES IN INDIA:**

- 1 RESTRICTIONS ON FDI**
- 2 HIGH REAL ESTATE PRICES**
- 3 PROBLEM OF INFRASTRUCTURE**
- 4 LACK OF TRAINED WORKFORCE**
- 5 CHALLENGES FROM E-COMMERCE**
- 6 HIGH OPERATING COST FOR ORGANISED RETAILERS**
- 7 HIGH TAX RATES TO CORPORATE RETAILERS**
- 8 PROBLEM OF CUSTOMER RETENTION**
- 9 TECHNOLOGY**
- 10 CHANGING PERCEPTION OF CUSTOMERS**
- 11 EMERGENCE OF VALUE SHOPPER**
- 12 CHALLENGES FOR UNORGANISED RETAILERS**

## **MALL MANAGEMENT**

**Various elements of mall management are :**

- 1. Position of the Mall**
- 2. Zoning**
- 3. Promotion activities**
- 4. Facility management**
  - a) Infrastructure management**
  - b) Ambience management**
  - c) Traffic management**
- 1. Finance management**

## **RETAIL FRANCHISING**

**Franchise is a contract between two parties from the same country or from different countries. Under such agreement the franchisor agrees to transfer a package of rights and resources to the franchisee such as -**

- Production requirement, including product ingredients**
- Standardised operating procedure**
- Patents, trademarks and technology**
- Access to advertising and promotional materials**
- General management assistance etc.**

## **FDI IN RETAILING**

**In September 2012, Government of India has allowed 51% FDI in multibrand retail subject to approval by state governments.**

### **Arguments in favour of FDI in Retail:**

- 1 Reduction in wastage in Agriculture products**
- 2 Reduction in price disparities**
- 3 Efficient Distribution**
- 4 Impact on Employment**
- 5 Boost to certain sectors**
- 6 Control of Inflation**
- 7 Benefits to Farmers and Manufactures**
- 8 Innovativeness in Manufacturing**

## **CAREERS IN RETAILING**

- 1. SALES**
- 2. MARKETING MANAGER**
- 3. STORE MANAGER**
- 4. RETAIL MANAGER**
- 5. RETAIL MERCHANDISERS**
- 6. VISUAL MERCHANDISERS**
- 7. LOGISTICS MANAGER**
- 8. HUMAN RESOURCES**
- 9. FINANCE**
- 10. CUSTOMER RELATIONSHIP**

