

INTRODUCTION OF RETAILING

The retail industry secures the fifth position as an industry and is the second largest employer after agriculture, providing bright and exciting job opportunities in India.

Retail business is undergoing rapid transformation in its marketing practices. Till a few years ago, we bought most of the daily use products from small shops in our neighborhood or a nearby market. Generally, the shopkeepers sell goods—either individually as a sole proprietor or with the help of a few assistants. In the last few years, however, the concept of large departmental stores and malls has come up, which also provide the same products.

Today, supermarkets, departmental stores, hypermarkets, malls and non-store retailing like multilevel marketing and telemarketing, have replaced or co-exist, transacting with the traditional retail businesspersons, such as hawkers, grocers and vendors, etc.

There are various levels at which retail businesses operate—ranging from small, owner operated and independent shops to those in the national and international market. An increase in income levels and the need for new products and services, a rise in standard of living, competition in the market and increasing consumption patterns of customers have contributed to the demand for creation of these types of stores.

Basics of Retailing

Concept of retail

Retail is a business deal in which the seller sells small quantities of goods to the customers as per their needs. A retail store is a retail business enterprise which primarily deals with sales volume in retailing. In easy terms, the function of retailing is to sell products to final consumers by an individual or a firm.

Functions of retailer

The retailer provides the products and services that the customer needs, in the required quantity, at the right place and time. This activity of the retailer creates value addition or utility to the customers. Do you know, there are four basic functions of the retailer

- (i) Breaking bulk into smaller quantities: To reduce the cost of long distance transportation, producers ship the goods in large quantities; the middlemen, including the retailers, open these large packages and make the product available in much smaller quantities to the consumers, as per the needs.
- (ii) Providing product and service information to customers: The retailer or salesperson is an important source of information, especially about the features and working of the different brands available. The salesperson has knowledge about the product being sold.

- (iii) Providing customer services: Retailers provide various services to their customers. These may include—free home delivery, gift wrapping, credit facility and after-sales services.
- (iv) Creating a convenient, comfortable and pleasant shopping experience for consumers: The aim of the retailer is to provide products required by the consumer, conveniently. This creates place utility. Also, the number of customers increases when the environment inside the retail stores is friendly and pleasant. Playing soft music, proper lighting, creating a larger space for movement, courteous and well-dressed employees, etc., create a positive environment for the customers.
- (v) Providing feedback to producers about customer needs: With their first hand interaction with the customers, retailers have a good understanding of the customers' needs. This information, in the form of feedback can greatly contribute to product improvement by producers.

Essential requirements of retailers

A retailer should:

- establish the shop in a place where customers are attracted.
- stock the goods which are needed by the customers.
- Competitive in price and quality of goods to be sold.
- Financially sound.
- be cautious of over-stocking or under-stocking of goods.
- be up-to-date with trends in the market and its position.
- ensure window display and counter display to promote sales.
- Always be accessible to the customers.