

INTRODUCTION TO RETAILLING

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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

There are four basic functions of the retailer:

- 1. 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.
- 2. 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.
- 3. Providing customer services:** Retailers provide various services to their customers. These may include—free home delivery, gift wrapping, credit facility and after-sales services.

4 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.

5. 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.

Organised and Unorganised Retailing:

Unorganised Retailing:

Unorganised retailing is run as a small family business like kirana stores. The features of small family business are

- Lack of adequate infrastructure
- Lack of modern technology
- Lack of funding
- Lack of skilled manpower



Organised retailing:

Organised retailing is running a business in a systematic and scientific manner. Organised retailing has remarkable benefits for consumers and has potential for employment generation and overall growth of the country's GDP.



Difference between organised and unorganised retail

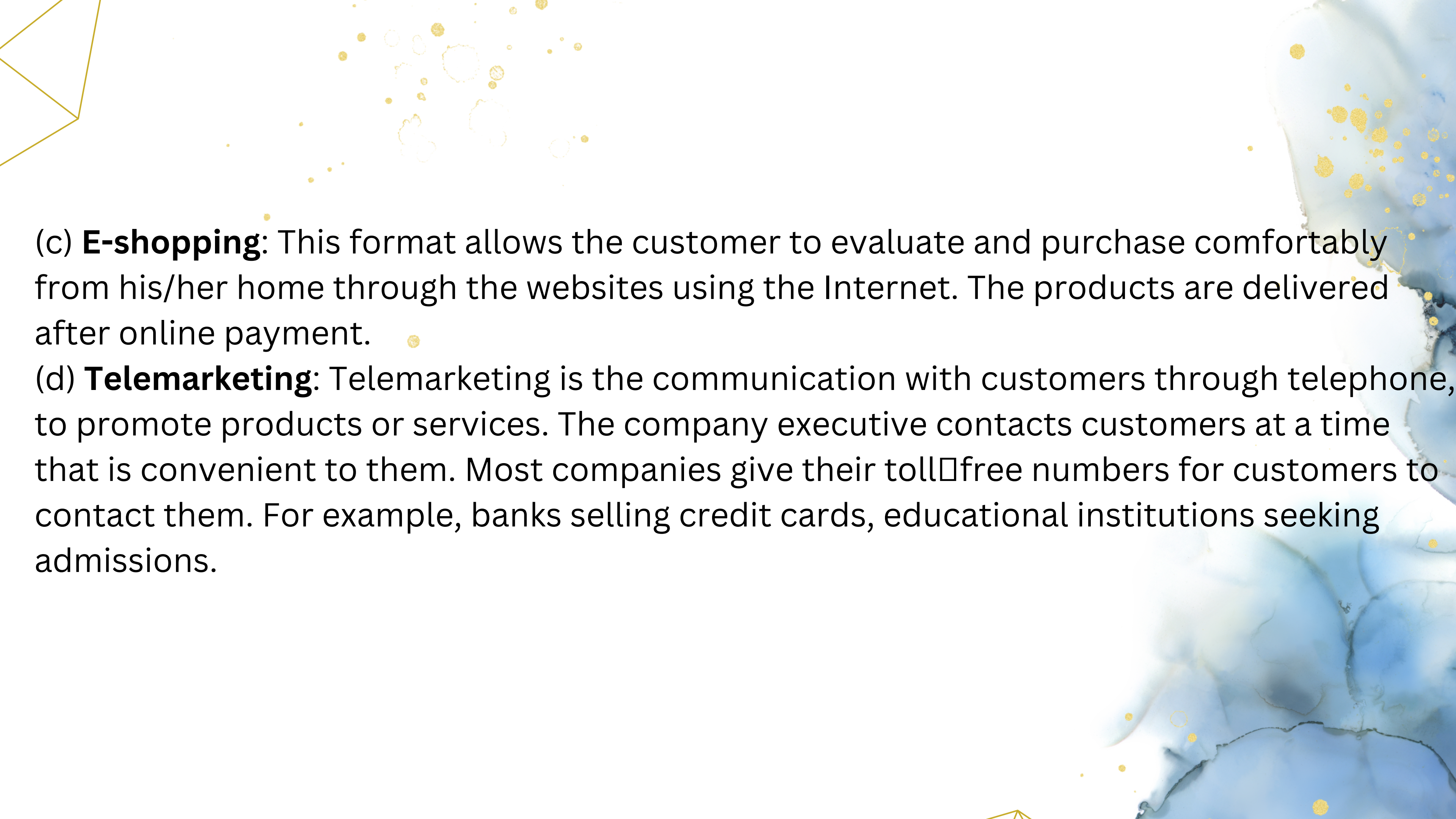
S. No.	Particulars	Organised Retail	Unorganised Retail
1.	Variety of Items	Large	Few
2.	Size of Retail Outlet	Very Large	Very Small
3.	Size of Employees	Very Large	Very Less
4.	Capital Requirement	Very High	Very Low
5.	Terms of Employment	Regular, Assured & within Control of Government	Small, Scattered and Not in Control of Government
6.	Style	Corporate	Sole Trading
7.	Network of Retailer	Vast and Operates through a Number of Branches	Confined to a Particular Locality in a Single Unit
8.	Retail Sales	Large Quantity	Small Quantity

Direct response marketing

The customer becomes aware of the products/services offered through non-personal media such as mail, catalogues, phones; television or the Internet is called direct response marketing. It includes various forms of communication with the consumers like:

(a) **Mail order retailing:** In retailing customer database is used to develop target catalogues to customers.

(b) **Television shopping:** In this kind of retailing, the product is promoted on television with the product features, price, and guarantee or warranty. Phone numbers are provided for different cities where the products can be ordered from, and home-delivered. For example, Telebrands, a programme which usually presents fitness and health products.



(c) **E-shopping:** This format allows the customer to evaluate and purchase comfortably from his/her home through the websites using the Internet. The products are delivered after online payment.

(d) **Telemarketing:** Telemarketing is the communication with customers through telephone, to promote products or services. The company executive contacts customers at a time that is convenient to them. Most companies give their toll-free numbers for customers to contact them. For example, banks selling credit cards, educational institutions seeking admissions.