

# Organized Retailing

NVEQF Level 1 – Class IX

RS101-NQ2012 – RETAIL BASICS

Students Workbook



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## Preface

The National Curriculum Framework, 2005, recommends that children's life at school must be linked to their life outside the school. This principle makes a departure from the legacy of bookish learning which continues to shape our system and causes a gap between the school, home, community and the workplace.

The student workbook on "Retail Basics" is a part of the qualification package developed for the implementation of National Vocational Education Qualification Framework (NVEQF), an initiative of Ministry of Human Resource Development (MHRD), Government of India to set common principles and guidelines for a nationally recognized qualification system covering Schools, Vocational Education and Training Institutions, Technical Education Institutions, Colleges and Universities. It is envisaged that the NVEQF will promote transparency of qualifications, cross-sectoral learning, student-centred learning and facilitate learner's mobility between different qualifications, thus encouraging lifelong learning.

This student workbook, which forms a part of vocational qualification package for student's who have passed Class VIII or equivalent examination, was created by a group of experts. The Retailer's Association of Skill Council of India (RASCI), approved by the National Skill Development Corporation (NSDC) organized Retailing Industry developed the National Occupation Standards (NOS). The National Occupation Standards are a set of competency standards and guidelines endorsed by the representatives of organized retailing Industry for recognizing an assessing skills and knowledge needs to perform effectively in the workplace.

The Pandit Sunderlal Sharma Central Institute of Vocational Education (PSSCIVE), a constituent of National Council of Educational Research and Training (NCERT) in association with SKSDC has developed modular curricula and learning materials (Units) for the vocational qualification package in organized retailing sector for NVEQ levels 1 to 4; Level 1 is equivalent to Class IX. Based on NOS, occupation related core competencies (knowledge, skills and abilities) were identified for development of curricula and learning modules (Units).

This student workbook attempts to discourage rote learning and to necessary flexibility in offering of courses, necessary for breaking sharp boundaries between different subject areas. The workbook attempt to enhance these endeavour by giving higher priority and space to opportunities contemplation and wondering, discussion in small groups and activities requiring hands on experience. Hope these measures will take us significantly further in the direction of a child centred system of education outlined in the National Policy of Education (1986).

The success of this effort depends on the steps that school Principals and Teachers will take to encourage children to reflect their own learning and to pursue imaginative and on the job activities and questions. Participation of learner in skill development exercises and inculcation of values and creativity is possible if involve children as participant in learning, and not as receiver of information. These aims imply considerable change in school routines and mode of functioning. Flexibility in the daily time table would be a necessity to maintain the rigour in implementing the activities and required number of teaching days will have to be increased for teaching and training.

# Acknowledgements

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## About the Workbook

This workbook is to assist you with completing the Unit of Competency **RS101-NQ2012: Retail Basics**. You should work through the workbook in the classroom, at the workplace or in your own time under the guidance and supervision of your teacher or trainer. This workbook contains sessions which will help you to acquire relevant knowledge and skills (soft and hard) on various aspects of the unit of competency. Each session is small enough to be easily tackled and digested by you before you move on to the next session. Animated pictures and photographs have been included to bring about visual appeal and to make the text lively and interactive for you. You can also try to create your own illustrations using your imagination or taking the help of your teacher. Let us now see what the sections in the sessions have for you.

### Section 1: Introduction

This section introduces you to the topic of the Unit. It also tells you what you will learn through the various sessions covered in the Unit.

### Section 2: Relevant Knowledge

This section provides you with the relevant information on the topic(s) covered in the session. The knowledge developed through this section will enable you to perform certain activities. You should read through the information to develop an understanding on the various aspects of the topic before you complete the exercise(s).

### Section 3: Exercise

Each session has exercises, which you should complete on time. You will perform the activities in the classroom, at home or at the workplace. The activities included in this section will help you to develop necessary knowledge, skills and attitude that you need for becoming competent in performing the tasks at workplace. The activities should be done under the supervision of your teacher or trainer who will guide you in completing the tasks and also provide feedback to you for improving your performance. To achieve this, prepare a timetable in consultation with your teacher or trainer and strictly adhere to the stipulated norms or standards. Do not hesitate to ask your teacher or trainer to explain anything that you do not understand.

### Section 4: Assessment

The review questions included in this section will help you to check your progress. You must be able to answer all the questions before you proceed to the next session.

## Introduction

Retailing in India is one of the biggest sectors witnessing tremendous transformation. The Indian retail industry is fifth largest industry and second largest employer after agriculture offering bright and exciting career opportunities.

Indian marketing system is transformed from ancient market to modern market. Ancient marketing where trade was conducted by barter system for example, a farmer who grew 500 kg of wheat would keep 100 kg needed other things, viz., clothes, utensils, pulses, salt, etc. He would therefore exchange the balance 400 kg wheat with other people who made or produced other things. Trade also took place in village markets or *Haats* where people exchanged goods with each other.



Whereas in modern marketing money is used to buy daily needed things. Now a day's things which are of daily needs available at nearest shop. This is because it is no longer possible to approach all the people who manufacture the goods you need directly. Also with improvement in transport system, goods that are manufactured far away, even overseas, are available in your neighbourhood.

### Meaning and Importance of Retailing

It is first thing to understand meaning and origin of retailing. The term 'retail' is derived from French word 'retailer' which means to 'cut-off a piece' or to break the bulk'. Now we see the term retail, to refer as a business activity to sell the goods in small quantities as per the requirements of the customers. Retailing is seen as the final step in the distribution of products for consumption of end users. Therefore, it includes all the activities involved in the marketing of goods and services directly to the consumers for their personal or household consumption. For instances, we often see the *kirana* shopkeepers undertaking various activities of retailing in our localities.

The purpose of *Retail business* is to sell goods and services to the end users for their personal or household consumption at the right time and at the right place.

The person who does this business activity in a small quantity or one who repeats or relates is a *Retailer*.

Retailing business is now not the same as in the past. Retail business is undergoing rapid transformation in its marketing practices. Till a few years ago, we bought most items of daily use from small shops in our neighbourhood or a market close by. These shops such as *Kirana* stores or general stores are owned by individuals, who usually sit in the shop themselves and sell their goods with the help of a few assistants. In the last few years, however, the concept of large departmental stores and malls has been introduced, which also provide us with the same products.

To-day, the traditional formats like hawkers, grocers and paan shops co-exist with modern formats like super-markets, departmental stores, hypermarkets, shopping malls and non-store retailing units such as multi level marketing and teleshopping. Retailer's ranges in size from small, independent and owner-operated shops to national and international giant categories. The increasing income levels, new products, standard of living, competition in the market and increasing consumption patterns have contributed for the demand creation of these varied stores.

On the other side, with the advancement of IT and communication, electronic-retailing became a reality to create a platform to the sellers to sell their products through television channels and internet for which payments can be made through online payments or e-banking.

With changing needs and wants of consumer the growth in retail sector is inevitable and promising fast paced and exciting career options. This unit will focus on introduction to retail business, its significance and the emergence of various formats in retailing. The four sessions will cover an understanding of the concept of retail business and functions performed by a retailer, the basis of classifying retailing into store and non-store retailing. In order to differentiate the various types of retail formats the organized and unorganized retailing. The last session looks into the major Indian and Global retailers.

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# Session 1: Basics of Retailing

## Relevant Knowledge

### Concept of Retail

Retail refers as a business activity to sell the goods in small quantities as per the requirements of the customers. Retailing includes all the activities involved in selling goods or services to the final consumers for personal or non-business use. A retailer or retail store is any business enterprise whose sales volume comes primarily from retailing.



In simple words, any organization selling to final consumers whether it is a manufacturer, wholesaler or retailer is doing retailing. It does not matter how goods or services are sold - in a store, on the street, or through internet. Retailing thus may be understood as the final step in the distribution of merchandise, for consumption by the end users. In easy terms, any individual or firm that sells products to the final consumers is performing the function of retailing.

### The Functions of Retailer

The role of a retailer is to provide the products that he needs in the required quantity at the required place and at right time. This creates real added value or utility to the customers. This comes from four different perspectives; they are,

- first, is the **form utility** of a product that is acceptable to the customer,
- second, is the **time utility** keeping the store open when the consumers prefer to shop,
- third, is the **place utility** being available at a convenient location, and
- fourth, is **ownership utility** when the product is sold.

### *The Retailer's Services to the Customers*

- To supply the goods in small quantities to consumers at reasonable prices.



- To practice personal relations, courtesy, attentiveness and honesty.
- To anticipate the consumer demand and make available such stock.
- To guide the consumer in buying and providing necessary information.
- To provide replacement facility for the damages.
- To display and demonstrate the goods to attract the customers.
- To offer credit facility to regular and reliable customers.

### ***Essential requirements of Retailers***

- Establish the shop in a place where customers are attracted.
- Stock the goods which are needed by the customers.
- Compete in price and quality of goods to be sold.
- Be financially sound and cautious of over-stocking or under-stocking.
- Up-date with trends in the market and its position.
- Ensure window display and counter display to promote sales.
- Always be accessible to the customers.

At this point, it is essential to understand the term wholesale as both wholesalers and retailers are intermediaries in distribution channels. Wholesale involves in selling to individuals or organizations for their business use or for resale purpose. In other words, wholesalers buy and resell merchandise to retailers and other merchants and not to the consumers. Normally, wholesalers sell large quantities. They take the title of the goods. They also provide credit facility to the retailers. A wholesaler acts as an intermediary between the manufacturer and the retailer.



### **Exercise: Assignment**

1. Visit a Kirana/retail shop nearby your locality, interact with the shopkeeper and ask the following questions and write their reply in not more than 50 words:

#### **Questions for Shopkeeper**

- (i) What are the different categories of products that are being offered for sale in his Kirana/retail shop?

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(ii) What are the demographic characteristics of the customers who visit this shop?

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### Questions for Customers

(iii) For what reasons you feel satisfied while making purchases in the kirana/retail shop.

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(iv) What are the shortcomings in the kirana/retail shop?

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## Assessment

### A. Fill in the blanks

1. Retailing includes all the activities involved in selling goods or services directly to the.....
2. The goods or services sold under retailing are used for ..... or ..... use.
3. Retailing is the final step in the ..... channels of goods and services.
4. Retailer has to understand the .....needs and wants.
5. .... buy and resell merchandise to retailers.
6. Wholesalers acts as an intermediary between the ..... and the retailer.

## B. Multiple Choice Questions

Tick the correct answer

1. The purpose of retail business is to ....
  - a) Go for partnership
  - b) Make maximum promotion
  - c) Extend to other localities
  - d) Create employment.
  - e) Offer products and services.
  
2. Place utility is making the products available at ...
  - a) Showrooms
  - b) Convenient location
  - c) Distant places
  - d) Regional stores
  
3. The retail shop changes the format to suit the requirements of.....
  - a) Wholesalers
  - b) Producers
  - c) Consumers
  - d) Tax payers

## Checklist for Assessment Activity

Use the following checklist to see if you have met all the requirements for Assessment Activity.

### Part A

- Identify the functions of a retailer.
- Specify the essential requirements of a retailer.
- Identify the services to be rendered by the retailers.
- Identify the wholesaler and the retailer.

### Part B

Discussed in class the following:

- What is retailing?
- What are the functions of retailing?
- State the essential features of retailing?
- What are the services to be rendered by the retailers?
- Differentiate between wholesaler and the retailer.

### Part C

#### Performance Standards

The performance standard may include, but not limited to:

Performance standards	Yes	No
Able to identify the functions of a retailer.		
Able to specify the essentials required for retailing.		
Able to specify the services to be rendered by the retailers.		
Able to identify the difference between wholesaler and retailer.		

## Session 2: Organized and Unorganized Retailing

### Relevant Knowledge

The retail sector is presently undergoing a great transition in India. Previously, customers used to purchase their necessities from kirana shops or from the mobile vendors or the mandis. This later changed to bigger shops run by one man with a few employees. Gradually, more sophistication seeped into this sector and department stores came into being. This has made the beginning for the organized sector. Therefore, retail sector can be seen as unorganized and organized retailing. Let us now understand each of these concepts.

The Indian Retail Industry, which was traditionally dominated by small family run kirana stores is characterized by poor infrastructure, inefficient upstream processes, lack of modern technology, inadequate funding and absence of skilled manpower is known as unorganized retailing.



Organized retailing refers to running a business in an organized and scientific manner. Organized retailing has brought in a remarkable advantage for the consumers and has a huge potential for growth that leads to a higher GDP contribution to the country and generate employment.

In India **unorganized retailing** includes units whose activity is not registered by any statute or legal provision, and/or those, which do not maintain regular accounts. This sector is characterized by small and scattered units which sell products or services out of a fixed or mobile location. Mostly these traditional units include mandis, haats, melas, and the local baniya/ kiranas, paanwala, and others like cobbler, vegetable, fruit vendor etc., would be termed as the unorganized retailers.

On the other hand, **organized retail** is nothing but a retail place where all the items are segregated and brought under one roof, unlike the unorganized retail where different goods are sold in different shops. Organized retailing provides large number of brands available and different types of products at one place. Organized retail deals with multiple formats, which is typically a multi-owner chain of stores or distribution centers run by professional management. Today, organized retailing has



become an experience characterized by comfort, style and speed. It is something that offers a customer more control, convenience and choice along with an experience.

After understanding the concepts of unorganized and organized retailing let us now differentiate between these two.

### **Differences between Organized and Unorganized Retail**

Differences between organized and unorganized retail can be specified on the basis of their ownership, logistic and supply chain facilities and structure of management .The details are as follows:

1. In organized sector, the retail units are offer **large variety of items** through its retail outlets. But in unorganized sector, **very few items** are offered for sale in the outlets.
2. In organized sector, the **size** of the retail outlet is **very large** and stores layout and design are very attractive and comfortable to the customers. But in unorganized sector, the **size is very small** and usually proper layout and design of the stores is not found.
3. The size of the **employees is very large** in organized sector. But in unorganized sector, the employees are **very less in comparison** with organized sector.
4. In organized retailing, the **capital** requirement is **very high** and does not enjoy perpetual succession. In unorganized retailing, the capital requirement is **very low** and the business enjoys perpetual succession.
5. Organized sector cover those enterprises or places of work where the **terms of employment** are regular and people have assured work. Whereas, the unorganized sector is characterized by **small and scattered units** which are largely outside the control of government.
6. In organized sector, the business unit is run on **corporate style**. But, in unorganized sector, the business units are **run as sole-trading** or partnership units.
7. In organized sector, the network of the retailer is vast and operates number of **branches** at different places. But in unorganized sector, the business is confined to a particular **locality** and carries the business in a single unit.

### **Exercise: Assignment**

1. Visit a retail outlet in the organized sector and a nearby kirana shop and ask the following question and record their responses in not more than 50 words:

#### **Questions for organized retail:**

- a) What is the profile of your unit?
- b) What are the amenities provided by your outlet to the customers?

#### **Questions for unorganized retail:**

- a) What is the profile of your outlet?
- b) What are your experiences with regard to competition from organized sector outlets?

## Assessment

### A. Fill in the blanks

1. Unorganized retail is characterized by ..... and ..... units.
2. The local baniya/ kirana shop come under..... retailing.
3. Large number of brands are provided in ..... retail outlets.
4. All items are ..... under one roof in organized retailing.

### B. Multiple Choice Questions

Tick the correct answer

1. Under organized retailing, the most common feature is .....
  - a) Number of brands and products are large
  - b) Purchases are on credit basis
  - c) Few employees exist
  - d) Regular accounts are not maintained
  - e) All the above
2. Unorganized retail is mostly confined to a .....
  - a) Particular locality
  - b) Different branches
  - c) Chain of stores
3. The capital requirement is high in .....
  - a) Unorganized retail
  - b) Organized retail
  - c) Both (a) & (b)
4. The unorganized retail units operate on the basis of .....
  - a) Partnership
  - b) Sole-trader
  - c) Chain stores

## Checklist for Assessment Activity

Use the following checklist to see if you've met all the requirements for Assessment Activity.

### Part A

- Identify the features of unorganized retail.
- List out the features organized retail
- Differentiate between organized and unorganized retail.

### Part B

Discussed in class the following:

- What is unorganized retail?
- What is the importance of unorganized retail?
- State the features of organized retail?
- How do the organized retailers operate?
- What are the benefits of organized retail to the consumers?

### Part C

#### Performance Standards

The performance standard may include, but not limited to:

Performance standards	Yes	No
Able to identify the various types of unorganized retail units.		
Able to identify the features of organized retail units.		
Able to list out the benefits of unorganized retail.		
Able to identify different types of organized retail units.		

## Session 3: Store and Non-store Retailing

### Relevant Knowledge

In India, various formats of retail stores exist with a view to delivery of its products and services to the end consumers. A format is the manner in which a business chooses to serve its customers and stakeholders.

Retailing can be broadly classified as **store and non-store** retailing.

**A. Store Retailing:** Store based retailing can be classified on the basis of ownership and merchandise offered.

a) **On the basis of ownership**

- i) **Independent Retailer:** He is one who owns and operates with a few locals or family members as assistants. He has direct rapport with the customers. Examples are local baniya/ kirana store, and the paanwala. He determines the retail strategy depending on the location and the product mix.
- ii) **Chain Retailer or Corporate Retail Chain:** When two or more outlets are under a common ownership, it is called a retail chain. These stores are characterized by similarity in the products offered, the ambience, advertising and promotions. Examples are Bata, Arrow, Louis Philippe Food World etc.
- iii) **Franchising:** A franchise is a contractual agreement between the franchiser and the franchisee, which allows the franchisee to conduct business under an established name as per a particular business format, in return for a fee or compensation. Examples are Mc Donald, Pizza Hut, Van Heusen, etc.
- iv) **Consumer co-operatives:** A consumer co-operative is a retail institution owned by its member customers. This type arises largely because of dissatisfied consumers whose needs are not fulfilled by the existing retailers. Members run these co-operatives and there is no limitation on their growth opportunities. Examples are Apna Bazars in Mumbai, Kendriya Bhandars, Sahakari Bhandars, Super bazaars, etc.

b) **On the basis of merchandise offered**

- i) **Convenience Stores:** these are relatively small stores located near residential areas; they are open for long hours and offer a limited line of convenience products like eggs, bread, milk, vegetables etc.
- ii) **Supermarkets:** Supermarkets are large retailing stores selling a wide variety of consumer



- products, mostly food, household use and grocery items with a low marginal gain. It operates on self-service style but has high turnover. It offers minimum services and operates on cash and carry basis.
- iii) **Hypermarkets:** Hypermarkets combine the features of a supermarket and a general merchandise store. It is a very large store at typically destination locations. They are designed to attract customers from a significantly large area with their low price offers, unique range and offers. It follows self-service style.
  - iv) **Specialty Stores:** A store specializing in a particular type of merchandise or single product of durable goods (furniture, household goods, consumer electronics, sports, domestic appliances, jewellery etc) is termed as specialty store. They have a very clearly defined target market and their success lies in serving their needs. Examples are Gautier furniture, Sony electronics, Tata Gold, etc.
  - v) **Departmental Stores:** Departmental stores are located in central places or busy locality offering a wide variety of goods under one roof. It requires more capital to maintain different departments and huge stock of goods. Profit or loss is calculated on the entire stock. It is a combination of decentralized buying and centralized selling. They also establish restaurants inside these stores. They provide home delivery services.
  - vi) **Catalogue Showrooms:** Catalogue retailers usually specialize in hard goods (house ware, jewelry, consumer electronics, etc). A customer visits the showroom and makes his choice of the products using the catalogue mentioning the code number of the item. The retailer arranges it from the warehouse for inspection and purchase.



**Shopping**

**B. Non-Store Retailing:** Non-store retailing adopts a direct relationship with the consumer.

Non-store type retailing can be classified as **direct personal contact** and **direct response marketing**.

- i) **Direct Personal Contact:** Direct selling involves making a personal contact with the end consumer, at his home or place of work. Cosmetics, jewelry, home appliances, educational materials, nutritional products, etc. This type of retailing follows the party plan or the multi level network. They display and demonstrate on inviting to a party or customers act like master distributors appointing their customers on commission basis. For example, Eureka Forbes, Amway, Tupperware are some well-known companies involved in direct selling.
- ii) **Direct Response Marketing:** Under this type, the customer becomes aware of the products/services offered through a non- personal medium like mail, catalogues, phones, television or the internet. It includes various forms of communication with the consumers like:
  - a) **Mail Order Retailing:** this form of retailing eliminates personal selling and store operations. Appropriate for specific products, the key is using

customer database to develop target catalogs that appeal to narrow target markets.

- b) **Television Shopping:** In this form of retailing, the product is advertised on television and details about the product features, price, and guarantee/warranty are explained. Phone numbers are provided for different cities where the products can be ordered and to get them home delivered. For example, the Tele-brands programme, which usually presents the fitness and health related products.
- c) **E-Shopping:** This format allows the customer to evaluate and purchase from the comfort of his home through the web sites using internet. The products are delivered after online payment/ to their homes with a strong supply chain and delivery mechanism.
- d) **Telemarketing:** Telemarketing is the process of communicating with customers through the telephone, to promote products or services. The executive contacts customers at a time that is convenient to them. Most companies give their toll-free numbers for customers to respond. For example, South Element System, a Hyderabad-based company offers telemarketing services.

### Exercise: Assignment

1. Visit two independent retailers in your locality, interact with them and ask the following questions and write their reply in not more than 50 words:

#### Questions for retailer

- (i) What are the different categories of products that are being offered for sale in his retail shop?

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- (ii) What are the demographic characteristics of the customers who visit his shop?

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- (iii) What are the important features of their retail business? Specify them separately.

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## Questions for Customers

- (i) What makes them to purchase the products in this kirana shop?
- (ii) What are the features of a supermarket you have visited in your place?
- (iii) What are the features of a hypermarket?
- (iv) What are your observations on visiting a departmental store?

## Assessment

Answer the following questions  
(Use additional sheets of paper if necessary)

### A. Fill in the blanks

- 1) When two or more outlets are under a common ownership, it is termed as a .....
- 2) A franchise is a contractual agreement between the ..... and .....
- 3) Hypermarkets combine the features of a ..... and ..... store.
- 4) In a ..... profit or loss is calculated on the entire stock.
- 5) In ..... retailing the key is the customer database.

### B. Multiple Choice Questions

Tick the correct answer

- 1. The independent retailer operates his business with
  - a) Partners
  - b) Professionals
  - c) Few locals/ family members
  - d) None
- 2. Corporate retail chain is also called as
  - a) Franchise
  - b) Chain retailer
  - c) Independent retailer
  - d) None
- 3. Specialty stores have a very clearly defined
  - a) Producers
  - b) Competitors
  - c) Target market
  - d) Both (a) and (b)

## Checklist for Assessment Activity

Use the following checklist to see if you've met all the requirements for Assessment Activity.

### Part A

- Classify the store type retailers on the basis of ownership.
- Classify the store type of retailers on the basis of merchandise.
- Identify various formats in non-store type of retailing.

### Part B

Discussed in class the following:

- What do understand by independent retailer?
- What is franchise retailing?
- State the features of consumer co-operatives?
- What is organized retailing?
- What are the features of hypermarkets?
- What is a departmental store?
- What are the various forms of non –store retailing?

### Part C

#### Performance Standards

The performance standard may include, but not limited to:

Performance standards	Yes	No
Able to identify the various types of store retailing formats.		
Able to identify the various types of non-store retailing formats.		
Able to specify the basis of classifying store retailing.		
Able to specify the basis of classifying non-store retailing.		

## Session 4: Indian and Global Retailers

### Relevant Knowledge

The Indian population is witnessing a significant change in its demographics. Organized retail is on all-time high in India. The improved income and the increased purchasing power of a larger section of the Indian population makes the opening of outlets, that has become an integral part of everyday life and opened doors for more number of players which provide the whole bunch of these improved services a viable opportunity.

Resulting in many new formats like hypermarkets, supermarkets, discount stores, departmental store, convenience store etc. Some Corporate Houses like Tatas (Tata Trent), RPG Group (Food World, Music World & Health & Glow), ITC (Life Style), Rahejas (Shoppers' Stop), Hiranandani (Haike) have opened in various urban and semi-urban areas. Manufacturers/ Exporters: Pantaloons, Bata, Weekender etc. Multi Brand Outlets: Vijay Sales, Apana Bazar, Viveks, etc. also opened.

### Major Indian retailers in 2010 – Some Leading Retail Groups / Chains

Some of the leading groups operating in the country are described in the following sections:

#### (i) Future Group (Pantaloon)

Pantaloon is one of the largest retailers in India. Pantaloon launched the country's first hypermarket with the name Big Bazaar. This company has introduced the following retail segments:

- Food and Grocery: Big Bazaar and Food Bazaar
- Home Solutions: Hometown, Furniture Bazaar and Collection-I
- Consumer Electronics: E-zone
- Shoes: Shoe Factory
- Books, Gifts and Music: Depot
- Health and Beauty Care: Star and Sitara
- E-tailing: Futurebazaar.com
- Entertainment: Bowling Co.

#### (ii) TATA Group

Tata group is one of the foremost retailers of India. Trent is its subsidiary and operates Westside and Star India Bazaar. This retail house was established in 1998. Tata group acquired, Landmark; the largest Indian retail enterprise in the field of books and music in 2005.

**(iii) RPG Group**

RPG group is amongst the oldest retail groups in India. This group entered into food and grocery retailing in 1996 with its retail Food World Stores, now renamed as Spencer's. The RPG group also opened pharmacy and beauty care outlets Health & Glow.

**(iv) Reliance**

Reliance is one of the biggest retailers in India with Fresh Stores and Reliance Electronics.

**(v) Aditya Birla Group**

Aditya Birla Group is the biggest apparel retailer in India with the brands like Louis Phillip, Allen Solly, Van Heusen and Peter England. This group is coming up with retail outlets in other segments of retail also.

**(vi) K Raheja Group**

The group began its retail operations with Shoppers Stop, India's first departmental store in 2001. Other chains owned by the group include Crossword bookstores, Homes Stop Home Solutions) and Mother care (childcare).

**(vii) Easy Day**

It is a 50:50 joint venture between Bharti group of India and Walmart of USA.

**(viii) Global Retail**

Globally retailing is a huge and highly regulated sector. There is one retailer amongst the top ten companies in every country. In U.S., it is Walmart with a turnover in excess of \$139 billion. In U.K. it is Marks and Spencer's with close to \$10 billion and in Germany it is Karstadt. Globally, retailing is big business, worth a staggering \$6.6 trillion, according to a recent report published by McKinsey & Co. in partnership with the Confederation of Indian Industry (CII). However retail could not stop big retail players looking for expansion opportunities. Global retailers also found opportunities in different other countries with strong and emerging markets, such as China and India. The "Global Powers of Retailing" list ranks global retailers according to total revenue.

**Table 1: Top Ten global retailers in 2010**

Sl. No.	Company	Country of origin	2010 retail sales (US\$ mil)	2010 retail growth	2010 net profit margin	2010 return on assets
1	Wal-Mart	USA	418,952	3.4%	4.0%	9.4%
2	Carrefour	France	119,642	4.8	0.5	1.1
3	Tesco	U.K	92,171	6.7	4.4	5.7
4	Metro	Germany	88,931	2.8	1.4	2.7
5	Kroger	USA	82,189	7.1	1.4	4.8
6	Schwarz	Germany	79,119	9.4	NA	NA
7	Costco	USA	76,255	9.1	1.7	5.6
8	The Home Depot	USA	67,997	2.8	4.9	8.3

9	Walgreen	USA	67,420	6.4	3.1	8.0
10	Idi	Germany	67,112	5.2	NA	NA
<b>Contribution of Top 10 to sales total</b>			<b>1,159,788</b>	<b>5.0</b>	<b>3.0</b>	<b>6.4</b>
<b>Contribution of Top 250</b>			<b>3,940,747</b>	<b>5.3</b>	<b>3.8</b>	<b>5.8</b>
<b>Top 10 share of total</b>			29.4%			

Sources: published company data and Planet Retail

Leading retailers increased their store openings 2011. However, the annual growth of their investments within their group was a solid 11% due to development of their portfolio and their investments in infrastructures rather than to inflation costs. The population has grown 11 percent, from 5 billion to 5.7 billion, retail sales per capita have risen by more than 90 percent, from \$2,000 to \$3,850, and retail sales space has expanded by more than 200 percent, from 40 million to 130 million square meters. Global retailers usually select long-term expansion policies. As the big players invested and entered new markets with mix experience of success and failure they learned that to be successful in retail expansion is to use an optimal mix of countries and use of effective prototypes.

**Table 2: Top Ten retailers by their capital expenditures (\$ 000)**

Sl.No.	Company	2011	2010
1	Wal-Mart Stores	8,000,000	8,000,000
2	Target	2,500,000	2,129,000
3	CVS	2,000,000	2,000,000
5	Kroger	1,900,000	1,900,000
5	Lowe's	1,800,000	2,100,000

Note: \*fiscal year ending in August 2010 and 2011

Source: Chain Store Age Research

## Exercise: Assignment

**Activity 1:** Visit three retail stores around your school or home and fill the information in the table given below:

Sl.No.	Name of the Store	Name of the Items being sold	Type of store
1			
2			
3			
4			
5			
6			

## Assessment

### Fill in the Blanks

1. Retail industry is ..... largest industry in the world.
2. In India Retail Industry comprises of both ..... and unorganized sectors.

## Checklist for Assessment Activity

Use the following checklist to see if you have met all the requirements for assessment activity.

### Part A

- a) Differentiated between different types of retailer.

### Part B

Discussed in class the following:

- a) What is retailing?
- b) What are the functions of retailing?
- c) What are the services to be rendered by the retailers?

### Part C

### Performance Standards

The performance standard may include, but not limited to:

### Performance standards covered by this assessment

Performance standards	Yes	No
Identify the type of store.		