

CHAPTER-III

SELLERS IN BAMBVADE MARKET

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CHAPTER - III1. INTRODUCTION :

Sellers represent the final link in the flow of goods and services from producers to consumers. Selling is the basic function of marketing. The manufacturers sell the goods to the wholesalers and the wholesalers sell them to retailers. Finally, the goods are sold to the customers by retailers. Thus, selling is the process of disposing of the goods. Selling involves the transfer of the goods and also the transfer of the title of the goods to the purchasers selling means approach the buyers, Searching for prospective buyers and including them to purchase the goods at a price which would yield profit to the seller. In the present society, where various competitive goods are produced in large scale the selling occupies the place of importance in the marketing. Mass production is required mass selling of the goods. Today, it is rather easy to produce the goods but it is difficult to sell them, as mass selling cannot be undertaken easily in the competition.

In short, demand creation is not a easy job. Selling is the part of promotion and promotion is one part of the total marketing program.

Sellers are consumer's representatives in dealing with wholesalers and manufacturers. They attempt to acquire a combination of goods and services needed by target consumers,

inform them of their availability and make these goods and services available, when they are desired. Sellers play very useful role for wholesalers and manufacturers also. Sellers serve as points of contact between ultimate consumer and other members of the channel of distribution. They provide outlets for manufacturer's products and keep them informed of market changes. This helps in planning their marketing operations so selling is the important function of marketing.

2. Sellers in rural markets:

Manufacturers can sell their products directly to the ultimate consumers if they can take help of middlemen to reach the final consumer. In a country like India direct distribution has many constraints. To reach directly to rural customers is more difficult. This is because of absence of physical facilities, and large number of villages scattered throughout the country. Therefore, manufacturers

Prefer middlemen X

Manufacturer

To

Wholesaler

To

Retailer

To

Consumer is widely

used channel in India. It may be mentioned that not only manufacturers but wholesalers also find it difficult to operate on their own strength in rural market. They find it

uneconomical to open their own outlet because of small size of purchases and purchases of only limited items. Further, they find it difficult to provide credit and other facilities needed by rural buyers.

Thus neither manufacturers nor wholesalers can sell directly to final consumers in rural market. Therefore, they have to depend on persons or retailing institutions with their roots in local. They can understand rural buyer, they can provide facilities needed by them, they can manage business in undeveloped rural environment. Therefore, retailers in rural market have become an indispensable part of the marketing system. Though research in retail marketing is of crucial importance to all marketers, most of them have not paid due attention to this important aspect of marketing management. This is particularly true of retailing in rural markets in India.

It is necessary to clarify that as a basic marketing function, there is no difference in retailing in 'Urban' and 'Rural' markets. Research in rural marketing needs different approach. Retailers represent consumers desires. A study of their operations is expected to explain market behaviour.

In view of this, a study of retailers in 'Bambavade Market' was planned with the following objectives.

- 1) To study organisation of sellers in rural market.
- 2) To study sellers influence (if any) on rural consumers.
- 3) To study nature of changes in rural market.

In all, there were 3 radio shops in Bambavade market in 1984-1985. All of them were contacted for the purpose of this study. An interview schedule was prepared containing questions regarding organisation and management of these shops and their relations with customers. The responses obtained are presented below:-

3. Number of Radio Shops:

There were 3 radio shops in Bambavade market in 1984-85. The dates of establishment of these shops are given below:-

Table 7: Radio Shops in Bambavade Village.

Shop No.	Owner's Name/ Name of the Shop.	Date of Establishment
1	Mujawar B.H. (A.B.M. Radio House)	1978
2	Patil A.M. (Star Electronics)	1985
3	Shinghan V.D. (Joti Radio's)	1971

It is clear from the above table that the first Radio shop started in Bambavade village in 1971. This was established for the distribution of Goods and repairs of the goods. Repairing is a primary function and selling is a secondary function. The first Radio's shop in the real sense of the term was established in Bambavade market in 1971. This

shop offers a large number of goods (repairing goods) to its customers in and around Bambavade village. At present these are more than 3 items on its list. From 1971 till 1978 this was only shop in Bambavade village.

The second shop started in 1978 and the third shop came into existence in 1985. Thus in a period of 15 years only 3 shops are present. The rate of progress is certainly not bad taking into consideration the village Bambavade environment.

a) Ownership Pattern:

All shops are owned and managed by private individuals. There is no any kind of partnership among the shops.

b) Sources of Finance :

The Radio shops have raised the necessary funds for carrying out their business operations through their own sources and savings. Nobody has taken loan from banks or any financial institution. It is estimated that on an average an amount of Rs.12,000/- is invested in two shops and in one shop an amount of Rs.5,000/- is invested, this amount is used only for repairing the goods i.e. Radio, Tape-recorde etc. In this shop there is no sales items.

4. Location and Arrangement/shops:

a) Location of shops -

A map showing the clear location of the shops is attached herewith. It will be seen from the map that 2 shops are

located in the central part of the village and one shop is located in the outside part of the village. In the Bambavade there is no separate market area. All shops are run in a Rental room.

b) Area occupied by Shops:

The following table given the details of the area occupied by the Radio shops in the Bambavade Market

Table 8: Area occupied by shops:

Shop No.	Number of Rooms	Size of Rooms
1	1	10'X8'
2	1	8'X10'
3	1	9'X20'

All shops have a limited area of one room only, The shop area stated above is used for selling as well as storage purposes.

c) Identity of Shops:

Radio shops in Bambavade market have specific shop names. They are called as

Shop No.1 - A.B.M. Radio House.

Shop No.2 - Start Electronics

Shop No.3 - Joti Radios. etc.

They are not identified with the names of sellers.



e) Persons employed in the shops :

The total number of persons working in each shop are given in the following table.

Table 9: Persons employed in the shops.

Shop No.	No of persons employed.
1	2
2	2
3	2

All shops are managed by two two persons.

f) Internal layout and display -

Internal layout and display helps in attracting customers and promoting sales. Therefore, it is considered to be an important tool for promoting sales. This includes arranging goods in different groups, in different departments. Internal layout and display is to facilitate easy movement of goods .

Radio shops in rural market under study presents a very poor picture in this respect. The space area available is very small. It was observed that the concept of internal layout and idisplay is totally absent in the market under study. An argument may be made that it is of no use in rural environment. This is not true. Internal layout helps in making the best

d) Appearance of shops:

There are specific names to the shops and other signs are used to show the shops. Name of the seller is used by customers to show the not shops. Shops are similar to urban market in the appearance. The following Photographs shows

Appearance of Shops:

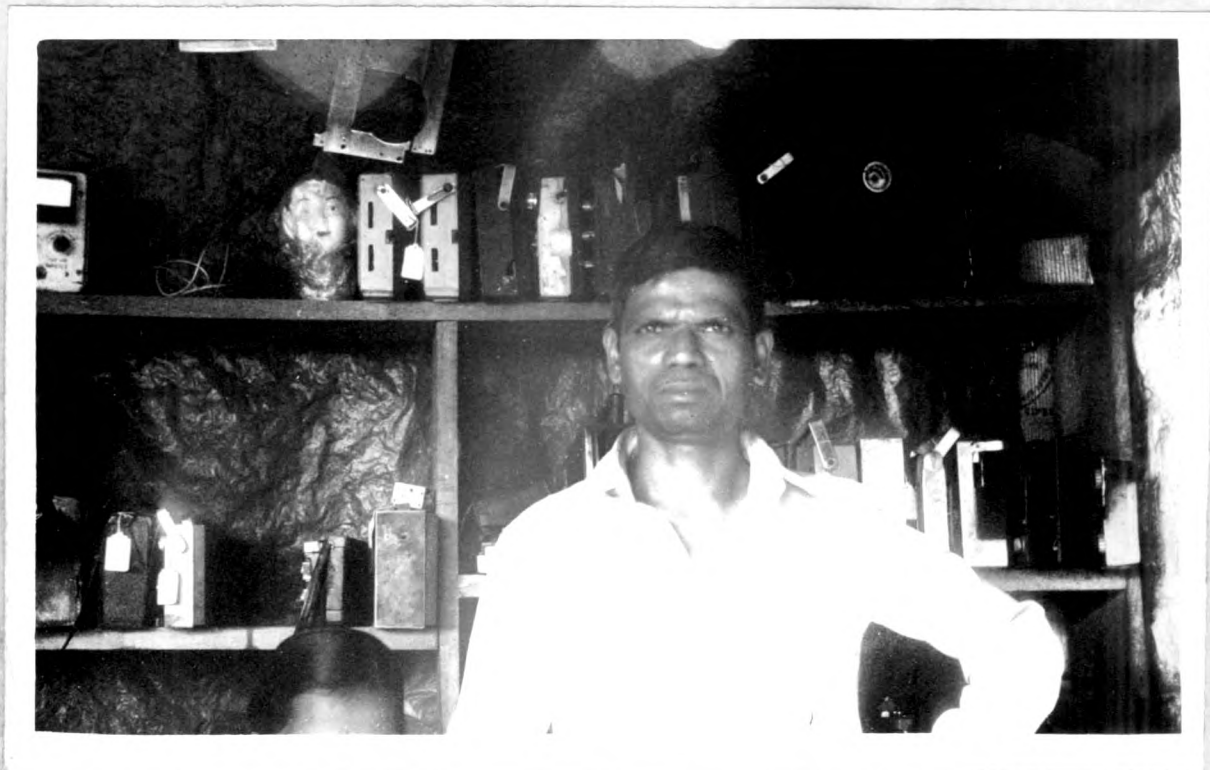
Photo No.1 : Appearance of shop (No.3.)



possible use of the available space. This is of equal importance for urban as well as rural marketer.

Photographs showing internal arrangement in shops -

(1)



(2)

The shopkeepers do not pay any attention to the internal arrangement of the shop. It was observed that in all shops goods were stocked at whatever place available for this purpose.

5) Goods sold in the shops:

The following table shows the goods sold in the shops in Bambavade village.

Table No.10:

Goods items	Shop No.1	2	3
Radio	+	+	+
Tape-recorder	+	-	+
T.V.	-	-	-
Video set	-	-	-
Repairs material	+	+	+

+ Item of stock is available.
- Item of stock is not available.

From the above table it is clear that in the all shops T.V. and Video sets are not available for sale. In the shop No.2 only radio and repairs material is available and in the shop No.1 and 3 radio.Tape recorder and repairs materials of all the goods is available.The owner of the shop number 3 prepares radio, tape recorder and T.V.also with the help of

materials. He is expert in the village for preparing and repairing the goods like Radio, Taperecorder and T.V. etc., Most of the items stocked and sold are common.

6. Sources of Purchases.

Radio trades have 3 alternatives in this respect .They may purchase directly form manufacturers, or they may depend upon middlemen for supplies or they may use both the sources of purchases.

Sources of purchases influence their pricing strategy and affect their distribution efficiency.

All purchases are made from Kolhapur and Pune means from outside sources.

a) Facilities offered by wholesalers -

The wholesalers offered short term credit facility, door delivery, guarantee regarding goods, trade discount, cash discount and gifts on bulk purchases.

7. Promotional activities -

Promotional activities includes advertising personal selling , sales promotion and publicity.

Observations -

- a) No advertising,
- b) Personal selling and repairing,
- c) Sales promotion.

Radio trader in Bamabavade market do not advertise their business. They only advertise products of some manufacturers, through pictures posters and other display material supplied by them. Personal selling is the basis of trade. They manage their sales function through personal skills. It was observed that there is tremendous scope to develop selling skills of people in business in rural area. This would benefit to buyers and sellers sales promotion includes all marketing activities that stimulate consumer purchasing and dealer effectiveness i.e. discount, premiums, free gifts selling schemes etc. But it was found that no such activities are organised by rural traders.

8) Facilities to customers :

The data collected in this respect shows that sellers under study offered the following facilities to their customers credit facility, (Buy now , Pay later) facility to return goods. Sell goods according to needs etc. payment in kind is not in existence.

9) Other observations -

Brand availability and awareness. In the consumer durable goods like Radio, Tape recorder T.V. there is a brand availability for example - Philips, Murphy, Bush, Ecko, Nelco, Jayrad, Tapi, H.M.V. Sharp, Siko, National Radio and Taperecorders and Philips Crown, Bush, Murphy, Orient, Dyanora, Videocon, Soni, Telivista, Nikitasha, Onida Television sets. This shows that product of different brands enjoy good demand. An impression

is likely to be created that these brands enjoy better preference in rural area. An enquiry regarding brand awareness and preference revealed that people purchase available brands and normally they go by shopkeeper's advice. It is worth mentioning that there is very little brand awareness among rural people. It was observed that customers do not demand a particular brand. Their demand is expressed in terms of quality. They ask for superior quality.

In short branded goods are available in rural market under study but brand awareness is absent.

a) Buyer-seller relations -

In the rural market buyer-seller relations are quite good. Buyers go by advice given by seller. It means that sellers influence their buying decision to a considerable extent.

b) Shop loyalty -

It is observed that in the rural market there is shop loyalty and because of for every shop has particular type of customers group and that they normally make their purchases or repairs from that shop only.

Lastly, new economic activities have changed the nature of market.

10) Financial Assistance and Guidance -

The following table shows about financial assistance and guidance taken by seller.

Table No.11:

Shop No.	Saving	From Bank	Borrow
1	+ / Course	+	-
2	+ / Course	-	-
3	+ / Course	intending to take	-

+ Yes.

- No.

From the above table it is clear that all the shops started with saving. Shop No.1 has taken loan from Bank and Shop No.3 is now a days intending to take loan from bank for purchasing Goods in large scale. Nobody has taken financial assistance from persons. All owners of Shops has done course of radio making and repairing.

11. Sales percentage -

For to understand demand for goods it is necessary to see sales percentage.

The following table shows information about sales in quantity and in rupees.

a) Table No-12: Sales goods.

Shop No	Quantity	Daily	Weekly	Monthly	Rupees
1	One/Two	-	-	1	500 to 1000
2	One/Two	-	-	1	-do-
3	One/Two	-	-	1	500 to 1000

b) Table Material.

Shop No	Qty	Radio	Tape	T.V.	V.D.O.	Rupees
1	Daily	+	+	-	-	75/-
2	..	+	+	-	-	50/-
3	..	+	+	-	-	150 to 175/-

From the above tables it is clear that there is no daily selling of goods i.e. Radio, Taperecorder. But daily repairing collection comes form Rs.75/- to Rs.175/- respectively.

Shop No.3 is comparatively best and largest shop in Bambavade Market.

12) About Business -

At the time of interview it is found that --

Owners want to increase the capital in one year upto 5 to 10 thousands, with the help of saving coming and Bank loan. The owner of the shop No.3 ready to take Agency work, of various companies. It is found that the Goodwill of this shop is very good in Bambavade village compare to other shops.

Now a days in the Bambavade Market there is a good demand for Taperecorder.

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