

# **Chapter – I**

## **INTRODUCTION**

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# Chapter – I

## INTRODUCTION

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### 1. 1) INTRODUCTION:-

The co-operative sector in India has played an important role in economic development of the country. It has certainly made a significant contribution in the sector like farming, manufacturing, sugar industries, dairies, processing co-operatives, fisheries, distribution of fertilizers, housing, banking, co-operative marketing etc. The concept of co-operation is originally coined by England's Rockdale Pioneers against capitalist exploitation, in the early period of the 19<sup>th</sup> century in 1843. The object of Rochdels co-operative society was to establish self supporting co-operative living colony's to provide houses and daily needed articles at cheaper rates to its members. In simple words co-operation is the voluntary democratic organization based on equality and equity for promotion of common interest of the members.

Consumer cooperatives are enterprises owned by consumers and managed democratically which aim at fulfilling the needs and aspirations of their members. They operate within the market system, independently of the state, as a form of mutual aid, oriented toward service rather than financial profit. Consumers' cooperatives often take the form of retail outlets owned and operated by their consumers. Consumer Cooperatives are formed by consumers in obtaining various goods at reasonable prices and guarantee standard. It is a legal body, registered under the Cooperative Act, with its members as its shareholders. Members voluntarily co-invest in their cooperative stores to fulfill their purchasing needs.

Maharashtra state is leading in co-operative movement. A first co-operative store was started in 1904 at Mumbai. There after number of consumer store are started all over Maharashtra state. The main aim of co-operative consumer stores it is to supply quality goods regularly at the reasonable price. For the development of rural economy the co-operative consumer stores plays crucial role in Indian Economy. Hon. Dr. Patangrao Kadam had started "Bharati Central Co-operative Grahak Bhandar Ltd.," Pune with its brand name

as ***Bharati Bazar***. It is located at the prince area of the of Pune city known as Alka Corner which is near to Sadashiv Peth and Narayan Peth Pune. Bharati Bazar is a successful in all the marketing activities.

From last forty year Bharati Bazar has develop their marketing activities in Pune, Sangli, Kadegaon, Bibewadi, Hadapsar area. They have got outstanding success in marketing of consumable goods and supply of Gas to Bibewadi area. Their total annual turnover was year more than 36 corers in the year 2011-12. Their main Bazaars and Branches are at Pune, Gultekadi Market Yard – Pune, Hadapsar, Sangli and Kadegaon. At present annual total turnover of the Bharati Co-operative organization for their 8 branches is more than Rs. 46 crores.

- **Indian Retail Market**

India is an Agriculture country. Agricultural is a backbone of Indian Economy. Our Industry in depends up on Agricultural produce for Raw Materials. Agricultural having Potential share in total G.D.P. of Indian economy. Our Retail Market is the Largest in the world. China and India having very potential Retail Market. There is unorganized chain in the market.

A present our customers are preferred Retail Shops, Kirana Shops, to Purchase the quality product at low cost as well as it also convenient to customer. Retail shops are located in rural area and at the nearest places. Sometimes they are getting credit up to 2-3 months because of their relationship with retailers.

Indian customer can buy their desired products from different formats available like Kirana Shops, Standard Retailer, Malls, Co-operative Departmental Stores, Hyper Markets, Internet Marketing and Use of Slandered catalogues for retail marketing. The customers are preferred quality product, services and try to get better discount and gift better discount and gift schemes.

The Indian Retail Sector is going through a transformation and this emerging market is witness a significant change in its growth and investment pattern. Today both existing as well as new players are experimenting with new retail formats. Current two popular formats are hypermarkets and supermarkets which are going at rapid pace.



India is a developing country. We have need of basic capital investment in the area of Agricultural as well as retail sector. As present Indian government has not taken a final decision in this regard for FDI in retail sector. I hope that FDI will gives a boost to our Agricultural and retail sector. Ultimately censorsers will be benefited in next 4-5 years. I hope that, if government gives more facilities for the retail sector we can get maximum amount of foreign direct investment from the developed countries through their multinational companies doing retail marketing.

There will be 5-6 million jobs over a period of three years in total. FDI in retail will create 10 million jobs in Indian Market. In Present parliament this bill of FDI in retail is not accepted by oppositions such as BJP, NDA and Trinomial Congress. Kerala State is also in

opposition for this decision. They said that FDI in retail Investment is a risky decision for India Economy. There are two sides for every policy matter. In the case of FDI in Retail is also having certain some doubts and risk of existing Retail System will be badly suffer for Kirana and Small Shops.

- a) Effect of Local Retailers.
- b) Competition will be global.
- c) Job may be shrinking.
- d) Impact of Retail Chain.
- e) Wall-Mark Lead to Retail in India.
- f) Country Like China, Brazil, Indonesia and Chili are allows for 100% FDI in multinational Retail.
- g) Impact will be seen after 5 to 6 year on Indian economy in general and Retail Marketing particular. So India Govt. have to take precautions of Risk Management of Retail Market.
- h) They have to purchase 30% goods from Local Market that will be also benefited to us.

**a) Private Development Stores:**

1990, India there are different types of Retail formats were availability for the consumer. Big Bazar is a first format of chain store system adopted in India. In short period of time they have develop their Brand for Big Bazar with their own Retail Model and strategy.

**b) Co-operative Consumer Stores:**

1904, Co-operative movement was started in India. Maharashtra state is leading in co-operative movement. Our leader gives a very good shape for the development stores. A consumer Co-operate stores is a voluntary organization of consumers which is organized to obtain goods and services at low cost on control on Black Marketing and shortages of supply of goods in festivals and seasons.

In Maharashtra, Vikhe Patil, Vasant Dada Patil, Tatyasaheb Kore, Dr. Patangrao Kadam have given a boost to our co-operatives sector through Warana Bazar, Bharati Bazar, Janata Bazar, and Shetkari Bazar. As per the NCDC Bulletin there 25450 primary stores, 890 whole store and 35 Federal Stores in India today. Indian consumer is a victim of many types

of unfair and unethical practices adopted in the Retail Market so there is a only one way of co-operative stores which gives quality goods at reasonable price.

**c) Kirana Stores (Local Outlets)**

They having 97% share in Retail Market. This is a rural and traditional business activity known as Bapari or Baniya, Sales the goods in local market as per the consumer demand. But, today they are facing number of problems regarding brand, supply chain, Low quality, Low credit facility etc. So our educated consumers are preferred for branded stores and big malls.

**1.2) STATEMENT OF THE PROBLEM:**

Present research study is a case study of Bharati Bazar Pune and Sangli as Leading Co-operative stores in Maharashtra. Bharati Bazar has a Head office at Pune. They have Branches at Pune, Gultekadi, Hadapsar, Kadegaon and Sangli. Sangli Branch is a leading in Retail Marketing. So researcher has decided to do the study as a total Performance Evaluation of Pune and Sangli Branch as case study.

Bharati Bazar is one of the largest shopping bazaars Maharashtra State. Sangli Bharati Bazar is the branch of the Bharati Central Co-operative Customer Organisation Ltd. Pune which was established in 1973. Hon. Patangraoji Kadam is the founder of the organization. Bharati Bazar started its branch at Sangli near Rajwada chowk in September 1994. Bharati Bazar is situated in the central part of the Sangli city. It becomes a popular in very short period. In 21<sup>st</sup> century many international companies opened their branches in biggest malls with attractive advertise but this bazaar created goodwill by giving satisfaction to the all segments in the society rich as well as poor.

Political interference, low financial power, low quality of product and higher prices of the consumable products are the major problems are facing by Co-operative Departmental Stores. As central Govt. has recently accepted FDI policy in Retail Sector so there is a new challenge before the Co-operative stores so researcher has decided to make the study on performance evaluation of Co-operative departmental stores with reference to Bharati Bazar, Pune.

### **1.3) SIGNIFICANCE OF THE STUDY:**

A present Co-operative sector facing some problem in Retail Marketing Co-operative movement was started in 1904. First co-operative store was established at Mumbai for the interest of consumer satisfaction. Main aim of Co-operative stores is to supply of quality goods at reasonable price. Their objective is to avoid the black marketing in retail sector and develop the market at rural and urban area. Profit earning is a secondary purpose of co-operative stores. So researcher has decided to do the research study of co-operative stores and their performance evaluation.

### **1.4) OBJECTIVES OF THE STUDY**

The main objectives of the present research are to examine and evaluate the Performance of Bharati Bazar in Retail Marketing. Recently Central Govt. has taken the decision of FDI in Indian retail sector. There are various problems and issues before the co-operative departmental stores. Another aspect of the present study is to understand the impact of FDI on Co-operative Retail Marketing. Following are the objectives of this study.

1. To assess present position of the Bharati Bazar in Retail Marketing
2. To study of financial performance and Marketing Performance of Bharati Bazar.
3. To make the study of sales promotional strategies and its impact on sales and profitability of Bharati Bazar.
4. To give suitable suggestions for better improvements.

### **1.5) HYPOTHESIS**

- H<sub>1</sub>**- Credit facilities and E-Banking Services are not accepted by Co-operative Departmental Stores.
- H<sub>2</sub>**- Sales has affected significantly on profitability of the Departmental Stores.
- H<sub>3</sub>**- Sales Promotional Strategies affected on more efficiency, sales and Profitability of the stores.

#### **❖ Primary Data Collection Methods:-**

Primary data plays important role in social research area. For this present research work researcher has collected primary required data from the Bharati Bazar – Pune, Sangli

and Kadegaon Branches. Issues and Problems before the co-operative departmental stores are analyzed with the help of primary data collection from members, customers and directors of this organization. Following three methods researcher has followed:

- I) Questionnaire Method (For Organization and Customers)
- II) Interview Method
- III) Observation and Branch Visits.

**I) Questionnaire Method:-**

For the present research work the researcher prepared two separate questionnaires are is for Bharati Bazar Units and Second for Customers, Shareholder and Directors. The Questionnaire is an important common instrument for primary data collection and questionnaire consist of a set of questions presented to the respondents. The questionnaire is prepared in such manner as to cover the whole research topic of retail marketing and role of Bharati Bazar as a Co-operative Departmental Stores.

Bharati Bazar is located as Pune – Hadapsar, and Sangli District. Primary data has collected from these Branches for better understanding of research problems.

**II) Interview Method:-**

Unstructured Interview is conducted while collecting primary data for this research work purposive method is used for conducting interview of customers.

**III) Observations and Branch Visits:-**

While executing field investigation researcher has visit to various branches of Bharati Bazaar at Pune, Hadapsar, Gultekadi and Sangli. There are different and problems researcher has collected for qualitative research work. Observation and branch visits are useful to understanding the various problems of customers and also important role of co-operative departmental stores in retail marketing.

Present research work is conducted for study of retail marketing with reference to Bharati Co-operative Departmental Stores Pune, Sangli and Kadegaon area. Survey method is used for primary data collection and secondary data is collected from office record regarding purchase sales storage of goods and annual report of the Bharati Bazar. In data collection various techniques and methods are followed for better understanding of issues and challenges of the co-operative departmental stores. Personal Interview, Field Visit to



Eight Branches of Bharati Bazar and spot observation are recorded for this research study.

## **1.6) RESEARCH METHODOLOGY:**

### **Subject Title:**

**“Role of Co-Operative Departmental Stores in Retail Marketing: A Case Study of Bharati Bazar”**

#### **A) Data Collection :**

This study is conducted through primary and secondary data. Primary data will be collected through a specially designed questionnaire for consumer and Managerial staff of the Bharati Bazar Sangli. Required primary data will be collected from Administrative Authorities and Board of Directors. Apart from that some more required data will be collected through the meeting proceedings of Board of Directors and Purchase department.

The collected data will be tabulated and analyzed with the help of simple statistical techniques and tools as like average, percentages and trend analysis. Secondary data will be collected by the books journals, news papers, annual reports and meeting proceedings and official records of the Bharati Bazar, Pune and Sangli Branch.

#### **B) Scope of the Study**

Performance Evaluation of last 10 years as Trend Analysis of Capital Investment, sales, purchases, sales promotional strategy implementation and profitability analysis of Bharati Bazar from last 10 years that is from 2003 to 2013.

#### **C) Sample Size**

Bharati Co-operative customer organization, Pune was started their various branches at different part of the state within very short period. Following are the details of these branches-

- i) Bharati Bazar( Autonomous Dept.) – Pune
- ii) Bharati Bazar- Hadapsar, Pune
- iii) Bharati Gas (LPG Gas agency)- Pune
- iv) Bharati Bazar( Autonomous Dept.)- Rajwada Chowk, Sangli
- v) Bharati Bazar (Wholesale Dept.)- Pune
- vi) Bharati Bazar- Kadegaon
- vii) Bharati Krushi Seva Kendra- Kadegaon
- viii) Dhankavades General Stores – Dhanakawadi, Pune

Primary required data will be collected through the questionnaire as per the selection of sample size. Out of eight branches researcher has decided to selected four branches 1.Pune Main Branch, 2. Sangli Branch, 3. Bharati Bazar Kadegaon, 4. Bharati Krushi Seva Kendra- Kadegaon. Sample selection is as under:

**Table No 1.1**  
**Selection of Sample**

| <b>Branch</b>                        | <b>Consumer</b> | <b>Employee and Director</b> | <b>Total Sample</b> |
|--------------------------------------|-----------------|------------------------------|---------------------|
| Pune Main Branch                     | 50              | 10                           | 60                  |
| Sangli Branch                        | 50              | 10                           | 60                  |
| Bharati Bazar Kadegaon               | 50              | 10                           | 60                  |
| Bharati Krushi Seva Kendra- Kadegaon | 50              | 10                           | 60                  |
| <b>Total</b>                         | <b>200</b>      | <b>40</b>                    | <b>240</b>          |

Source: - Data Collection

For sample selection researcher has selected main branch Pune, Sangli Branch, Kadegaon Branch and one manufacturing and marketing unit of Bharati Bazar Krushi Seva Kendra. Bharati Co-operative organization having 4700 members for all 8 branches from Pune and Sangli District. This is study of Retail Marketing especial for 8 branches of Bharati Bazar Equal due weight age is given for all branches. Total sample selection is 240 out of total population of 4700 member it is more than 5%.

❖ **Sampling Method**

The researcher has adopted convenience sampling which is known as “Accidental Sampling In the present study target respondents is easily located at the branches of Bharati Bazar centers. Convenience sample technique is most suitable for the study of consumers buying behavior.

❖ **Limitations of the Study :-**

The results of the study are mostly depends upon the information received from customers. Present study of Retail Marketing and their issues are limited to co-operative consumer stores and also related to branches of Bharati Bazar Pune, Sangli and Kadegaon shortage of time limit is also some extend affected on my result of present study.

## **D) Chapter Scheme**

Present research study is done with the help of primary and secondary data collection. This study is highlighted on issues and challenges before Retail Marketing with special Reference to Co-operative Marketing. Researcher has selected the subject as Role of Co-operative Departmental Stores in Retail Marketing: A case study of Bharati Bazar. This study includes five chapters for research study. The following is the chapter scheme:

### **Chapter – I - Introduction**

The first chapters deals with the introduction, statement of the problem, objectives of the Research Study, Significance of the study, Limitations of the study, Research Methodology with Sample Design

### **Chapter – II - Review of Literature**

Second chapter gives detail information about review of books, journals, Government Reports, Government Policies Regarding FDI in Retail Sector. In this chapter Researcher shows a study of related research work on co-operative retail marketing and departmental stores in Maharashtra. Necessary study review has conducted for Ph. D and M. Phil Research work with giving research gap for scope of the present research work.

### **Chapter – III - Profile of Bharati Bazar**

Chapter three shows the profile of Bharati Co-operative Organization. Bharati Bazar is a Brand Name given by founder member Hon. Dr. Patangrao Kadam. In this chapter researcher has describe in detail regarding 8 branches of Bharati Co-operative Organization. It includes historical background, management structure, working activities, marketing management, financial management and role of Bharati Bazar in Retail Marketing.

### **Chapter – IV - Data Analysis and Interpretation**

In the fourth chapter primary and secondary data is analyze and interpretation of the data is done with help of simple statistical techniques. Required necessary primary data has collected from 8 branches of Bharati Co-operative Organizations. For evaluation of role regarding retail marketing by the co-operative organization in urban and rural area various aspects of consumer marketing are highlighted in this chapter. In this chapter issues, challenges and problems of Bharati Bazar are analyzed. This chapter included financial

management, marketing management, sales promotion and strategic management applied by Bharati Bazar.

## **Chapter – V - Conclusions and Suggestions**

The Fifth Chapter includes conclusions and findings of the research study and important suggestions are given as per the analysis and interpretation of the data collection. It also gives scope for future research in related subject for study of co-operative departmental stores in the Maharashtra State.

### **1.7) CONCLUSIONS:-**

Retail Marketing plays important role in Indian Economy. Retailing includes all the activities including in selling goods, and providing the services to end customers for personal use or for the business purpose. At present India is the 5<sup>th</sup> largest retail market in the world. But it is observed that in India only 5% of total retail trade is under organized sector and remaining marketing activities are under kirana stores and private marketing agents. In retail marketing consumers are facing various problems regarding low quality of goods, high prices black marketing etc. In this context Co-operative organization had provided quality products at fair prices to the consumers at rural parts of India. Maharashtra State is leading in co-operative sectors. Warna Bazar and Bharati Bazar are the best example of co-operative stores in the Western Maharashtra.

Bharati Bazar was established by Hon. Dr. Patangrao Kadam on 2<sup>nd</sup> Oct, 1973 at Pune. They have experience of more than 40 years in retail marketing on co-operative basic. Their Moto is to supply the quality goods regularly to consumers at resolvable prices. Bharati Bazar is a Central Co-operative Grahak Bhandar Working at Pune, Bibewadi, Sangli, and Kadegaon and Hadapsar. Bharati Bazar having the following major business activities from last 40 years so I have decided to do the study on performance Evaluation of Bharati Co-operative Grahak Bhandar – Pune which is also known as Bharati Bazar

#### **i. Major Business Activities :-**

- 2) Bharati Gas Unit – Bibvewadi
- 3) Wholesale Market – Gultekadi
- 4) Bharati Bazar – Pune
- 5) Bharati Krushi Unit – Kadegaon

- 6) Bharati Bazar – Sangli
- 7) Bharati Bazar – Hadapsar Pune.

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