

Chapter – II

Review of Literature

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Chapter – II

Review of Literature

2.1) INTRODUCTION:-

Review of Literature is important and helpful for better understanding of research problems and used for setting the objectives and hypothesis. It helps to the researcher to organize his research work on paper line. For this present study of role of co-operative department stores in retail marketing.

The Research has reviewed various Books, Journals, Articles, Annual Govt. Reports, regarding retail marketing. Co-operative marketing, co-operative departmental stores. For this research purpose researcher has also examine and make a detail study of Annual Reports of Bharati Bazar from last 6 years.

2.2) RETAIL MARKET

India is a developing country and majority population is depending on agriculture. In retail marketing agricultural produce are sold out in rural market to the post harvesting agents. It is observed that our farmers are getting low prices in the rural market. Today farmers started to sale their goods at different big market places for a getting prices and benefits for their produce.

The Indian retail market is currently unorganized and highly fragmented, with estimated 13 to 15 mm outlets countrywide. The overall retail market is expected to grow at a CAGR of about 11 to 13 percent by 2020-21 with the organized retail market expanding at 21 to 24 percent.

Table – 2.1
Retail Market in India

Year	1999	2002	2005	2009	2010	2013
Total Retail (in billion INR)	7000	8250	10000	18450	19500	24000
Organized Retail (in billion INR)	50	150	350	920	1350	2400
Share of Organized Retail (%)	0.70%	1.80%	3.50%	5.00%	7.00%	10.00%

Source:- www.nielsen.com

The above table shows the growth of the share of organized retail in the overall retail in India from 1999 to 2013. It is also clearly understood that, in India, the growth of organized retail has been steadily rising since 1999 and is expected to continue in the years to come. This growth can be attributed to changes in FDI policy in retail trade.

a) Foreign Direct Investment in Indian Retail Market:-

As central Govt. take a decision of allow for foreign investors and multinational companies to invest their money in Indian Retail Market. Govt. approve the proposal of direct investment in single brand by 100% and in multi brand investment up to 51% by the foreign companies. Today different companies from Mauritius, Singapore, USA and U.K.. Invested in retail sector. Following table shows the share of top five investing countries in Indian Retail Market

Table – 2.2
Foreign Direct Investment in Indian Retail Market
(2000- 2010)

Sr. No	Name of the Country	Investment (Million USD)	Investment Percentage
1	Mauritius,	50,164	42%
2	Singapore	11,275	09%
3	USA	8,914	07%
4	UK	6,158	05%
5	Netherlands	4,968	04%

Source: - Tactful Research Journal 1st Oct, 2012.

Above table shows that from last ten years i.e. 2000-2010 total investment in Indian economy by the first five companies. It is shows that Mauritius investments 50,164 Million US Dollar with inflow of investment is 42% from Singapore 9% were as USA with 8,914 Million US Dollar with 7% inflow of investment in India.

b) Benefits of Retail Markets:-

In India there are different type's retail markets supplying the goods to the Indian Consumers as per their needs. In big cities as like Pune, Mumbai, Chennai, Calcutta and Delhi there are number of malls and super markets supplying the goods to the customers. In India Retail sector is very important for job opportunities and getting a benefits with marketing activity. Following are the benefits of Retail Markets.

- ❖ Local Market
- ❖ Job Opportunities
- ❖ Consumer Satisfaction
- ❖ Distribution Channels
- ❖ Store Facilities
- ❖ Electronic Transfer
- ❖ Brand Quality
- ❖ Low Price

New Government Policy for Foreign Direct Investment in Retail Market :

Foreign Direct Investment is retail market is new dimension for retail marketing government of India; take a decision of FDI in Retail Market that will be used for storage and packing facilities.

Features of Policy:

- 1) Single Brand Retail 100% Investment.
- 2) Multi Brand Retail 51% foreign direct investment.
- 3) 50% Investment for cold storages and warehouses.
- 4) States have to take find decision of permission.

Current size of Indian Retail Market is \$28 billion and it will reach up to \$260 Billion at 2020. As per the news a figure given by the times of India and Economic times on 25th Nov. 2011 it shows that Foreign Direct Investment in Retail will create 10 million jobs.

Benefit of FDI:

- Farmers will get better prices as compare to retailers.
- Consumer will be benefited by getting quality goods.
- FDI in retail will creates 10 million job in next 3 years.
- Direct distributing channel from.
- Minimizing farmer to consumer middlemen's role.
- Multinational brand will be available at cheaper price.
- Possibility of infrastructural development as like packing house, cold stores.
- Farmers will get 15% to 20% Fruits and Vegetables higher prices in the market.

2.3) DEVELOPMENT OF CONSUMER'S CO-OPERATIVES IN MAHARASHTRA

A Consumer C-operative Society is a voluntary organization of Consumers and organized to obtain their requirements of consumer goods and services. Such co-operative organizations may undertake the Retailing wholesaling as well as sometimes for production and processing of consumers goods. These co-operative stores would be based on the principles of mutual help and to supply quality goods at fair prices.

At the beginning the C-operative Act, 1912 gave the legal status to the consumer co-operatives. Maharashtra is one of the developed states for co-operative consumer stores in India. The first consumer store was established in 1914 by Late. Hon. G. K. Devdhar in 1919 were was 19 stores in the state where as in 2007 there were 3290 co-operative consumer stores, out of which 166 were wholesale stores, 2749 Primary and 375 were students stores.

Maharashtra State having the 3 tier system for consumer co-operative chain. There is state level, apex federation at district level, wholesale stores at the rural and root level there are primary stores. Wholesale stores were organized under the central sponsored scheme. These stores are at district and some black levels.

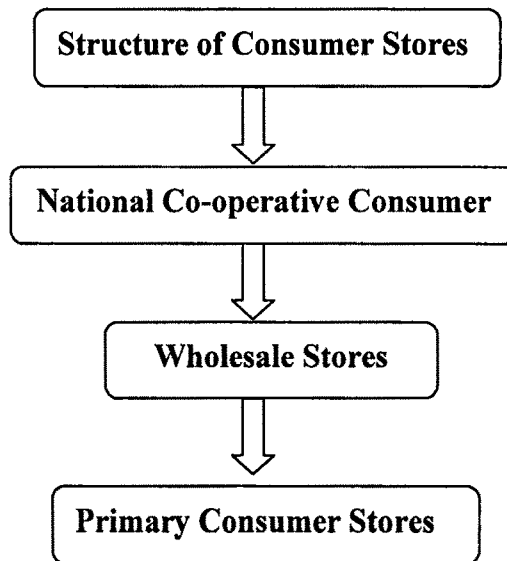
There are primary consumer co-operative stores at rural level which are known as primary stores. The co-operative consumer stores having wide varieties of commodities while in primary stores, they have meeting the need of rural populations.

In Maharashtra State there are more than 425 student's consumer stores working on co-operative basis for the Students of Schools, Colleges and Universities. These student co-operative stores are started to meet the requirement of the students at the reasonable prices. For co-operative movement and development of consumer stores Pune, Kolhapur and Sangli district are leading for Co-operative Sugar Industries, Milk Processing and Dairy Unit and Co-operative Cold Storages. National Co-operative Consumers Federations was established on 16th October 1965 and its headquarter is at New Delhi. Following are the major functions of the NCCF –

- 1) Providing Support to State Federations.
- 2) Trading and Development Programmes for Member Institutes.
- 3) Promotion of Consumer Co-operatives
- 4) Financial Support for Institutes
- 5) Marketing Management for Agricultural goods all over the country.
- 6) Consultancy for co-operative marketing
- 7) Publication and Research Activities for better developments.

❖ **Structure of Indian Consumer Co-operative :-**

Indian having the tier system for consumer co-operatives. At National Federation, State level there is state federation, at district level – central stores and root level there are primary consumer stores. These stores are organized as per the co-operative act.



❖ **Co-operative Principles :-**

Co-operative sector plays important role in rural economic developments. In co-operative sector there is a sugar factory, processing units, retailing organizations, student consumer stores, co-operative dairy units and agricultural co-operatives. Most of the co-operative societies are organized as the principles of rochdale pioneers.

The fundamental principles of co-operatives are as follows:-

- 2) Voluntary Membership
- 3) Democratic Control
- 4) One Vote for one member
- 5) Unity Principle
- 6) Distribution of Surplus.
- 7) Concern for Community
- 8) Rational Allocation
- 9) Autonomy.

As the researcher, I have visited to Pune University Library, Gokul Institute, VMNICM – Pune, Shivaji University Kolhapur and G. A. College of Commerce, Sangli.

Structure of Consumer Co-operatives

“From 1960, Indian Govt. has established 4 tier system of National Level. On 16th October 1965 Govt. was established National Co-operative Consumers Federation with its headquarter at Delhi. There are 20 branches and 16 sub branches all over the India. At state level there is State Co-operative Federation at District Level there is central wholesale stores and at root level there is primary retail stores”¹

National Federation is an apex organization provided financial and marketing support to all State Level Co-operative Organizations NCCF having 139 members and Rs. 13.84 corer paid up capital following are the important functions of National Federation:-

- 1) Financial Support to State Level Organization
- 2) Organization of Exhibitions
- 3) To Provide the Consultancy for Marketing Management
- 4) National Level Marketing for Good Grains, pulses, spices etc.

- 5) Marketing Research and Co-operative Publication for Marketing Information
- 6) Training Programmes for Faculty Development
- 7) Distributional Channels

Providing Store Facilities.

2.4) Review of Books, Journals :-

Researcher has reviewed the research work done by the various researchers in co-operative marketing and consumer satisfaction in retail marketing. Here research has made the attempt to cover the research studies under consumer co-operatives. For the purpose of study on various aspects of retail marketing and co-operative consumer stores in the Western Maharashtra.

In this chapter they researcher has conducted the review of Books, Researcher Articles, Project Report, M.Phil / Ph. D Thesis and Dissertations. The review regarding retail marketing, co-operative marketing, marketing management and consumer co-operative movement in India has conducted with the help of various books. The following are important review details are given:

- 1) Dr. V. B. Kodag -

“Recent Trends in Commerce and Management (2013) – ABS Publication Varnasi.

- 2) S. K. Goyal –

The Book Title - “Consumer Co-operative Movement in India”. In this book author has describe the growth and development of consumer’s co-operative movement in different states from the India.

- 3) S. C. Mehta –

The Book Title “Consumer Co-operative in India”. In this book author has describes the co-operative movement and role of co-operative consumer stores in rural developments. They also describe various problems and challenges before the co-operative stores.

- 4) S. B. Rao –

Book Title “Co-operative Retail Shops. This book explain the problem of Retail shops. Co-operative marketing system and work of co-operative organization.

- 5) Bhagawati Prasad –

Book on “Retail Management for Consumer Stores” – This book deals with functions

of super bazaar and role of co-operative stores in rural development of India.

6) O. R. Krishnaswami and M. Ranganathan (2009)

Book Title – “Methodology of Research in Social Sciences” – Himalaya Publishing House – Mumbai. In this book author describes the research methods, methods of data collection. This book provides step – by step guidelines on all aspect of the research process. He has also given the information about the principles of writing report and types of reports. There is separate chapter on hypothesis testing which is very useful for the students for research study.

❖ **Review of Research Articles in Journals and Seminar Proceedings.**

As the research I have goes through various research journals of retail management, co-operative review, consumer co-operatives, Maharashtra. Co-operative quarterly for better study on role of co-operative stores in retail marketing.

Central Govt. has taken the decision of Foreign Direct Investment in Retail Sector from Jan. 2012, G. A. College of Commerce, Sangli was organized UGC Sponsored National Seminar on “Indian Retail Marketing : Issues and Challenges”. More than 90 research papers were presented in that National Seminar with the help of E-Proceeding of this Seminar I have Review that research papers.

7) Dr. S. S. Shejal – Research Article title “Performance of Co-operative sector in Maharashtra” – Journal – Indian Co-operative Review – July 2013, Vol – 51

In Article, author gives a performance of co-operative sugar factories, co-operative marketing societies. Main observation is that co-operative sector has facing the problem of over dues, and over staffing.

8) Shivaji Pawar - FDI and Indian Retail Market article published in Tactful Management Research Journal, Oct 2012.

In this article author has given the FDI policy of the Government about investment in retail sector. Foreign Direct Investment in Retail Market is a new Dimension accepted by Indian Government for Economic Development. As per this policy in signal brand retail 100% investment is allowed and for multi brand retail 51% foreign investment is allowed. Such investment decision is depends upon role of state government for future business investment.

- 9) Dr. V. B. Kodag – Principal G. A. College Sangli. Has published is paper in “The Cooperator by National Cooperative Federation New Delhi. Paper published in June 2013 on “A Success Story of Warna Bazar”.

In this article author highlighted the financial management, working capital, historical background, sales turnover and marketing management of the Warna Bazar. This bazar is a very good example of co-operative departmental stores in India. It ranks fifth in India as per sales turnover and profitability of the co-operative departmental stores. Late Hon. Tatyasaheb Kore was established this Warna Bazar at Warnanagar Dist- Kolhapur. In western Maharashtra Warna Bazar is a famous co-operative bazaar for better services and selling activities for rural consumers. At present there are 18 outlets at various parts of Kolhapur and Sangli Districts. Warna Bazar is leading organization in co-operative sector with giving consultancy for management and training program for newly appointment employees in the co-operative organizations. From last 15 years their sales turnover is showing increasing trend with annual turnover at more than 100 crores so it is known as a success story in India.

- 10) Dr. Vasanti P. Jagadale – Research Paper Presented at GACC Sangli, National Seminar on 7th and 8th September, 2012. She has presentēd is paper under title -

Cooperative Retailing in Liberalized Era: Challenges and Opportunities

The main observation of this paper is as Retailing is nothing but marketing of products to the end consumer as such. Every single event happening over there has an effect on our economy in general and individual in particular for example when prices of essential commodities increase, the domestic prices of essential items like cooking oil, pulses etc. are bound to increase. Now it has become the order of the day to observe global indices and then to observe national indices.

Consumer’s cooperatives are voluntary organization of consumers for avoiding exploitation of its members from private traders. The 4-tier structure of cooperatives comprising at national level apex body National Consumer Cooperative Federation i.e. NCCF, State Level Organizations, District Wholesale Societies and Primary Retail Stores. Lack of capital, lack of Govt. support, low profit margin, lack of professional management, losing faith of customers, entry of private and huge malls etc. there are the problems or challenges to the consumer’s cooperatives. Though they have some threats, consumer’s

cooperatives have also some opportunities. Using their rich experience, in the field of departmental stores, they must focus on their activities and strengthen management functions. The consumer's cooperatives can be successful only when they change their business strategy, keeping in view the global market environment change.

11) Mrs. Swati A. Shigaonker Assistant Professor MES College of Arts and Commerce
Zuarinagar Goa.

Title of Research Paper –

Retail Management- A Study of The Emerging Mall Culture In Goa.

The Research paper has presented for UGC Sponsored National Seminar at GACC Sangli on 7-8th September, 2012. Major observations of this paper are as under -

India has been a nation of *dukandars* – around 20 million retailers – consisting of more retail shops than those in the rest of the world put together. Retailing has been in our blood – as shopkeepers or as shoppers. But things are changing in our country in the way shopping is done, the way retail is getting modernized and organized, and the way people are viewing this industry Today, the competitive landscape of the retail industry is going through a period of phenomenal change. From convenient stores to hypermarkets to franchise retail chains to E-retailing, retailers are pushing their frontiers to touch global business. Innovative retail entrepreneurs are taking advantage of the new opportunities to become the next generation of industry players. Traditional retailers need to understand the change, gear themselves for it and adapt to it or shut shop. Shopping malls, as is the popular term, are proliferating in various small and big cities and metros of India with their tentacles spreading to small towns and rural areas. These malls have influenced our lifestyle, spending habits and culturally and socially transformed our youth.

Goa is also facing a lot of change due the emergence of malls in the state. Although this development is in the nascent stage with only 4 malls, it is growing rapidly what with an economically and socially progressive society with western values, high literacy levels. Tourism has also contributed their share of foreign customers to the income of malls. This paper attempts to study the initial growth and development of malls in Goa and its impact on

the youth, small traders and businesses. The paper is based on a random sample survey of 100 respondents of varied economic background ,age group to understand the rising trend of shopping malls in Goa, preferences of customers for these malls vis-à-vis other retails and cooperative consumer societies, their future prospects etc. based on the study suggestions and findings are given.

12) Dr. Sharad R. Kulkarni – Paper presented for National seminar at GACC Sangli

Title: - Do CRM Strategies Really Worth for Customer Satisfaction?

In the competitive environment nowadays, one of the top priorities of businesses is to create customer satisfaction. It develops positive attitude toward organizations resulting into higher income. In addition, it is significant to establish a continuously sound relationship with customers as it increases customer awareness and loyalty which is a foundation to prepare a constant customer base. CRM is the principal strategy that helps organizations in creating a long-term relationship with customers. Customer relationship is the strategy that organizations apply to create emotional attachment with customers through different approaches and techniques. These involve new technologies in communication for generating rapid and accurate performances.

CRM has become a key strategy for the success of businesses in the current unpredictable circumstances. Particularly in present customer focused era, in order to survive and succeed, organizations have to focus on customer satisfaction. Customer enrichment results into positive impression, presence of strong brand and considerably good image of the organization. Customers become loyal to the brands and repurchase products and services. They also help in promoting businesses to other customers. Word of mouth is an effective marketing tool that generates higher sales and increases opportunity for cross sell of new products and services among existing customers. Failure in communication with customers and inability to locate customer needs may lead to negative experiences and attitude of customers. It may cause damages to organizations in the future. So, the CRM strategy is becoming increasingly popular nowadays. It is very common for many business organizations to use customer relationship strategy as an integral component of their total business policy.

This study focuses on the customer relationship management (CRM) strategies as perceived by customers in various sectors of economy. In these sectors, CRM seems to be core part to withstand in competition. The present study is conducted with certain objectives like, understanding the importance and employment of customer relationship management strategies. It also attempts to investigate the relationships between customer relationship strategies and customer outcomes in terms of Satisfaction

- 13) Dr. A. K. Roy – Article Published in the “Co-operator” – National Co-operative Union Of India – Vol. 52. No – 6 December 2014.

Title: - Inclusive Leadership – “A new Domain for Growth of Co-operatives” main Observations and finds are as under:-

The most effective leaders realize that everyone’s input is valuable. As it is well known that ‘Amul’ besides performing as a rewarding world class business enterprise has also pioneered inclusive growth through work with Dairy Farmers at grass – root level by changing lives, enhancing income and empowering women. This embodies that fact that inclusive is the way of life with the cooperatives to strengthen the system.

- 14) U. Homiga – Article Published in the “Co-operator” –Vol. 52. No – 6 Dec. 2014.

Title: - “Sustainable Development and the Role of Co-operatives”

This study reveals that co-operative have been noteworthy for their contributions to rural development and agricultural productivity across both the development and developing world. The millennium development goals are focused our efforts on poverty reduction and on improving general well being. Co-operatives have an important role to play in ensuring inclusive sustainable development strong established co-operatives help new co-operatives to form. These are the important view gives by the author in this article.

2.5 REVIEW OF M. PHIL / PH. D RESEARCH WORK:-

- 15) Kamble T. S. (1989) M.Phil – Dissertation on Sahakari Warana Bazar – He has do the Study on working performance of Warana Bazar. He has given various problems before the co-operative consumer stores and their future trends.
- 16) Rathod S. G. (1993) M.Phil – work A study of consumer buying behavior wotj reference

to Janata Bazar Kolhapur.

In this research study he has describe the analysis view of consumer buying behavior and role of Janta Bazar in Kolhapur City for Retail Marketing.

17) A. B. Suryawanshi (2002) Ph. D

Research work on “A Study of Co-operative Departmental Stores in Western Maharashtra” – under this research study he has given the co-operative movement in the Western Maharashtra. He has also highlighted on various Issues regarding Retail Marketing Problems of Co-operative Consumer Stores and Role of Departmental Stores in the Urban and Rural Development of our Indian Economy.

18) Dr. M. M. Tapkir – Ph. D work on “Management Problems of Consumers Co-operative Societies in Pune City”. This is an Evaluative Research Study depends upon Survey Method. In this research work he has given role of co-operative consumer stores in Pune City only. He has through the light on the Management Problems of Co-operative Stores As per his observations co-operative stores are facing the problems of financial management, overstocking unskilled labour and various problem in sales Promotion in Pune City.

2.6 RESEARCH GAP:-

In this chapter I have given through various Books, Journals and research work which were conducted for Ph. D and M. Phil degree course. Researcher has found that majority work is conducted for Retail Marketing co-operative departments stores from Sangli and Kolhapur District.

They are describing various problems and challenges of co-operative stores. As a researcher, I found that there is no any study on Bharati Bazar – Pune which are having 8 branches at Pune, Kadegaon and Sangli. This co-operative store having services as Bazaar, Gas agency, Agri- Business unit, Supply of fertilizers. In Retail Marketing Bharati Bazar is a very good example for supplying quality product as reasonable price. So I have decided to do the study on role of Bharati Bazar in Retail Marketing

2.7 References

- 1) Dr. V. B. Kodag -"Recent Trends in Commerce and Management (2013) – ABS Publication Varnasi.
- 2) S. K. Goyal – The Book Title - "Consumer Co-operative Movement in India".
- 3) S. C. Mehta – The Book Title "Consumer Co-operative in India".
- 4) S. B. Rao – Book Title "Co-operative Retail Shops"
- 5) Bhagawati Prasad – Book on "Retail Management for Consumer Stores"
- 6) O. R. Krishnaswami and M. Ranganathan (2009) Book Title – "Methodology of Research in Social Sciences" – Himalaya Publishing House – Mumbai.
- 7) Dr. S. S. Shejal – Research Article title "Performance of Co-operative sector in Maharashtra" – Journal – Indian Co-operative Review – July 2013, Vol – 51
- 8) Shivaji Pawar - FDI and Indian Retail Market article published in Tactful Management Research Journal, Oct 2012.
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- 11) Mrs. Swati A. Shigaonker Assistant Professor MES College of Arts and Commerce Zuarinagar Goa. **Title of Research Paper – *Retail Management- A Study of The Emerging Mall Culture In Goa.***The Research paper has presented for UGC Sponsored National Seminar at GACC Sangli on 7-8th September, 2012.
- 12) Dr. Sharad R. Kulkarni – Paper presented for National seminar at GACC Sangli
Title: - **Do CRM Strategies Really Worth for Customer Satisfaction?**
- 13) Dr. A. K. Roy – Article Published in the "Co-operator" – National Co-operative Union of India – Vol. 52. No – 6 December 2014. Title: - Inclusive Leadership – "A new Domain for Growth of Co-operatives"
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- 18) Dr. M. M. Tapkir – Ph. D work on “Management Problems of Consumers Co-operative Societies in Pune City”.