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## RETAIL MANAGEMENT PRACTICES IN CONSUMER COOPERATIVE STORES – A CASE STUDY

### Article Particulars

Received: 28.03.2018

Accepted: 07.04.2018

Published: 28.04.2018

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### Abstract

*The Retail Industry is considered a sunrise industry and it is classified into two sectors namely, Organised Retail Sector and Unorganised Retail Sector. The organized retail consists of all the big super - market chains, hyper - market chains which pay taxes and comes into government records. The unorganized retail includes the kirana stores, family owned shops, small outlets, wholesale shops which do not come into government records. India's retail trade is largely in the hands of the unorganised sector. In India, organized retail accounts to just 9% of the total share, 1% is covered by E-Tail and the rest is dominated by unorganized retail. The retail market size grew from USD 518 billion in 2012 to about USD 672 billion as on 2016, registering a compound annual growth rate (CAGR) of 7% during the period (Source: [www.ibef.in](http://www.ibef.in)). India is fifth-largest global destination in the retail space and is growing at a rate of 12% per annum. India's economy is expected to grow between 7% and 7.5% in April 2018- March 2019. All the major wholesale cash and carry players like Wal-Mart, Metro and Carrefour have set up shops in India and have multiple outlets ranging from two in the case of Carrefour to as many as 14 in case of Bharti-Walmart. Consumer Cooperatives one of the formal retail segments, dealing in retail wholesale trading and they also undertake processing of consumer goods. Consumer Cooperatives have been serving the public for more than a century in India. They have been working as check and balancing mechanism in the market. The present study deals with retail management practices of a select cooperative wholesale store and it analyses the retail sales performance of the store over a period of 5 years from 2011 - 12 to 2015 -16. Case study method has been adopted for this study. The Dindigul District Consumer Cooperative Wholesale store (DCCWS) was selected purposively as the sample store undertakes the trading activities both wholesale and retail. The wholesaling is being done to the affiliated Primary Stores and Institutions and such business is done mostly on credit basis. Credit sales are also allowed to the employees who are working in the store. Cash sales are the effected for others. Retailing is effected through its own Super Market and its branches. The sample store is practising the retail management practices in the form of Purchasing, Storing, Assortment, Displaying and distribution. The present study is focusing the current retail management practices of consumer cooperative stores and providing some valuable suggestions for sustenance in future.*

**Keywords:** Retail Sector, Consumer Cooperatives, Retail management practices, Sourcing, Stores management, Assortment, Channels of Distribution and Sales management.

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## Introduction

Retailing involves the process of satisfying the needs of the customers by selling goods or services in small lots to the consumers/customers through multiple channels of distribution with the prime objective of earning a profit. This sector plays a vital role in contributing to the Indian economy in terms of business turnover, employment generation, contribution to Government exchequer and other crucial areas. The Indian retail industry has emerged as one of the most dynamic and fast-growing industries due to the entry of several new players in the recent times along with rising income levels, growing aspirations, favourable demographics and easy credit availability. The retail sector contributes over 6.75% of the country's Gross Domestic Product (GDP) and around 8% of the employment and is valued at USD 672 billion **(Source: Economic Times as on 9.1 2018)**. Globally, India is the fifth-largest global destination in the retail space and is growing at a rate of 12% per annum. India's economy is expected to grow between 7% and 7.5% in 2018-19. Since 2007, all the major wholesale cash and carry players like Wal-Mart, Metro and Carrefour have set up shops in India and have multiple outlets ranging from two in the case of Carrefour to as many as 14 in case of Bharti-Walmart. The Wal-Mart is a classic example of such expansion. It acquires the local players, establishes best in class supply chain thereby eliminating local manufacturers and finally it tries to achieve monopoly in that city.

## Indian Retail Sector

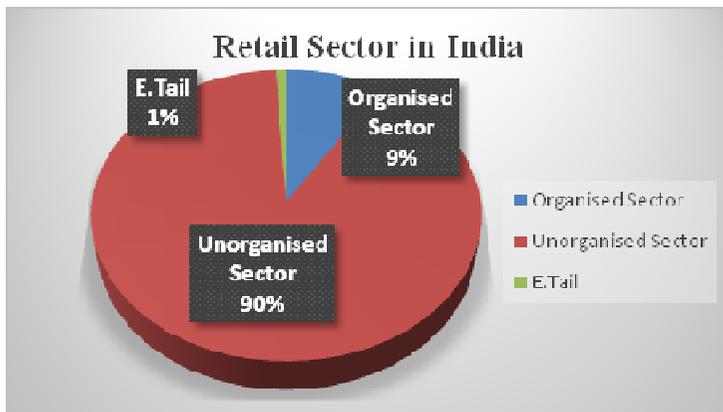
The Retail Industry can be classified into two sectors namely, Organised Retail Sector and Unorganised Retail Sector. The organized retail consists of super markets, hyper markets and other registered retail units which pay taxes and come into government records. The unorganized retail includes the kirana stores, family owned shops, small outlets, wholesale shops which do not come into government records. India's retail trade is largely in the hands of the unorganised sector. Only recently, large supermarkets, departmental stores and luxury shopping malls have started making their entry in some cities though these are owned and managed by Indian promoters, though some foreign retailers have made a backdoor entry through franchises and export-oriented wholesale activities.

With their increasing incomes, the middle and high-income sections of the society in developing countries are looking for quality retail products. The governments in the developing countries are anxious to meet consumers' expectations by strengthening the network of organised retailers and bringing in FDI. In the course of cash and carry business world, the E-commerce is expanding steadily in the country. With advancements in quality of internet access, payments and computing on mobility platforms, changed consumer behavior with a large active internet user base, customers have the ever increasing choice of products at the lowest rates by various retailers.

Retailing support services may also include the provision of credit, delivery services, advisory services, stylist services and a range of other supporting services. Retail shops occur in a diverse range of types and in many different contexts - from strip shopping centres in residential streets through to large, indoor shopping malls. We have witnessed the launch of a large number of formats by leading retailers covering both a broad spectrum of merchandise categories as well as speciality or single category stores. The concept of 'one-stop shop' further glorified the advantages associated with modern retailing.

In India, organized retail accounts to just 9% of the total share, 1% is covered by ETail and the rest is dominated by unorganized retail. The current online retail accounts for about 1.2% of total retail market, which is described in the below chart.

### Retail Sector in India Chart 1



The retail market size grew from USD 518 billions in 2012 to about USD 672 billions as on 2016, registering a compound annual growth rate (CAGR) of 7% during the period (**Source: [www.ibef.org](http://www.ibef.org)**). However, in the last two years, the retail industry has been growing at about 12% respectively on account of favourable

demographics, higher income levels, easy credit availability, etc. So, one can understand the magnitude of the sector and the scope for future growth.

Consumer Cooperatives one of the strongest networks in the retail sector widely organised for serving the consumers with quality consumer products at reasonable prices; also playing a vital role in controlling the prices of commodities by adopting market intervention strategies. Through their organizational networks they cover a large number of people of small means who otherwise resorted to be exploited by the unscrupulous middlemen and traders.

### Consumer Cooperatives

Consumer cooperatives undertake retail and wholesale trading of consumer goods and in some places they also undertake agro-processing activities. Consumer Cooperatives have crossed a century by their existence by serving the community in urban, sub-urban and rural areas. The structure of Consumer Cooperatives is not uniform in all the States in India. In some States, they are having unitary structure and in some States federal structure is adopted. In Tamil Nadu federal pattern is followed.

Through the federal structure, they are functioning at a large network. The structure of Consumer Cooperatives in India is as follows.



**Source:** Indian Cooperative Movement Profile - 2016

In the State of Tamil Nadu also, the structure of the Consumer Cooperative is federal in nature.



**Source:** Policy note on 2017-18 by Cooperation Department, Government of Tamil Nadu.

**Table1 Consumer Cooperatives in India: Key Parameters**

Sl. No.	Particulars	2008-09				2009-10			
		PCCS	DCCWS	SCCF	SCCS	PCCS	DCCWS	SCCF	SCCS
1	No.of Stores/ Federations	21015	715	30	8299	21014	718	30	NA
2	Branches(includi ng Departmental Stores)	8681	5110	536	-	8622	5154	533	NA
3	Membership (in Million)	6.211	2.050	0.02	14.31	6.454	2.015	20,039	NA

4	Share Capital	2118.6	847.88	1348.2	325.58	2126.5	958.52	1349.5	NA
5	Working Capital	6390.2	5097.9	4954.7	1115.5	6940.8	5087.2	5092.3	NA
6	Total Sales	26326.24	19,388.6	26,594.8	988.69	26329.48	19,799.9	29,799.9	NA
7	Controlled Goods/Wholesale Sales	43.95%	45.84%	61.52%	-	43.86%	45.24%	53.90%	NA
8	Non-Controlled Goods/Retail Sales	56.05%	54.16%	38.48%	-	56.14%	54.76%	46.10%	NA
9	Employment	42748	-	4,195	-	44188	-	4,167	NA
10	No. of Employees	-	14,042	-	-	-	14,017	-	NA
11	Trained Employees	-	861	-	-	-	881	-	NA
12	Stores in Profit/ No. of Federations in Profit	41.52%	45.7%	13	41.14%	41.83%	46.4%	13	NA

**Source:** Cooperative Movement Profile -2016

PCCS: Primary Consumer Cooperative Stores, DCCWS: District Consumer Cooperative Wholesale Stores, SCCF: State Consumer Cooperative Federation, SCCS: Students Consumer Cooperative Stores.

It is revealed from the above table that there are around 30,000 consumer cooperatives of all types serving for the community by having almost 10 lakh members.

The National Consumer Cooperative Federation of India Limited (NCCF) is the apex federation of the consumer cooperatives in the country. It was set up on 16<sup>th</sup> October, 1965 and is administered under the Multi - State Cooperative Societies Act. The Tamil Nadu Consumers' Cooperative Federation is an apex organization for all the District Consumer Cooperative Wholesale Stores (DCCWS) and Primary Consumer Cooperative Stores (PCCS) and it acts as a coordinating agency for procurement of select consumer goods for all the affiliated Cooperative Stores.

The DCCWSs and PCCSs run retail outlets, super markets, mini - super markets and medical shops in their operational jurisdictions. These Cooperatives play a vital role in successful implementation of Public Distribution System (PDS) by acting as lead societies for the distribution of the essential commodities from TNCSC godowns to the fair price shops across the State.

During the year 2016-17, the Consumer Cooperatives put together have sold both controlled and non-controlled goods to the tune of Rs.3111.78 crores. (**Source: Policy Note on 2017-18 by Cooperation Department**). The below table shows the sales performance of Non-controlled goods by the Consumer Cooperatives.

**Table 2 Sales Performance of Consumer Cooperatives in Tamil Nadu (Rs. in crores)**

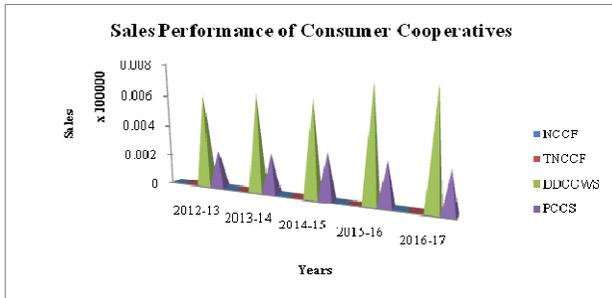
Sale of Non-controlled Goods					
Year	NCCF	TNCCF	DCCWS	PCCS	Total
2012-13	0.12808	0.01126	613.63	245.66	859.42
2013-14	0.97501	0.008574	643.72	266.12	910.90
2014-15	0.61045	0.018446	636.03	311.88	948.70

2015-16	0.77867	0.028531	772.61	295.27	1068.94
2016-17	0.79193	0.35285	779.18	286.29	1066.61
<b>Total</b>	<b>3.28414</b>	<b>0.91961</b>	<b>3445.17</b>	<b>1405.22</b>	<b>4854.59</b>
<b>Averages</b>	<b>0.656</b>	<b>0.183</b>	<b>689.03</b>	<b>281.04</b>	<b>970.91</b>

**Source:** compiled From the Website and Audit Reports of the above cooperatives.

The table shows the sales performance of non - controlled goods in Tamil Nadu. In 2012-13, it has sold the consumer goods to the tune of Rs.859.42 crores and it has increased to Rs.4854.59 crores in 2016-17, with the manifold of 6 times.

**Chart 2**



**Review of Literature**

Some studies have been conducted in the field of Retail Sector in India. There are numerous government reports and research studies on current practices in retail sector. However, we have referred some research studies relating to

Retailing in Consumer Cooperatives.

**Elena Vitayevna Isaenko and Olga Nikolayevna Degtyar (2015)**, in their research paper titled, "Self - Service in Retail Trade of Consumer Cooperation: Assessment and strategy for development" focused the self-service development in the consumer cooperative stores. They have adopted the sociological research (Surveys) method in their study. They have used methods of deterministic integrated assessment (Distance method, ranking method, Geometric Mean, Coefficient) for analyzing the data. The study reveals the theoretical justifications of self - service development in consumer cooperatives of a strategy that will improve the market competitiveness of consumer cooperatives and help to satisfy the consumers' preferences.

**Alicia Lake and Catherine leviten Reid (2015)**, in their study titled, "Conventional Consumer Cooperatives and local foods: A Case Study from Cape Breton, Canada" focused on Consumer cooperatives and community development in Cape Breton city in Canada. There were 15 interviews conducted with Managers and Directors representing 10 stores. The stores had not adopted the scientific practices in buying and selling of Cape Breton products.

**Eric Calderwood and Keri Davies (2013)** have done a study on, "Cooperatives in the Retail Sector: Can One Label Fit All?" by taking 55 cooperatives, suggested to adopt a big middle model for consumer cooperatives stores in the world in their study.

**Tarek Monsour and Andrea Zocchi (2012)**, in their study, "Retail cooperatives: Staying Competitive in a Changing World" examined the rapid transformation of consumer behaviour due to the advent of Internet and mobile technologies. They pointed out that in the coming decade, trends would fundamentally reshape the retail

sector, presenting retail cooperatives with new challenges and opportunities. Now it is the time to think through the implications.

**Espen Exberg (2008)**, in his Ph.D. thesis titled, "Consumer Cooperatives and transformation of modern food Retailing - A Comparative Study of the Norwegian and British Consumer Cooperatives, 1950-2002" analyses the divergent development patterns followed by the consumer cooperative movement. The study has pointed out the level of competition prevailing in the country's retail market during the post-war.

**Jeyachandrareddy.K, and Himachalam.D (2006)**, in their study, have suggested some remedial measures for improving super bazaars run by the consumer cooperative stores. They have mainly focused the financial problems of the stores and suggest some valuable ideas in the management aspects.

**Taimni.K.K, (1975)**, has pointed out in his study, to strengthen their vertical structure, the base at the retail level and other related aspects of view to meet the expectations of the new consumers.

The research studies reviewed were found undertaken in different parts of the country, and more over they have focused on their region specific. Moreover a comprehensive study on Retail Management Practices in the recent context is found lacking. Hence, the present study is need of the hour.

### **Objectives of the Study**

The objectives of the study are:

- To study the retail management practices as adopted by the select cooperative wholesale store.
- To analyze the retail performance of the select Consumer Cooperative Store over a period of recent 5 years from 2011 – 12 to 2015 -16.

### **Methodology**

Case study method was adopted for this study. The Dindigul District Consumer Cooperative Wholesale store (DDCCWS) was selected purposively. The study covered a period of 5 years starting from 2011 - 12 to 2015 - 16. The study depends on the secondary data which were collected from the Audit Reports, Financial Statements, Ledgers, Bye –laws and Special Bye-laws. The data collected were tabulated under proper heads and they were analyzed in a meaningful way.

### **Analysis of the Case**

The Dindigul District Consumer Cooperative Wholesale store (DDCCWS) is one among the 34 CWS functioning in Tamil Nadu. It was registered on 04.03.1964 and started its business operations from 03.04.1964, The 8 Revenue Taluks of the Dindigul District are covered under the area of operation of the select store namely, Dindigul, Vedasanthur, Palani, Ottanchatthiram, Kodaikkanal, Natham, Nilkkottai, and Athoor. The Stores commenced its operations in 1964 with 20 members with a share capital of

Rs.20,000. Now, it has increased to 24703 members with a paid up share capital of Rs. 14.26 lakhs.

The sample stores undertake the trade activities through wholesaling and retailing as well. The wholesaling is being done to the affiliated Primary Stores and Institutions and such business is done mostly on credit basis. Credit sales are also allowed to the employees who are working in the store. Cash sales are also done by the store. Retailing is effected through Self - Service Section, Super Market and branches.

### Sources of Finance

The DDCCWS is mobilizing funds from various sources, which are categorised into owned funds and borrowed funds. Owned funds is consisting of Share capital (Collected from the Members) and Reserve Fund (Allocated from the Net Profit). Borrowed fund is consisting of Trade Deposits (collected from the traders) and ST & LT Borrowings from Dindigul District Central Cooperative Bank and other Banking Institutions. The below table shows the financial position of the select store for the recent years.

**Table 3 Details of Sources of Finance (Rs.in lakhs)**

Sl.No	Year	Share Capital	Reserve Fund	Deposits	Borrowings	Total
1	2011-12	13.70(4.55)	29.70(9.85)	118.03(39.16)	140.00(46.44)	301.43(100)
2	2012-13	13.70(5.01)	29.70(10.87)	90.00(32.96)	140.00(51.27)	273.04(100)
3	2013-14	14.26(6.33)	29.70(13.20)	41.09(18.26)	140.00(62.21)	225.05(100)
4	2014-15	14.26(5.34)	29.70(11.14)	50.71(19.02)	172.00(64.50)	266.67(100)
5	2015-16	14.26(5.07)	29.70(10.54)	65.71(23.33)	172.00(61.06)	281.67(100)
<b>Total</b>		<b>70.18</b>	<b>148.5</b>	<b>365.54</b>	<b>764</b>	<b>1347.86</b>
<b>Averages</b>		<b>14.03</b>	<b>29.7</b>	<b>73.10</b>	<b>152.8</b>	<b>269.57</b>

**Source:** Compiled from Audit Reports

**Note:** Figures in Parenthesis indicate percentage to Total

The table shows the financial sources of the sample store. The store has working capital of Rs.301.43 lakhs in 2011-12. It has reduced to Rs. Rs.281.67 lakhs due to decreasing trend in deposit mobilization. Normally, the store has collected trade deposits from the traders who are the suppliers of the non-controlled goods.

### Retail Management Practices

#### Source of Procurement by the Sample Store

Consumers' co-operative stores are formed to supply superior quality goods and services at reasonable price to consumers and thereby eliminating the role of middlemen. The important objective of the consumer cooperatives is to purchase grains and other necessary provisions as required by the consumers in bulk and sell them at reasonable price. Consumer Cooperatives are selling two kinds of goods to consumers namely, Controlled Goods and Non-controlled Goods. Controlled Goods

are the essential commodities like, Rice, Sugar, Wheat, Urad Dhal, Tur Dhal, Edible Oil and Kerosene supplied to the family members of BPL at restricted quantity through Fair Price Shops. In short, it is said that all the Public Distribution System (PDS) items are called as Controlled Goods. These goods are purchased from the Tamil Nadu Civil Supplies Corporation. The Non- controlled goods are, Groceries, Durables, Cosmetics, Stationeries, Medicines and Seasonal items and they are meant for sales on competitive price.

The Non-controlled goods are purchased through Joint Purchase Committee (JPC) which is created mainly to procure consumer goods. Tamil Nadu has been divided into four regions geographically consists of seven to eight districts. Each region has one JPC, which holds the responsibility of procuring consumer goods in that region. There are two types of JPC designed for the Consumer Cooperatives. One is Central JPC i.e. is held at the state level attached in the Tamil Nadu Consumer Cooperative Federation for purchasing of some items like, rice, pulses, cereals and other seasonal items. Normally, the Second Thursday of every month the JPC is convened in the Head Office of TNCCF. And the second one is regional level JPC, which is held on the Second Friday of every month and responsible for purchase of the groceries and cosmetic items and to be supplied to Wholesale Stores.

**Table 4 Purchase of Non - controlled Goods (Rs. in lakhs)**

Sl.No	Year	Groceries	Cosmetic	Textbooks	Crackers	Others	Total
1	2011-12	24.52 (16.61)	19.12 (12.95)	47.43 (32.12)	15.85 (10.73)	40.73 (27.59)	147.65 (100)
2	2012-13	19.86 (13.23)	27.07 (18.03)	55.27 (36.81)	11.04 (7.35)	36.90 (24.58)	150.14 (100)
3	2013-14	219.96 (5.07)	192.21 (4.43)	-	17.30 (0.39)	3912.72 (90.11)	4342.19 (100)
4	2014-15	203.80 (5.64)	120.44 (3.33)	-	24.95 (0.70)	3263.95 (90.33)	3613.14 (100)
5	2015-16	447.03(10.77)	110.50 (2.66)	-	26.22 (0.63)	3565.97 (85.93)	4149.72 (100)
<b>Total</b>		<b>915.17</b>	<b>469.34</b>	<b>102.7</b>	<b>95.36</b>	<b>10820.27</b>	<b>12402.84</b>
<b>Averages</b>		<b>183.03</b>	<b>93.86</b>	<b>51.35</b>	<b>19.07</b>	<b>2164.05</b>	<b>2480.56</b>

**Source:** Compiled from Audit Reports

**Note:** Figures in Parenthesis indicate percentage to Total

The Dindigul District Consumer Cooperative Store has purchased non - controlled goods worth of Rs.147.65 lakhs in 2011-12 and it has increased to Rs.4149.72 lakhs in 2015-16, with the manifold of 30 times.

### **Stores Management Practices in Consumer Cooperatives**

Consumer Cooperatives should aim at efficient and optimum use of capital in order to avoid the capital being locked up unnecessarily in heavy stock of inventories, and at the same time, keep desired level of inventories to offer satisfactory customer

service. The effectiveness of stores management is that the consumer cooperatives should neither suffer for want of goods nor should they be overwhelmingly have the stocks of goods, which will amount to debt capital. Their main activities relating to stores management are, Point of receipt of goods, the place for storage of articles and point of issue of articles. The Sample consumer cooperative is having storage godown for storing the consumer goods. Supplying of goods at right time without any delay is possible only when sufficient stock of goods maintained by the stores. Normally the sample store is following a traditional method of inventory, which does not involve any scientific means. Most of the investment of the consumer cooperative stores is made in the form of stores items. The select stores calculate the stock turnover ratio periodically and adopt ERP (Enterprise Resource Planning) for checking the stock of goods, selling of goods and Accounts and Auditing of records. It simplifies the work of the employees. Adoption of Information Technology will improve the efficient stocking of merchandise and business operations.

**Assortment Practices in Consumer Cooperatives**

The sample store deal with different items of consumer goods. The width of goods are categorised into groceries, durables, textiles and medicines. The depth of the goods under each category is also dealt with. However, the depth of the goods is normally found in case of groceries. The store assorted the goods with price tag and display them for promotional purposes. Consumers are attracted by the assortment of the items. In the present world, Consumer Cooperatives are also trying to follow the new trend.

**Channels of Distribution for Sales**

Consumer Cooperatives are having two channels of distribution namely, direct distribution and indirect distribution. Selling the non-controlled goods through its own super markets and self-service section is the instance of direct distribution. Supplying Controlled items through PDS shops and Primary Consumer cooperative stores are considered indirect distribution.

Many of the stores have their own logistics for smooth supplying of goods. Other DCCWS contract vehicles for transport purpose. The sample store owns transport vehicles. The below table shows the distribution channels of retailing by the consumer cooperatives in Tamil Nadu.

**Table 5 Distribution Channels of Retailing by Consumer Cooperative Stores in Tamil Nadu**

Sl.No.	Channels	2017-18		
		DCCWS (in Numbers)	PCCS (in Numbers)	Total (in Numbers)
1	Tamil Nadu Consumer Cooperative Federation (TNCCF)	-	-	1

2	District Consumer Cooperative Wholesale Stores (DCCWSs)	-	-	34
3	Primary Consumer Cooperative Stores (PCCSs)	-	-	370
4	Students Consumer Cooperative Stores (SCCSs)	-	-	2844
5	Super Markets	17	-	17
6	Mini Super Markets	48	-	48
7	Retail Outlets	61	-	61
8	Farm Fresh Consumer Outlets	53	14	67
9	Cooperative Medical Shops	87	26	113
10	Amma Marunthagam	28	28	56
11	Petrol Bunks	6	3	9
12	L.P.G. Supply Units	30	-	30
13	Kerosene Bunks	82	-	82
14	Self Service Section	60	-	60
15	Fair Price shops	3203	2269	5472
	<b>Total</b>	<b>3675</b>	<b>2340</b>	<b>3249</b>
	<b>Total No. of Consumer Stores</b>			<b>9264</b>

**Source:** Policy Note on Cooperation Department 2017-18, Govt of Tamil Nadu

### Sales Management Practices in Cooperatives

The success of the DDCCWS depends on achieving sales targets fixed in advance. In order to improve the sales, a sales budget is prepared by the store. While preparing the sales budget, past performance, the buying behaviour of the consumers and seasonal analysis of the demand are taken into account. The DDCCWS is preparing a sales budget periodically and trying to achieve it. The below table shows the sales performance of recent years.

**Table 6 Sales Performance of Non-Controlled Goods (Rs. in lakhs)**

Sl.No.	Year	Grocery	Cosmetic	Textbooks	Crackers	Others	Total
1	2011-12	26.61 (18.58)	15.83 (11.05)	51.83 (36.19)	15.17 (10.59)	33.79 (23.59)	143.23 (100)
2	2012-13	21.53 (15.15)	24.52 (17.25)	52.85 (37.19)	13.69 (9.63)	29.53 (20.78)	142.12 (100)
3	2013-14	306.98 (7.15)	195.14 (4.54)	-	17.29 (0.40)	3776.14 (87.91)	4295.55 (100)
4	2014-15	221.91 (6.41)	120.68 (3.48)	-	18.15 (0.52)	3103.32 (89.59)	3464.06 (100)
5	2015-16	460.13 (11.91)	132.21 (3.42)	-	20.41 (0.53)	3250.13 (84.14)	3862.88 (100)
	<b>Total</b>	<b>1037.16</b>	<b>488.38</b>	<b>104.68</b>	<b>84.71</b>	<b>10192.91</b>	<b>11907.84</b>
	<b>Averages</b>	<b>207.43</b>	<b>97.67</b>	<b>52.34</b>	<b>16.94</b>	<b>2038.5</b>	<b>2381.56</b>

**Source:** Compiled from Audit Reports

**Note:** Figures in Parenthesis indicate percentage to Total

In 2011-12, The Dindigul District Consumer Cooperative Store has sold non - controlled goods worth of Rs.143.23 lakhs, which has increased to Rs.3862.88 lakhs in 2015-16, with an increase of 27 times.

### Business Results

The business result of the store shows a negative trend in the first two years of study period due to the stiff competition among the local retail players. However, the store has equipped itself and set its ball running on the successful path from 2013-14 onwards.

**Table 7 Performance of Business Results (Rs. in lakhs)**

Sl.No.	Year	Net Profit/ Loss	Cumulative Loss	Audit Class
1	2011-12	-22.74	22.74	C
2	2012-13	-48.96	71.70	C
3	2013-14	12.87	-	C*
4	2014-15	20.62	-	C*
5	2015-16	20.20	-	C*

**Source:** Compiled from Audit Reports & \* Tentative (Yet to be Audited)

### Findings

- The sample store is not adopting the full-fledged scientific method of retail management practices in its business operations.
- Though ERP tool is being used it is not fully adopted by the stores.
- The store has not shown interest to have good ambience and outlook. So that consumers can be attracted towards the stores.
- The store is not self - sufficient in their resources with the financial commitment they cannot implement business projects of the stores.
- Lack of Trained Sales personnel in the stores has been a limiting factor as it has not effected to enhance the sales performance.
- Absence of stationery and notebooks, reading materials and related items in retail trade.
- Professionalization has to yet to take place in the areas of retail management.

### Suggestions

- The store has to increase their financial position for adoption of some modern retail techniques.
- The store has to be flexible in their policies and programmes in retail management practices to the changing business environment.

- The store has to follow inventory control techniques to reduce the wastages in the godown. Such practices will contribute to increase the profitability of the organization.
- Trained Personnel should be appointed in more numbers; otherwise, the existing employees should be motivated to attend the need based training.

### Conclusion

The retail management practices adopted by the sample Dindigul District Consumer Cooperative Wholesale Stores indicates that still traditional method retail management practices are being found. The procurement practices are emanated from a centralised source. The place of storage house is not found with modern technologies. However, it is fine to note that the ERP is being practised, but still the store has to go a long. The place of sales practices of assortment of goods and the ambience of the sales units need to be considered on war-footing stage, by taking into consideration of the amount of competition they face with players. It is therefore concluded that the retail management practices are found to be more of traditional rather than modern one.

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