

Autonomous Consumer Cooperative: A Case Study of Maharashtra State

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Abstract

Consumer Cooperatives occupy a significant place in Indian Economy. The primary objective of the consumers' cooperative is elimination of the middlemen and distributes the goods at a reasonable price. Maharashtra had been the pioneer of the cooperative movement in the country having networked of all types of cooperative societies working in the fields of production, marketing, processing, banking, etc. Warana Bazaar is one of the consumer cooperative store plays important role in the economical, social, and cultural development of the people in Kolhapur and Sangli district of Maharashtra. Warana Bazaar is an autonomous consumer cooperative is capable of making a rational and informed decision on their own. The qualities of service, management excellence, diversification, employment creation are the main features which make Warana Bazaar as an autonomous consumer cooperative store in Maharashtra.

Descriptive and case base research design was used in this study. The Primary data on present status, and structure of warana bazaar was collected through formal interaction with Board of Director, Officers, and staff of the store at Warana Bazar, Kolhapur. The secondary data was mainly collected through the published and authentic source of warana Bazaar. The financial data for last five years i.e..2013-14 and 2017-18 was analyzed with the help of simple statistical tools such as mean, percentage, etc. The study concludes that, the membership growth, the best management practices, ethical practices, different services and incentives rendered by Warana Bazaar responsible to make them autonomous consumer cooperatives in Maharashtra.

In that concern, the case of Warana Bazaar for the detailed study of present status, structure and features responsible to create warana bazaar as an autonomous institution has been examined in the present study.

Keywords: Warana Bazar, Consumer Store, Autonomy, Management, Incentives, Membership etc.

Introduction

Consumer cooperatives play a vital role in distributing consumer goods and necessary provisions to the public at large through wholesaling as well as retailing. Consumer Cooperatives are enterprises owned by consumers and managed democratically which aim at fulfilling the wants and aspirations of their members. It is the earliest of the co-operative enterprises. It is associations of consumers aimed at pooling the purchasing power in order to enable the consumers reap the benefit of collective buying.

The Cooperative Movement came into existence after passing the Cooperative Credit Societies Act, 1904 in India. This act gave stress on starting of Cooperative Credit Societies only. Later, Government was inspired on the success of the working of the consumers' stores in England and took steps for starting a similar one in India.

In India, the erstwhile Madras state was the pioneer within the field of cooperative movement. The first consumer cooperative society was found out in Madras, namely 'The Triplicane Urban Cooperative Society Limited' in 1904 with the prime aim of supplying necessities of life to its members and it's grown up together of the most important consumer cooperative societies in India'

The consumer co-operatives in India have a four tier structure comprising the National Co-operative Consumers' Federation of India Ltd. (NCCF) at the national level, the State Consumer Co-operative Federations at the State Level, and the Wholesale/Central Consumer Stores with their branches at the district/taluka level and Primary Consumer Stores with branches functioning at the grassroots level.

At present there are 26,355 primary societies at the grassroots level, 512 Wholesale/Central Stores at the district level, 30 State Consumer Co-operative Federations at the State level and one National apex organization i.e. the National Co-operative Consumers' Federation of India Limited (NCCF). In case of Maharashtra there are 3453 primary consumer store functioning at the grassroots level (A statistical profile – 2018, National Cooperative Union of India).

In the era of economic reform, the market becomes liberalize and economy opens to worldwide competition suggests that enlargement of economic activities across, that is taken into account as an important component in the reform process. The consumer cooperatives are a reaction against the retailing system during a capitalistic economy. In several countries, Government has taken measures to avoid acute scarcity of consumption goods, exploitation of the consumers and exorbitant prices which paved way for the development of the Consumers' Cooperative Movement throughout the world.

A Case of Warana Bazar

The Warana consumer cooperatives are recognized as one of the best examples of consumer cooperatives contributing towards the comprehensive development of a region, or even more especially, the inclusive development of the people living in a region of Warana Bazaar, according to study on various consumer cooperatives across the country.

The river WARANA in the western Maharashtra districts of Kolhapur and Sangli is the origin of the name Warananagar. The Shree Warana Cooperative Sugar Factory opened its doors in 1956. The Warana Co-operative Sugar Factory has consistently outperformed all other Co-operative sugar factories in the nation. It has proven to be the region's

multifaceted development's hub and a catalyst for the uplift of the people.

Warana Bazar, the first consumer Co-operative store was founded within the year 1976 and began working on 2nd April, 1978. Warana Bazaar is one of the consumers cooperative store plays important role in the economical, social, and cultural development of the people in Kolhapur and Sangli district of Maharashtra

Warana Bazaar has been accepted as a model stores by all concerned. It has proved to be a successful store within the country. The success of Warana Bazaar has inspired the emergence of many more co-operative stores in different parts of Maharashtra, Goa, and other States in the country.

Why Warana Bazaar is Succeeding?

Warana Bazaar is one of the first kinds of Warana co-operative sugar factory sponsored Consumer's Store in Rural India. The Professional management, the best ethical practices and different types of incentives are the special features of Warana Bazaar is responsible to make it as an autonomous institutions

Warana Bazaar is achieving heights of success with the chain of Departmental stores (the Warana Bazaar) which now has 665 employees working in two Departmental stores, and another 55 smaller retail outlets in and around Warana besides 3 Franchise units. Warana Bazaar is different from other consumer cooperatives because it provides free consultancy services to many consumer cooperative stores in Maharashtra. Taking into consideration the need for trained person in the promising retail industry they started own training center under the name of Vilasrao Tatyasaheb Kore Consumer Co-operative Training center. This center is duly recognized by the Department of Adult and Continuous education of Shivaji University, Kolhapur in the year 1996. A batch of 50 trainees is trained every year and first five students are absorbed in the Service of Warana Bazaar. The remaining students are provided jobs by various consumers co-operative store in Maharashtra and in the private sector. Consumer awareness program, diversified activities and advance training to officers in retail management in Japan, Singapore, Malaysia and

Shrilanka and 80% are women members and play important role in the Human resource development, employment generation and women empowerment. The professional management is the main feature of this unit is responsible for the success of Warana Bazaar with the annual turnover is 163 crores.

In this perspective, the present study Autonomous Consumer Cooperative: A case study of Maharashtra State is based on the following objectives.

Objective of the Study

- To study the present status of select consumer cooperative in Maharashtra.
- To examine the specific features that makes Warana Bazaar autonomous consumer cooperative.

Research Methodology

Descriptive and case base research design was used in this study. To evaluate the present status and operating performance of select consumer cooperative the two types of data sources were considered. Primary and secondary sources. The Primary data on present structure of warana bazaar was collected through formal interaction with Board of Director, Officers, and staff of the store at Warana Bazar, Kolhapur. The secondary data for last five years i.e. 2013-14 and 2017-18 was collected through Annual report, and other publications of Warana Bazar, Warananagr, and Kolhapur. The analysis of secondary data was carried out with the help of simple statistical tools such as mean, percentage, etc.

Result and Discussion

Present status of the Warana Bazar

Warana Bazaar is one of the best consumer cooperative stores in Asia plays important role in rural development. Warana Bazaar has 2 big department stores and 55 branches & 3 franchises. The total villages covered by warana bazaar are 118. Daily turnover of warana bazaar is more than Rs. 40 lakhs and the society is in surplus since beginning. Warana Bazaar having total 15-17 departments dealing in all types of products such as groceries, utensils, clothes, footwear, electronic, stationeries, medicines, inputs, Finolex pipes and farm related equipments etc. In addition to this, Medical shop, RO system, Zunka

Bhakar Canteen, Roller and flour mill and ice-cream parlor is also a part of warana Bazaar. The Warana Bazaar has 3-4 own and rented godowns. Different types of committees are working in Warana Bazaar are Purchase committee, Staff committee, Branch committee, Meeting committee, Audit committee, Recovery committee and Franchise committee etc.

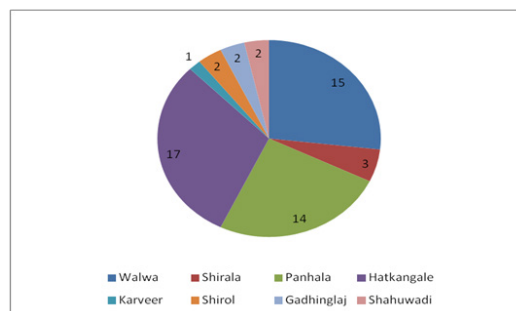


Figure 1 Branch Expansion of Warana Bazar

Warana bazaar is running successfully in the area of Sangli and Kolhapur districts. The number of branches at different blocks of Sangli and Kolhapur districts are indicates in fig. no. 1. It has total 56 branches out of these 18 branches in Walwa and shirala block of Sangli district and 38 branches in Panhala, Karveer, Hatkangale, Shirol, Gadhinglaj and Shahuwadi block of Kolhapur district.

Warana Bazaar is attaining height of success with year-on-year turnover of Rs. 150 cores; shouldered responsibilities of 618 employees and member's strength of 28000 out of them 80% are women members which are the special attribute of this unit.

Table 1 Current Status of Warana Bazaar

Particulars	Male	Female	Total	(%) of Female
Individual members	2279	7856	10135	78
Associate members	3561	14120	17681	79
Board of Director	9	6	15	40
Total Staff	463	202	665	30

Source: Annual report of Warana Bazaar 2018-19

The Total numbers of Board member is 15 out of these 9 are male and 6 are women's. As on date,

there are 10135 individual members and 17681 are the associate members. The membership of the warana bazaar is continuously increasing. Women participation in membership is 79%.

The numbers of employees working in all branches are 665. Employees are from nearby villages of warananagar. Warana bazaar also contributed for employment creations. The maximum woman employees are working as sales staff i.e.202 (30%) in the store, and in godown for cleaning and packaging so warana bazaar plays important role in women empowerment.

In an era of globalized economy too, the membership of the stores was continuously increased due to the faith and loyalty among the members for Warana consumer cooperatives store.

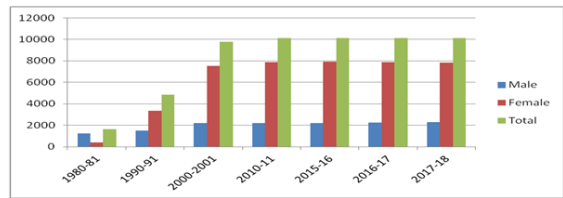


Figure 2 Membership Details

In case of total membership it was also showing increasing trend over a period. It was 1622 in the year 1980-81 and 10135 in the year 2017-18. The different types of services afforded by Warana Bazaar and loyalty and faith of the consumers for warana Bazaar is the main reason behind membership growth. In addition to that different types of Sales promotion activities, Incentives, Human resource development, consumer awareness programme and diversified activities provided by Warana Bazaar is also enhance the membership of Warana Bazaar is listed below. Members and Consumers Satisfaction and Prosperity is the main objective of the warana bazaar which attract the members as well as consumers which helpful in the success of the store. Membership status proved that the Warana Bazaar is the member-driven consumer cooperative store.

Table 2 Memberships Status of Warana Bazaar (in numbers)

Year	Membership		
	Male	Female	Total
1980-81	1215 (74.90)	407 (25.09)	1622 (100)
1990-91	1498 (20.80)	3365 (69.19)	4863 (100)
2000-2001	2225 (22.75)	7551 (77.24)	9776 (100)
2010-11	2213 (21.87)	7903 (78.12)	10116 (100)
2015-16	2224 (21.95)	7906 (78.04)	10130 (100)
2016-17	2230 (22.00)	7904 (77.99)	10134 (100)
2017-18	2279 (22.48)	7856 (77.51)	10135 (100)

Source: Annual Report of Warana Bazar

Note: Figure in parentheses indicates percentage to total

The Membership of Warana Bazaar over the past few decades are show in Table no.2 and Figure2. The membership of Male was 1215 in 1980-81 and it was increased 2 times in the 2017-18 whereas, the membership of female is shows drastic change it was 407 in 1980-81 and 7856 in the year 2017-18 was showing 20 times growth.

Different Practices of Warana Bazaar

Sales Promotion Activities: Warana bazaar is doing different types of Sales promotion activities like a lucky draw, discounts and buy 1, get 1 free schemes, Consumer Deposit schemes, whereas, in this scheme warana Bazaar provide 3 % more interest rate than bank.

Incentives: Warana bazaar provides lots of incentives to their members as well as staff which help to increase the membership and faith of the staff on the store. Different types of incentives and activities are provided for members are 8% rebate on the purchase of festival good at the time of Dasher, Diwali and Gudi Padwa,10% cash rebate coupons use throughout the year and Haldi-kunku ceremony for lady members at the time of the makar sankranti. Different types of incentives provide for staff are 34 days leave, three month maternity leave, on the job training for college student mediclaim and personal accident insurance (Rs.50 lakhs) for all staff and family members, workers welfare trust, Gratuity

trust, uniform for staff, performance incentives, and also provided bonus, provident fund, pension scheme and house rent allowance, etc.

Human Resource Development: As a part of HRD, Warana Bazaar has its training center. To get trained staff it was started in the year 1996 with the name of Tatyasaheb Kore Consumer cooperative training centre. The training programme for salesman for 1 month duration is conducted every year. This programme was approved by Shivaji university of Kolhapur. The employees who are already working in consumer cooperative stores in Maharashtra and Goa is eligible for the admission of this training programme. The 16 Officers had been to Japan and 9 officers to Singapore/Malaysia and Shrilanka received advance training in retail management. To promote consumer cooperative movement in the country warana Bazar has provided consultancy and in store training to many cooperative Bazaar.

Consumer Awareness Programme: In addition to that Warana Bazaar has its Mobile van to run Consumer awareness programme in relation to food,

adulteration i.e. “Ashi Bhesal ashi chalakhi.”

Diversified/Additional Activities: Warana Bazaar is also provides some additional activities like barcode system, and Xerox service, food testing laboratory, children park and parking facility, medical services, Solar system, etc. and conducted consumer meeting every year, organize demonstration of various good and various awareness camp, recipe competition for women, Book fair, Rice-Wheat Mahostav etc.

Financial Performance of Warana Bazaar

The financial statement is a snapshot of its financial picture at a given time. Information on the financial statement and operating statement helps management analyze how well the cooperative is performing; past performance; its ability to meet its current obligations; member equity vs. borrowed capital; management effectiveness, and how well the cooperative uses current resources. The financial performance of Warana Bazaar is presented in table no.3 and fig.3, 4,5 and 6.

Table 3 Financial Highlights of Warana Bazar for Last 5 Year

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Share Capital (lakhs)	64.03	63.80	63.75	63.53	63.81
Reserve funds (lakhs)	217.46	243.63	268.95	293.45	318.68
Sales (in crore)	156.33	150.21	142.48	157.00	163.00
Income (in lakhs)	953.77	974.57	1028.04	1089.10	1130.00
Gross profit (in crore)	8.95	9.05	9.54	10.22	10.79
Provision (in lakhs)	63.09	69.79	76.46	82.67	88.98
Net Profit (in Lakhs)	25.00	23.00	23.00	24.00	24.00
Gross profit % to sales	5.72	6.03	6.70	6.51	6.70
Audit Class	“A” Class since Beginning				

Source: Annual Report

The above tabular data shows that the Share capital of this cooperative has been reduced & reserve fund was increased in current years. Sales of the Warana Bazaar were increased in recent years it was 156.33 crore in the year 2013-14 and 163.00 crore in the year 2017-18. Gross profit of the Warana Bazaar was increased from 8.95 crore in the year

2013-14 and increased upto 10.79 crore in the year 2017-18 and there was no much difference in the last five years in the Net profit earned by Warana Bazaar. Here we can see that the Sales, Income, and Gross profit shows continuous growth in a last five years means Warana Bazaar is doing successful business over a period of time.

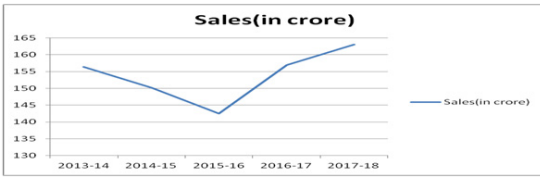


Figure 3 Sales of the Warana Bazaar for Last 5 Years



Figure 4 Income Earned by Warana Bazaar in Last 5 Years

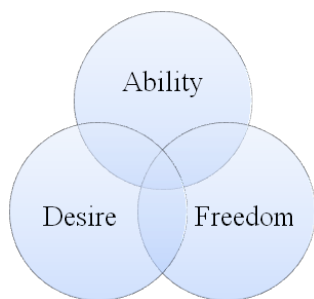
Autonomous Consumer Cooperative

The owner to make our decisions without the interference from others is what's known as autonomy, and in nearly every sphere of life, it is incredibly important. Autonomous institutions capable of making a rational and informed decision on their own, but it doesn't mean that they have the right to do whatever they want or disobey law and regulations. The special features of Warana Bazaar make it as an autonomous consumer cooperative store in Maharashtra is presented in table 4.

Table 4 Warana Bazaar Autonomy yes or not?

Particulars	Warana Bazar	Other cooperative stores
Management	<ul style="list-style-type: none"> Different committees for purchase, staff, audit, branch, meeting, recovery and Franchise etc. Well qualified officers and staff Board as well as committee meetings conducted regularly. Branch expansion and frequent monitoring 	<ul style="list-style-type: none"> Different types of committees are not present board committee takes all the decision Very limited and not well educated / illiterate staff No regular meeting No expansion of branch and frequent monitoring
Internal Business Perspective	<ul style="list-style-type: none"> Strong leadership Brand Awareness Expand Distribution Develop provocative offers Diversification Different committees 	<ul style="list-style-type: none"> lack of strong leadership and good governance lack of diversification and different committees
Financial Perspective	<ul style="list-style-type: none"> Achieve profitability Manage cost and profit Manage risk Drive rapid revenue growth Improved shareholders value 	<ul style="list-style-type: none"> Not in Profit No revenue growth
Innovative and Learning Perspective	<ul style="list-style-type: none"> Own training centre to measure training quantities and effectiveness Retain employee and Employees satisfaction Evaluate innovation Women's empowerment Different types of incentives for members as staff Members awareness camp 	<ul style="list-style-type: none"> Not having own training centre for capacity building Not any practices for women empowerment No any programme for members awareness No any incentives for members and staff

Ethical practices	Different sales promotion activities and other additional /diversified activities	No different sales promotion as well as additional activities
Customer Perspective	<ul style="list-style-type: none"> • Retain customer • Loyal and faithful customers • High customer satisfaction • Significant customer growth and members. 	<ul style="list-style-type: none"> • No Customers growth



The researcher had visited various types of consumer cooperative stores from Maharashtra, during other research study on consumer stores and compares the different practices of the Waarana Bazaar among other stores with the different perspectives, i.e. Management, Internal Business Perspective, Financial Perspective, Innovative and Learning Perspective, Ethical practices Customer Perspective, etc. which proves that the best practices execute by Warana Bazaar formulated Warana Bazaar is the autonomous consumer cooperative in Maharashtra.

Conclusion

Consumer Cooperatives occupy a significant place in our distribution system. The Second World War (1939–1945) was a great boon for the Consumers Cooperatives. Immediately after the war, prices of most of the commodities came down and goods were most freely available. One immediate result of this changed situation was the fast decreasing popularity of the consumers, ' stores. Consequently, many stores fade away for want of business and in many cases; members almost isolated the stores and lounge their confidence in private traders. During the study researcher has observed that most of the Consumer cooperatives have been facing a lot of constraints such as inadequate owned fund or limited internal resources, shortage of working capital,

Absence of scientific and systematic purchases policy, Inadequate supply of goods by government, Defective pricing policy, Lack of innovative sales promotion techniques, Lack of members participation in management, Lack of skilled and qualified personnel, Lack of professionalism in Management, High cost of borrowings Stiff competition, Poor infrastructure, Heavy administrative overheads Lack of unity among the members, Lack of awareness among the members and the government interference. These issues reduce the efficiency and effectiveness of consumer cooperatives; this in turn affects cooperative development and members benefits. Whereas very few consumer stores in Maharashtra is working as autonomous consumer cooperative and special example of that is the Warana Bazaar. The success of Warana Bazaar has encouraged the coming out of many more co-operative stores in different parts of Maharashtra, Goa, and other States in the country. This is one of the consumers store provides committed service to the rural population in the region through various activities including Women empowerment, employment generation, income generation, and raising standard of the living of the members as well as consumers. In an era of globalized economy too, Warana Bazaar is achieving heights of success with the chain of Departmental stores (the Warana Bazaar), retail outlets and 3 Franchise units. The 6 times growth in an active membership and 79 % contribution of women's members is the one of the best example of the Warana Bazaar. The best management and business, financial, innovative and learning and ethical practices employed by Warana Bazaar make it as an autonomous consumer store in Maharashtra. So, we can say that Warana Bazaar is autonomous consumer cooperative store in Maharashtra.

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