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B.Com Honours | Semester III | Calicut University

RETAIL BUSINESS MANAGEMENT

Course Code: COM3MN208 • Module 1 Notes

Module I: The Retail Function

Retailing comprises all activities involved in selling goods or services directly to final consumers for personal, non-business consumption, serving as the final stage of economic distribution.

Unit 1: Introduction to Retailing – Role of Retailing

1. Economic Role: Connects manufacturers with household consumers, creates time, place, and possession utilities, and generates mass employment opportunities.
2. Strategic Position: Acts as the primary touchpoint collecting real-time consumer demand trends for upstream supply chains.

Unit 2: Organised vs. Un-organised Retailing – Retail Life Cycle

1. Format Classification: Organised retail (licensed, corporate-managed chain stores like Reliance Retail, DMart) vs. Un-organised retail (traditional family-owned Kirana stores, street vendors).
2. Retail Life Cycle Stages: Innovation → Development (rapid growth) → Maturity (intense price competition) → Decline / Adaptation.

Unit 3: Overview of Retail Industry in India – Problems & Prospects

Rapid urbanization, rising middle-class disposable income, and FDI inflows drive modern trade growth. Key challenges include high commercial real estate costs, supply chain bottlenecks, and Kirana resilience.

Unit 4: Multi-Channel Retailing – Franchising & Non-Store Retailing

Multi-Channel Distribution: Integrating physical stores, e-commerce websites, and mobile apps.
Franchising: Business model where franchisor grants brand license and operating system to franchisee (e.g., McDonald's, Bata).

Unit 5: Functions of Retailing – Value Addition & Bulk Breaking

Four core functions: Providing product assortments, breaking bulk (converting wholesale cartons into single units), holding inventory, and providing customer credit & extra services.

Practical Case Framework (Organised vs. Un-organised Retail Comparison Matrix): Compare structural operational parameters between Indian Organised Chains and Traditional Kirana Stores.

Comparative Retail Sector Analysis:

Operational Parameter	Organised Retail (e.g., DMart, BigBasket)	Un-organised Retail (Traditional Kirana)
Legal & Tax Registration	Corporate entities registered under GST & Shops Act	Sole proprietorship / informal family operations
Supply Chain & Sourcing	Direct manufacturer sourcing via central warehouses	Local wholesale market distributors & brokers
Technology Integration	POS barcode scanners, ERP systems, digital wallets	Manual cash registers / basic UPI QR standees
Customer Relationship	Standardized loyalty points & mass promotions	Personal familiarity, neighborhood credit (Khata)
Operating Margins & Scale	Low unit margin, high volume & economies of scale	Higher unit markup, localized neighborhood footfall