

Participant Handbook

Sector
Retail

Sub-Sector
Retail Business

Occupation
Consumer Sales



Reference ID: **RAS/Q0201, Version 1.0**
NSQF Level 4

**Individual Sales
Professional**



Shri Narendra Modi
Prime Minister of India

“ Skilling is building a better India.
If we have to move India towards
development then Skill Development
should be our mission. ”



Certificate

COMPLIANCE TO QUALIFICATION PACK – NATIONAL OCCUPATIONAL STANDARDS

is hereby issued by the

RETAILERS ASSOCIATION'S SKILL COUNCIL OF INDIA

for

SKILLING CONTENT : PARTICIPANT HANDBOOK

Complying to National Occupational Standards of
Job Role/ Qualification Pack: 'Individual Sales Professional' QP No. 'RAS/ Q 0201 NSQF Level 4'

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Authorised Signatory
(Retailers Association's Skill Council Of India)

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About the Book

This Participant Handbook is designed to facilitate training of Individual Sales Professional Qualification Pack (QP). It provides learners with the necessary knowledge to carry out the functions of an Individual Sales Professional. The handbook briefly describes effective implementation of legal compliances, policies and procedures for setting up/running own business. It also describes how to build relationship with vendors/dealers to ensure smooth business operations and increase sales. The handbook aims at rendering as much detail as is required for an individual to start his/her own business and earn income by conducting daily business operations.

The handbook is divided into eight National Occupational Standards (NOSs). NOSs Occupational Standards which have been endorsed and agreed to by the industry leaders for various roles. The OS specify the standards of performance an individual must achieve when carrying out a function in the workplace, together with the knowledge and understanding they need to meet that standard consistently.

Key characteristics of this handbook:

- (i) It enhances the understanding about the policies and regulations in retail sector.
- (ii) It provides guidance to perform essential functions safely and efficiently.
- (iii) It helps learners understand the job role and responsibilities of an Individual Sales Professional.

Symbols Used



Key Learning Outcomes

The key learning outcomes are listed at the beginning of each module. These outline the focus areas that the learners will cover in every module.



Tips

Wherever possible, tips are included in every module. They provide additional insight to learners on a particular topic being discussed.



Steps

These provide step-by-step instructions for a specific process.



Notes

Notes at the end of each module is a space for learners to list down their key points related to the topic.



Activity

It is designed to bring or create the condition for learning.



Unit Objectives

These are listed at the beginning of each unit under every module. They highlight the focus areas that the learners will cover in every unit.

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1. Introduction

Unit 1.1: Retail Industry in India

Unit 1.2: Overview of Unorganised Retail

Unit 1.3: Opportunities for Business in Unorganised Retail



Key Learning Outcomes

At the end of this module, you will be able to:

1. Discuss Indian Retail Industry
2. Describe the evolution of retail industry in India
3. Identify the industry growth drivers
4. Interpret the various forms of retailing
5. Explain unorganized retailing and its role
6. Identify the concept of Individual Sales Professional
7. Describe organized retail and its significance

UNIT 1.1: Retail Industry in India

Unit Objectives

At the end of this unit, you will be able to:

1. Understand retail in Indian context
2. Explain progression of India Retail Industry
3. List the drivers which fueled growth in Indian retail sector
4. Discuss the different forms of retailing

1.1.1 Meaning Of Retail

Retailing can be defined as the buying and selling of goods and services. It can also be defined as the timely delivery of goods and services demanded by consumers at prices that are competitive and affordable. In fact when Ram sells foot wears on street of Kolkata to earn his daily livelihood, Ram is also doing retail selling, when Richa runs a grocery shop in her locality is also a part of retail and when Ayan is running a multi-purpose retail outlet in a mall in his city is also a retail business because all of them are breaking up the bulk. Retailing includes interfacing with the customer directly and coordinating business tasks entirely from the product's or offering's design or concept stage, to its post-delivery and delivery service done to the customer. This industry is responsible for contributing to the economic growth of various countries. Without any doubt, it is one of the dynamic and rapidly industries of the world at present.

1.1.2 Indian Retail Industry

The origins for retail business in India can be traced with the emergence of Kirana stores and mom and pop stores. These stores used to cater to the local people. Gradually the government started supporting the rural retail and many indigenous franchise stores were established with the aid of Khadi & Village Industries Commission. In 1980s, the economy started to expand, which resulted in a retailing change. Some of the companies that started with retail chains used to exist in the textile sector, for example, Bombay Dyeing, S Kumar's, Raymonds, etc. Later Titan launched retail showrooms in the organized retail sector. With the passage of time new entrants moved on from manufacturing to pure retailing.

India represents an economic opportunity both as a global base and as a domestic market. The key attractions at the global level desiring to enter new markets was the vast middle class of India in addition to its retail industry, which was almost untapped.

Indian Retail Industry has immense potential as India has the second largest population with affluent middle class, rapid urbanisation and solid growth of internet.

Since several new players are entering the industry. Therefore, it has come up as one of the fast-paced and most dynamic industries. It is responsible for about 10% of the Gross Domestic Product (GDP) of the country and about 8% of the employment. At present, in the retail space, India stands as the fifth largest global destination.

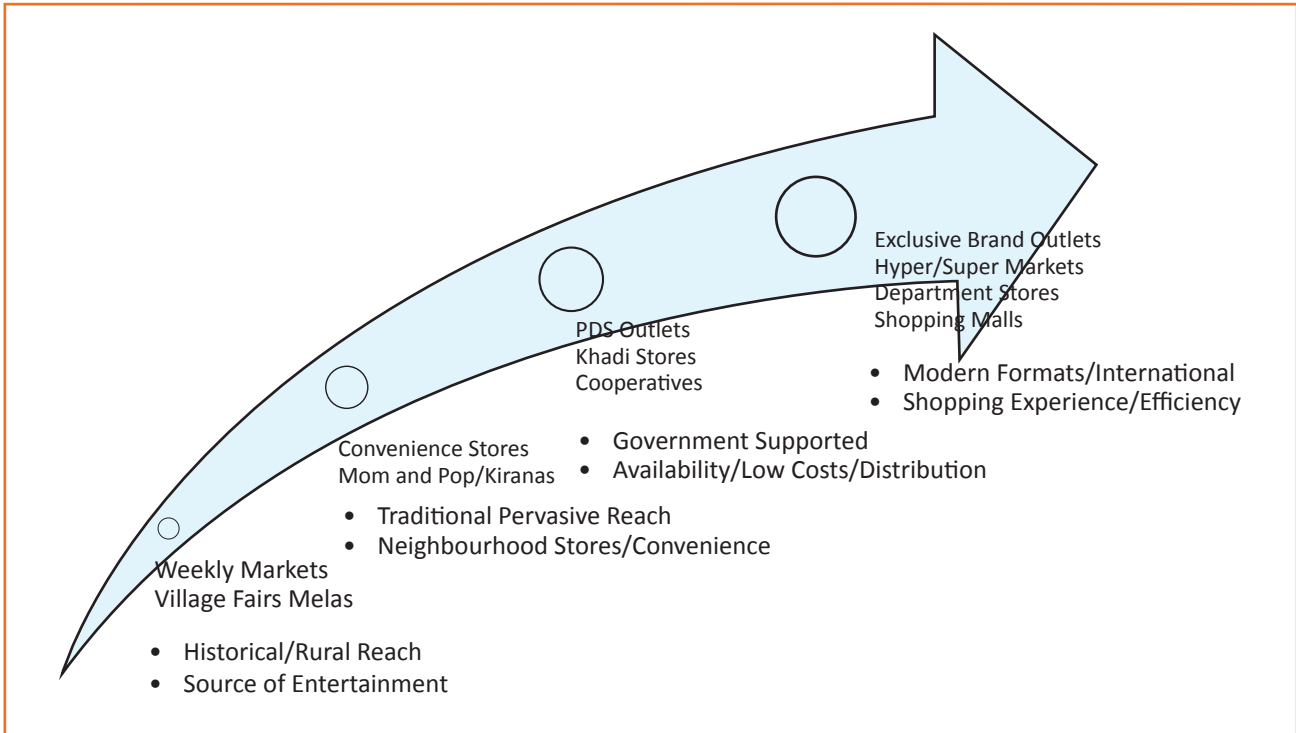
1.1.3 Evolution of Indian Retail Industry

Essentially, the retailing industry of India is owner manned small shops. Supermarkets and larger format convenience stores in 2010 were responsible for about 4% of the industry. In addition, they used to exist in large urban centres. The retail and logistics industry of India has about 40 million Indians as its employees, which is about 3.3% of the entire population of India. In India, this industry is highly unorganised and fragmented. Previously, in India, retailing used to be done with limited merchandise through small stores owned by families, which were known popularly as mon-and-pop or kirana stores. During that time, grocery and good used to be shipped from stalls and clusters of open kiosks known as mandis. In addition, occasional festivals and fairs used to happen in which people used to go for shopping. The infusion of western concepts in the 20th century brought some structural changes in retailing. Conventional rules such as Akbarallys and Nilgiri were set up on the line of supermarkets' western retail concepts. The public distribution system (PDS) outlets were set up by the government for selling subsidised food. The Khadi Gram Udyog was started for selling clothes that were made of cotton. In Mumbai, during this era, high streets such as Fashion Street and Linking Road also came up. A few manufacturers such as Bombay Dyeing began selling their own merchandise. In addition, shopping complexes or centres came into picture, which was an old form of malls we see today.

In early 1990s, since the time of liberalisation, various Indian players such as Pantaloon, Shoppers Stop and Spencer have entered into the organised retail sector and grown exponentially.

In the organised retail formats of India, these were the pioneers. As foreign direct investments opened up in cash-and-carry and single-brand retail formats, a new retail chapter came into picture. As a result, various single-brand retailers such Tommy Hilfiger and Louis Vuitton took benefit of this opportunity. For global multichannel giants such Tesco, Metro and Wal-Mart, the format of cash and carry proved to be an entry gate. After agriculture, the Indian retail sector is the large employment source. Therefore, it penetrates deeply into rural India that generates above 10 percent of the GDP of India.

- In India, Public Distribution System (PDS) can be considered as the sole largest retail chain. The PDS of Grains evolution originates from the "rationing system" that was introduced by Britishers during World War II.
- In India, retailing has come up for supporting the distinct needs of our country, given its complexity and size. Melas, Haats and Mandis have always been there in the Indian landscape and they are still present in most of the country's parts. They act like a critical part of trade and life in different areas.
- There has been a dramatic transformation in the past decade as far as the Indian marketplace is concerned. However, starting from 1950s till 1980s, due to low purchasing power of consumers and the policies of government in favour of small-scale sector, investment in different industries was limited.
- Post independency, the Khadi & Village industries (KVIC) was also established and the government again championed the cooperative movement.
- At present, the distribution network of Raymond includes above 256 exclusive showrooms spread across 120 countries and 20,000 retailers. Reliance is a textile manufacturing that sets up its own retail chains.
- At organised retailing, the first attempt was noticed in the textile sector. In this field, Raymond was one of the pioneers, which establishes its own stores.



1.1.4 Retail Industry Growth Drivers

In the last few years, Indian retailing has seen tremendous growth. Drivers fueling the growth of the retail sector are below:

- **Increasing income levels:** With the growth in income levels, there has been a major addition of households to the consuming class. In most families, with double income instances and spending power increasing, the retailing sector is getting further fuelled.
- **Demographics changes:** As compared to developed countries such as U.K., U.S.A. and Japan, India has 24 as the lowest median age. The Indian population composition is getting drifted towards the age group of 20-29, which means the population that is working and has the purchasing power.
- **Enhanced credit friendliness:** In the mindset of Indian consumers with respect to credit, a radical change has been observed. Personal credit has observed growth with declining interest rates and easy availability of credit.
- **Changes in the needs, behaviour and attitudes of consumers:** Modern retail growth is connected to the needs, behaviour and attitudes of consumers. The evolution of Indian middle class is supported by the increasing education, income levels and global exposure. The result is daily increase in the shopping and purchasing habits.
- **Indian consumers' increasing awareness:** Since the country's literacy rate is increasing over the years, along with satellite television, exposure to the west, foreign newspapers and magazines, there has been a major change in the awareness of Indian consumers.
- **Emergence of nuclear families:** As the time passed away joint families came in a new form i.e. nuclear family. Increased number of nuclear families has shifted consumers to one place and thus a single retail can catch more customers.
- **Growing trend of double-income households:** The income level of nuclear families increases because both members started earning. This results into increased power of purchase and lack of time. Now they want everything under one roof. This brought the concept of retailing to a next level.

1.1.5 Forms of Retailing

Retailing can be done in three ways---the first is selling in a market place, temporary structures on streets from the sidewalks or just from home. The second is selling from a shop where there may be a shop assistant or self-service for the customers. The third method is selling by email, online orders or e-commerce. In this the customer does not examine the product physically but sees an image on a website, catalogue or on TV commercials. Of these the first two belong to the unorganized sector of the retail industry and the third belongs to the organized retail industry.

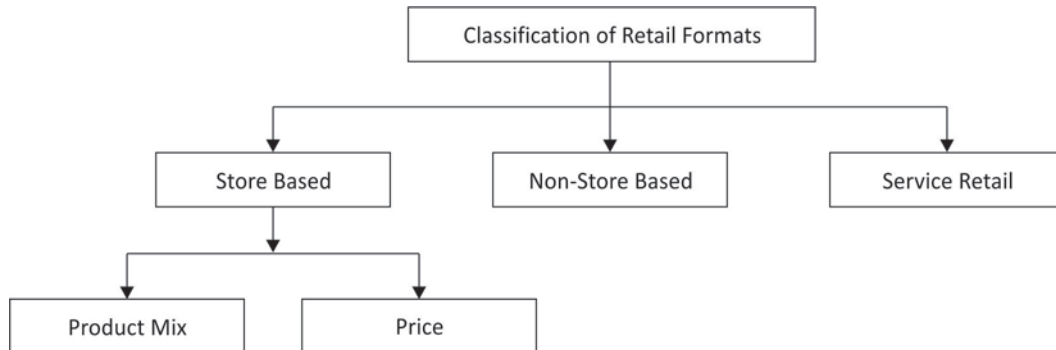


Fig. 1.2 Retail Formats Classification

Sales in retailing can be of two types:

- (i) **Direct Sales:** Direct sales means going straight to your customer and selling her your product. You can phone the customer, see her face to face or even use email.



Fig. 1.3 Direct Selling

- (ii) **Indirect sales:** Indirect sales are sales through intermediaries. There is no personal contact between the seller and the buyer. When engaging in indirect sales, a company uses some type of go-between and does not directly contact the customer. The go-between could be a reseller, a commissioned independent sales agency or even another distributor.

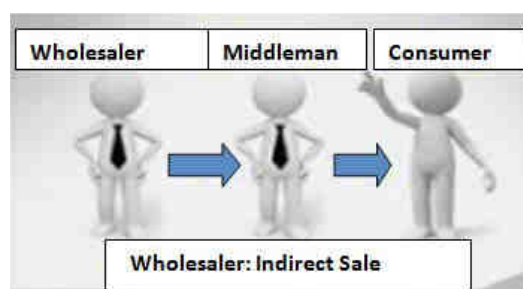


Fig. 1.4 Indirect Sales

UNIT 1.2: Overview of Unorganised Retail

Unit Objectives

At the end of this unit, you will be able to:

1. Discuss Unorganized Retailing
2. List the characteristics of unorganized retail market
3. Discuss the unorganised retail formats
4. Recognize the significance of Unorganized Retailing in today's India
5. Describe the concept of individual sales professional/self-employed retailer

1.2.1 Unorganized Retail Markets



Fig. 1.5 Selling Footwear



Fig. 1.6 Neighbourhood Convenience Store (kirana Store)



Fig. 1.7 Roadside Vegetable Seller



Fig. 1.8 Roadside Panjuri Seller



Fig. 1.9 Women Selling Tupperware

Take a look at these pictures shown above. All of them are engaged in the business of retailing of some product or the other. Why are we talking about them? Because they are part of the retail industry in India. They are form a part of the unorganized trade and are self-employed. The Indian

retail industry is divided into two sectors—organized and unorganized. Unorganized retailing is an outlet run locally by the owner or caretaker of a shop. The owner procures goods to meet the demands of his immediate neighbourhood.

Unorganized retail sector is still very popular as against organized sector in India; unorganized retail sector constituting 98% of total trade, while organized trade accounts only for 2%. This is because the daily wage workers find it convenient to make small purchases for their daily food requirements and at times they get credit facility from the shopkeeper. They clear their dues when they have money. These shops are close to where they live. All these facilities are not available in organized retail stores like shops in malls or departmental stores.

Indian retail is dominated by a large number of unorganized retailers consisting of the local kirana stores, chemists, footwear shops, apparel shops, paan and beedi shops, hand-cart hawkers, pavement vendors, retailing from home etc. The capital investment is very low and the infrastructure is rudimentary.

1.2.2 Formats under Unorganized Retail Sector

Format is defined as a type of retail store that includes location, size, merchandise, display, service, price that are used by a set of retailers.

The unorganized sector consists of all private enterprise with less than ten workers and operating either in single ownership or in partnership. It includes low cost retailing like newspaper sellers, magazine stands, local tiffin service provider, *kirana* stores, owner run general stores, *paan/beedi* shops, convenience stores, and handcart and pavement vendors, direct selling/network marketing to name a few.

1.2.3 Characteristics of Unorganized Retail Market

The retail stores that fall under the unorganized sector have definite advantages over the organized retail formats. The unorganized retail format is popular because it is close to where middle and low income groups live.

Traditionally the Indian customer likes to examine goods physically before buying them. The warmth and personal attention that the owner gives to the customer is an added attraction. There is scope for bargaining which is close to the heart of the Indian customers.

1.2.4 Reasons for Popularity of Unorganized Sector

- Fulfilling the needs of customer
- Easy daily assortment
- Support
- Proximity of the store
- Providing number of options.

1.2.5 Role of the Unorganized Sector in the Indian Economy

Take a look at the different kind of labour force we see in our day-to-day life. We see a large number of people who are employed by manufacturers, builders, transport companies, hotels and restaurants.

The unorganised sector has a major role to play in economy when it comes to poverty alleviation and employment opportunities. The sector accounts for generating large income-earning opportunities for people. A large section of the entire Indian workforce still belongs to the unorganised sector. It accounts for a large part of India's net domestic product.

The unorganised sector bears the largest share of manufacturing activities, national income, savings, services, taxes, investment and employment opportunities. Yet it is not fully understood and is dismissed as unorganized sector. The direct seller has the playing field open for him/her to explore and grow as an entrepreneur.

The existence of unorganised retail sector at a large scale in Indian economy gives the emergence to the concept of Individual Sales Professional/Self-employed Retailer.

1.2.6 Individual Sales Professional

Self-employment is the simplest form of business organisation, comprising in its most basic form a one-person firm without an employer or employees. It's the simplest business structure and there's very little paperwork needed to get started. A self-employed person is defined as one who gets their income directly from a consumer rather than being the employee of a business.

An Individual Sales Professional operates his/her own business in the direct selling / network marketing space. He/she is a business starter who works for self by conducting daily business operations with an aim to make profits. For e.g. business such as Tupperware, Herbalife, Avon, Amway are a few popular names in the direct selling/network marketing sector who engage Individual Sales Professionals.

Individual Sales Professional, also runs business of his/her own in retail sales and operations. Think of a newspaper seller who sells newspaper by dropping newspapers at his customers' homes and also selling at newspaper his stall. The amount of income the newspaper seller generates is directly related to how many clients he or she is deliver the newspaper to and how many people visit to his stall daily.

Individual Sales Professionals can range from being an owner of start-up business from his/her home to street vendors to Kiranawalas to name a few.

These people typically don't have employees and they work for self. Their income is limited because it depends on how many hours they personally can work in their businesses. Although they enjoy providing a service or product and are content with the jobs they have created for themselves but the main fact is that they are into the business to earn livelihood.

The above discussion does not mean that Individual Sales Professional never get chance to think of big for their business; it's their hard work, efforts, knowledge and support of business help organization's such as MSME (Ministry of Micro Small and Medium Enterprises) helps them to achieve success at another level.

Career Progression in Direct Selling

Direct selling refers to person-to-person selling of products or services outside a commercial establishment. Instead of brick-and-mortar stores where the customers come to you, direct selling involves approaching the customer directly by going door-to-door or by calling them. This form of sales is highly important as it is conducted one-on-one without the need for any middleman. It allows the sellers to build a strong relationship with their customers and provide great customer service and personal attention. The job is extremely fast paced and requires a person to be constantly on his toes. Moreover, it is hard to handle the pressure of an environment where the sword is always hanging over your head. If you perform well, you are likely to get hugely rewarded for it.

Why a Career in Direct Sales is Great

Many people who have not worked in sales are not aware that there is a process in sales as well. If you stick to it you will definitely succeed like in any other operational job. You learn in sales how to open a discussion, how to take yes - yes response & how to close the sales. At the end of all the hard work that you put in you write your own salary cheque. Nobody can take credit for the success

except you! As you grow as a direct seller and make more and more profits, you become more confident, pick up people skills and master the art of handling stress.

As a salesperson, there is a high level of accomplishment for achieving the desired targets and closing the sales. There is a thrill of achieving the challenging targets set. A direct seller can celebrate his success every day.

If a direct seller goes through all these experiences, he will realize that they are similar to the experiences of all the great leaders. Person with these qualities go on become business leaders. An experience in direct sales gives a solid foundation for one's career. Many Pharmaceutical companies while hiring from prestigious management schools place their trainees first in direct sales for 1-2 years. to give them the right foundation.

An Individual Sales Professional Fairy Tale



Fig. 1.10 The Rise from Direct Selling to CEO

At age 17, Prem Ganapathy left his native place in Tuticorin without informing his parents to make money, when a person promised him a job in Mumbai.

But when he arrived in Mumbai, he did not get the job as it was promised and on top of that, got abandoned from a Mumbai suburb called Bandra. However, he was optimistic and decided to fight for survival and stay back instead. In one of the bakeries of suburban Mahim, he got a job as a dishwasher. Later on, he worked in various restaurants for almost two years and it took no time for him to realise the potential in the catering business.

In 1992, he rented out a handcart for selling vada, dosa and idli, where his brothers also pitched in. Since he was selling a different variety and flavour, his food items gained popularity and he started doing a brisk business. After 5 years, he gained confidence and opened his first outlet called Prem Sagar Dosa Plaza in Navi Mumbai outside Vashi station. Since then, he never looked back. If Ganapathy can make it big in direct selling, so can you!

Tips

- Self-employment is a the upcoming revolution in India
- Expensive products are sold through this method
- Women are in the forefront in Direct Selling
- Foreign companies have customized their marketing to suit Indian customers