

Markets Around Us

Exercises

Long answer questions:

- 1.** Describe the different steps in the supply chain.
- 2.** Explain the different types of retail markets.
- 3.** What is the difference between a wholesaler and a retailer?

Solutions

Long-answer questions:

1. An entire network of entities is involved directly or indirectly in serving a product to the consumer or customer. It comprises a supplier who supplies raw material to the manufacturer as producer, a producer who converts the material into products, a warehouse that stores the products, a wholesaler who delivers the product to the retailer and a retailer who brings the product to the ultimate user. This is called the supply chain.
2. Retail markets include weekly markets, neighborhood markets, super markets and shopping malls. Neighborhood markets are very useful and commonly found in every area. These markets are small family-run shops from where people buy everyday needs such as groceries, stationery and toiletries. All neighborhood markets have hawkers selling ice cream and vegetables on carts and also cobblers, barbers and bicycle repairers, etc. Supermarkets are a form of self-service grocery store including food, vegetables, fruits and beverages - all under one roof. Usually products are available here at low prices. Example - Big Bazaar and Spencer's.
Shopping malls are carefully landscaped complex of shops and showrooms which include restaurants, food courts and leading merchandisers. Mostly shopping malls have franchises like Lifestyle, Shoppers Stop etc. These places are very convenient shopping areas with ample parking and often have multiplexes where buyers can also watch movies. Malls encourage cashless shopping where consumers buy goods with debit or credit cards.
3. A wholesaler or distributor takes goods from a manufacturer in large amounts and sells them to a retailer. A wholesaler has large amounts and sells them to a retailer. A wholesaler has large warehouses for storing goods. Whereas, the retailer purchases the goods in smaller quantities from the wholesaler. Wholesaler sells products directly to the ultimate consumer.