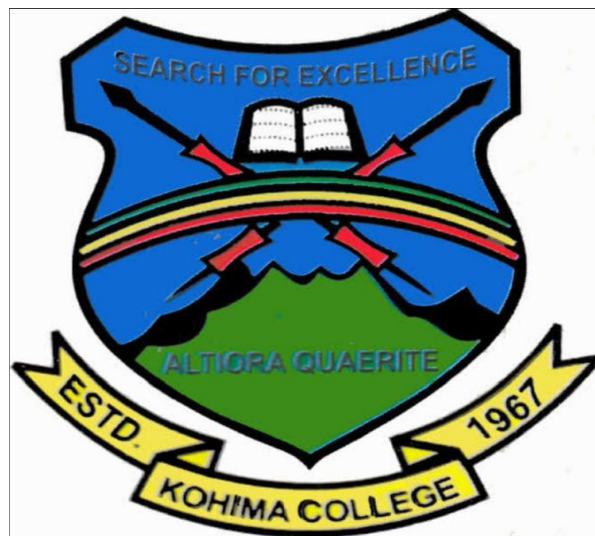


# **A BRIEF STUDY ON WHOLESALE BUSINESS IN KOHIMA TOWN**

*Project report submitted to Nagaland University in partial fulfillment for the award of  
the degree of Bachelor of Commerce.*

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2022

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**NAGALAND**

DATE:

**DECLARATION**

I declare that the project report entitled “ A BRIEF STUDY ON WHOLESALE BUSINESS IN KOHIMA TOWN ” submitted by me for the award of the degree of **Bachelor of Commerce** of Nagaland University is my own work .The project has not been submitted for any other degree of this University or any other University.

**NDURANGBE**

**CERTIFICATE**

I forward this project report to be placed before the examiners for evaluation.

**NGIPLON RACHEL CHOHWANGLIM**  
Supervisor

## **ACKNOWLEDGEMENT**

First and Foremost, I would like to express my gratitude to all the Wholesale owners. Who gave their whole hearted co-operation in spite of their busy schedule and spend some time to help me with the questionnaire.

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# CHAPTER 1

## 1.1 INTRODUCTION

Wholesalers are independent organizations who purchase goods and services from manufacturers and factories and sell to retailers. The wholesalers can be organizations, partnership firms and sole traders. Wholesalers purchase the goods from manufacturer and store them in the warehouse, and then sell them to retailers in bulk or large quantities. The purchase of goods is arranged by the wholesale agents, brokers, or retailers themselves. The brokers, middlemen, and agents charge a minimal fee for the arrangement. Wholesaler operate on a large scale in the central market and act as the first outlet in distribution, usually specializing in one or a group of allied articles. Wholesale business needs large capital, wholesale prices and margins are relatively lower, and the business can be carried on with or without a showroom. Wholesaler as an intermediary, he gives concrete relief to the manufacture and the retailer. The manufacture is relived from the botheration of collection of innumerable small and scattered orders of retailers and distribution of supplies to them. Retailer is relieved from the worry of maintenance of large stock of varied articles as he draws upon the wholesaler as and when he desires to replenish the stock in the shop.

There are numerous numbers of wholesale businesses in kohima dealing with different goods and materials. Like durable goods, non-durable goods, fruits and vegetables and other grocery and related products. V.K Hardware is one of the leading businesses in the Hardware Shops in kohima. This well-known establishment acts as a one step destination servicing customers both local and from other parts of kohima. Over the course of its journey this business has established a firm foothold in its industry. Other then V.K Hardware, some of the well known and leading wholesale business in kohima are United Traders in super Market that deals with kitchenware products, United Traders soft drinks dealers, Gupta Enterprise stationery wholesalers, Groceries Naga Bazar that deals with groceries, etc. These businesses had established a firm foothold in the market. The belief that customer satisfaction is an important as their products and services, have help these establishment garner a vast base of customers, which continues to grow by the day. The

purpose of this study is to identify and compare the business strategies and business model adopted by the wholesalers in kohima and to compare the sales and promotional activities of different wholesalers.

The first chapter deals with Introduction which includes a brief background of the project, research methodology, objectives of the study. The second chapter deals with analysis and interpretation of various data collected from the respondents in accordance with the objectives of the study and the third chapter deals with the summary of findings, suggestions and conclusion drawn from the overall analysis of the study.

## **1.2 LITERATURE REVIEW**

According to the National Association of Wholesale-Distributors (NAW), wholesale trade increased by 5.8 percent in 2012 (compared to the prior year) with sales reaching \$4.9 trillion NWA says wholesale trade itself accounts for about 5.6 percent of U.S. GDP and is an integral part of other larger sectors of the economy - retail trade and manufacturing (source: [www.naw.org/about/industry.php](http://www.naw.org/about/industry.php)). The field of wholesale distribution is a true buying and selling game – one that requires good negotiation skills, a nose for sniffing out the next “hot” item in your particular category, and keen salesmanship. The idea is to buy the product at a low price, and then make a profit by tacking on a dollar amount low enough that it still makes the deal attractive to your customer.

Experts agree that to succeed in the wholesale distribution business, you need to possess a varied job background. Most experts feel a sales background is necessary, too, as are the people skills that go with being an outside salesperson who hits the streets or picks up the phone and goes on a cold-calling spree to search for new customers.

In addition to sales skills, the owner of new wholesale distribution business will need the operational skills necessary for running such a business. For example, finance and business management skills and experience are necessary, as is the ability to handle the “back end” (those activities that go on behind the scenes, like warehouse setup and

organization, shipping and receiving, and customer services). Of course, these back-end function can also be handled by employees with experience in these areas if your budget allows.

According to Adam Fein, (Wholesale distribution channels: new insight and perspective by Bert Rosenbloom; Haworth Press) hundreds of new wholesale distribution businesses are started every year, typically by ex-salespeople from larger distributors who break out on their own with a few clients in tow. Whether they can grow the firm and really become a long-term entity in the much more difficult guess. Success in wholesale business involves moving from a customer services/sales orientation to the operational process of managing a very complex business.

Sarkar Dev Narayan, Dr. G. Pareek (2012) *wholesale model of rural distribution in FMCG*, Heritage Institute of Technology: Kolkata. All distribution has evolved from the wholesale channel. When a wholesaler become large, has the right attitude towards business, is strategically located. If the wholesaler is located in a large feeder town or a district headquarter and does B2B business in supplying to other wholesalers in the village who eventually sell to rural retailers, then that party can also evolve into a Hub (superstockist) and get appointed as such. Though distribution have evolved in this fashion in the 1980's and 1990's, the last decade also witness direct appointment of non-wholesalers as distributors (both in urban stockiest and rural superstockists/hubs).

### **1.3 OBJECTIVE OF THE STUDY**

The main and basic objectives were to survey the market to identify and compare the business strategies and business models adopted by the wholesalers, and also to know the prevailing wholesale market condition dealing in different products and comparing sales and promotional activities undertaken by the wholesaler in kohima town.

## **1.4 RESEARCH QUESTION**

1. To study about the wholesale businesses in kohima town
2. Their average sales in a month
3. Their capital investment made to start their business.
4. Their relationship with their customers.
5. Strategies used by the wholesalers to promote their business.
6. The challenges faced by the wholesalers in the market.

## **1.5 RESEARCH METHOD**

Personal interview method was used for collection data

### **1.5.1 Sources of data collection**

**Primary sources:** In this study the primary data was collected from the owner, staffs and customers of the wholesale business enterprises in kohima town. The interviews were formal in nature in order to gain much information as much as possible.

**Secondary sources:** The secondary sources of data are collected from articles and net sources/websites to supplement the primary data and to support the study.



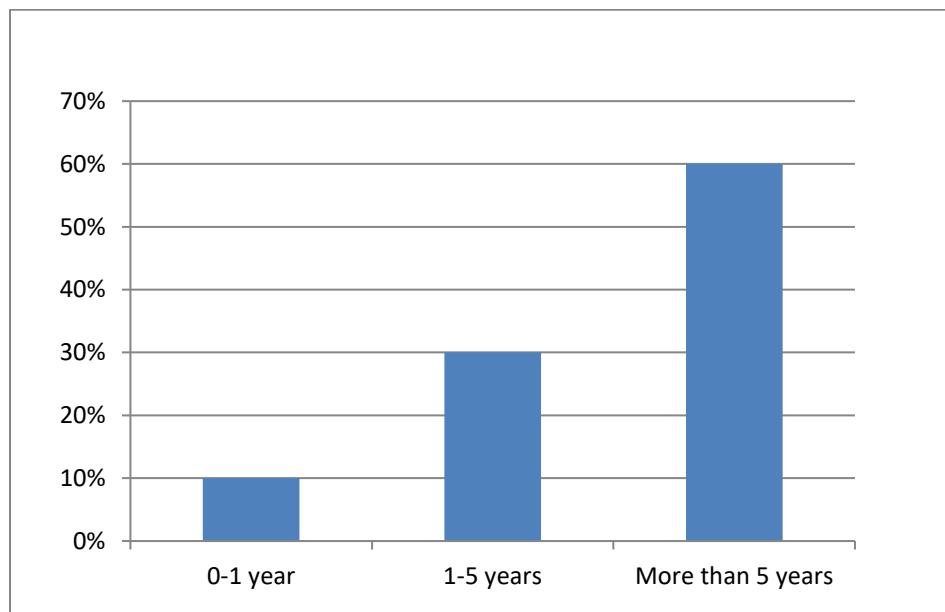
## CHAPTER 2

This chapter deals with the data collected from the respondents in accordance with the objectives of the study and were analyzed. The outcome of the present study yields significant findings to the various strategies, models and promotional activities undertaken by the wholesaler.

The data collected for the present study has been thoroughly discussed as under.

### 2.1 Time period of business operation.

Particulars	Respondents	% of targeted respondents
0-1 year	1	10%
1-5 years	3	30%
More than 5 years	6	60%
Total	10	100%

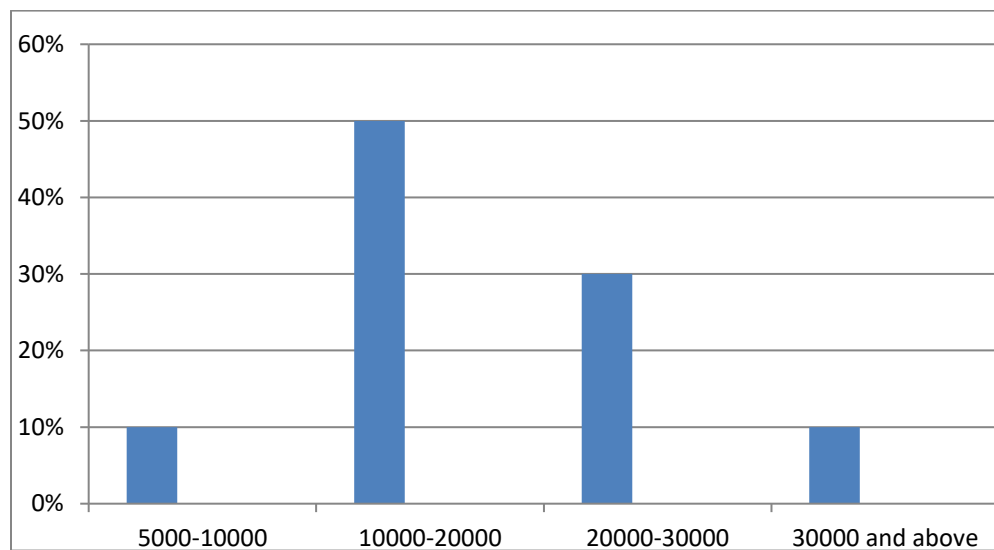


## INTERPRETATION

The above chart shows that most of the respondents who all are surveyed, they have dealership or sub-dealership of various products since long time and some are new shops. 10% of shops are new and are 0-1 years old; similarly 40% of the shops were 1-5 years old and 60% of the shops were more than 5 years old.

### 2.2 Average weekly sales of the business.

Particulars	Respondents	% of targeted respondents
5000-10000	1	10%
10000-20000	5	50%
20000-30000	3	30%
30000 and above	1	10%
Total	10	100%

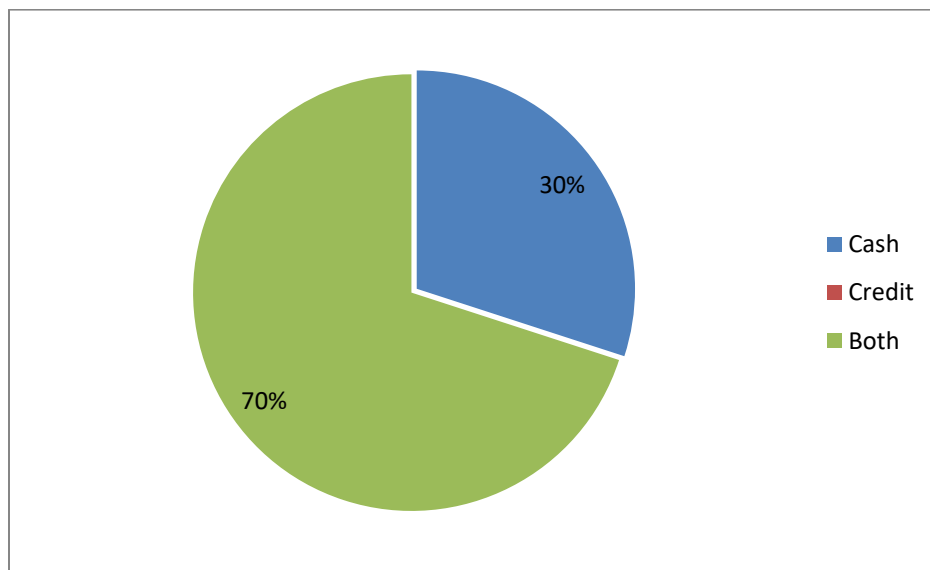


## INTERPRETATION

It is observed that 10% of the respondents are having the weekly sales of between 5000-10000 thousands while 50% of the respondents are having the sales between 10000-20000 thousands. The percentage of 20000-30000 thousands and more than 30000 thousands are 30% and 10% respectively.

### 2.3 Payment option provided to the customers.

Particulars	Respondents	% of targeted respondents
Cash	3	30%
Credit	0	0%
Both	7	70%
Total	10	100%

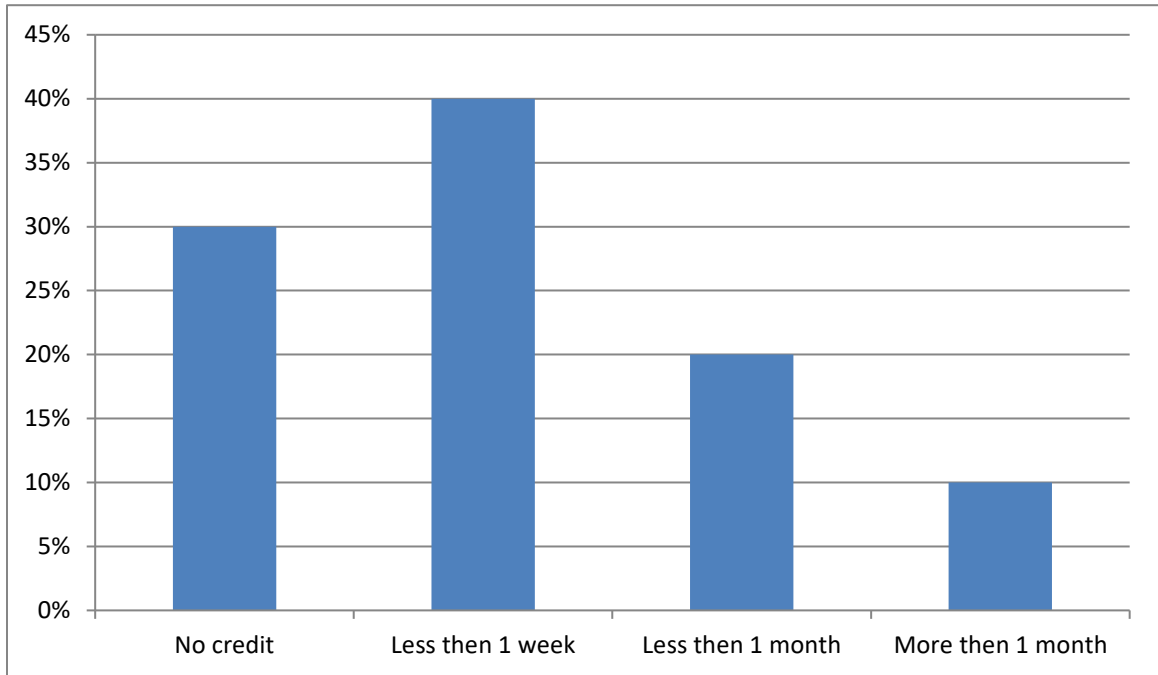


## INTERPRETATION

The above pie chart shows that most of the respondents who all are surveyed, they sell on both cash and credit basis.70% of wholesalers sells on both cash and credit,30% of the wholesalers only sell on cash basis and none of the respondents sales on only credit.

### **2.4 Duration of credit period given to the customers.**

Particulars	Respondents	% of targeted respondent
No credit	3	30%
Less than 1 week	4	40%
Less than 1 month	2	20%
More than 1 month	1	1%
Total	10	100%

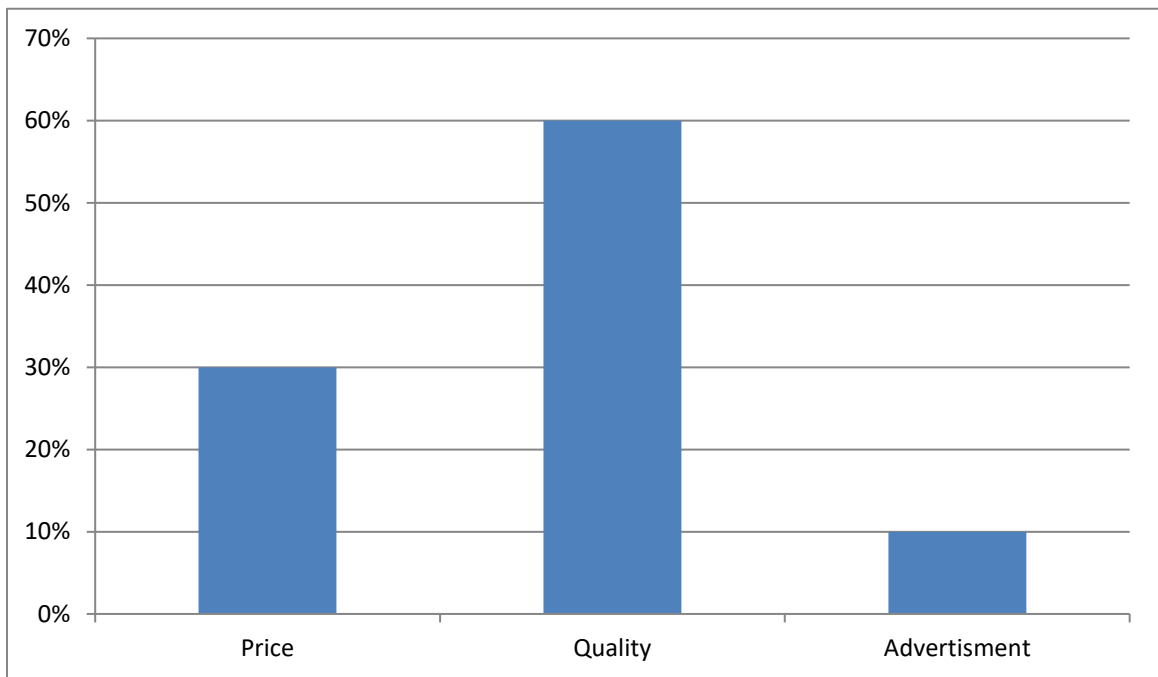


### INTERPRETATION

It is found that some shops are small hence their capital is less and also they don't hold dealership of any company. Hence they are not selling on credit basis i.e. 4 shops. Remaining 6 shops are providing credit basis to their customers. Hence, 40% of respondents not selling on credit, 40% of the respondents sells on less than a week credit period, 10% of the respondents sells on credit period of a month, and 10% of the respondents provide a credit period of more than a month to the customers.

## 2.5 Factors that influence the customers to purchase most.

Particulars	Respondents	% of targeted respondents
Price	3	30%
Quality	6	60%
Advertisement	1	10%
Total	10	100%

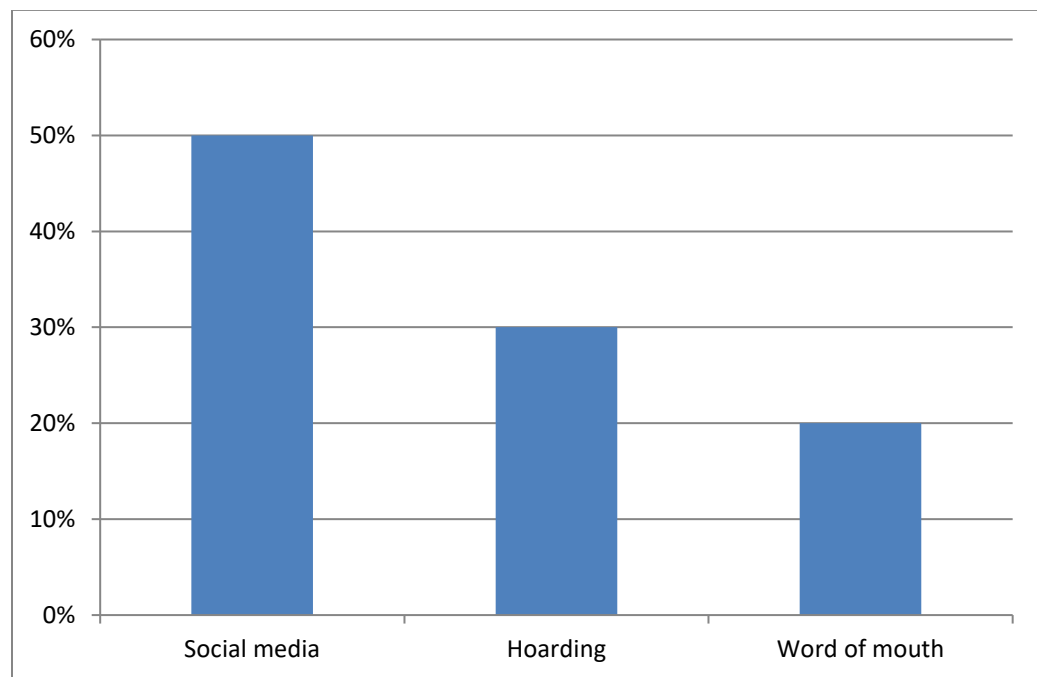


### INTERPRETATION

The above data shows that customers give the maximum weight age to the quality of the products. 60% of the respondents told that customer are influence by the quality of the products while purchasing, 30% influence by the price of the products and 10% are influence by advertisement.

## 2.6 Method of advertisement used by the wholesalers.

Particulars	Respondents	% of targeted respondents
Social media	5	50%
Hoarding	3	30%
Word of mouth	2	20%
Total	10	100%

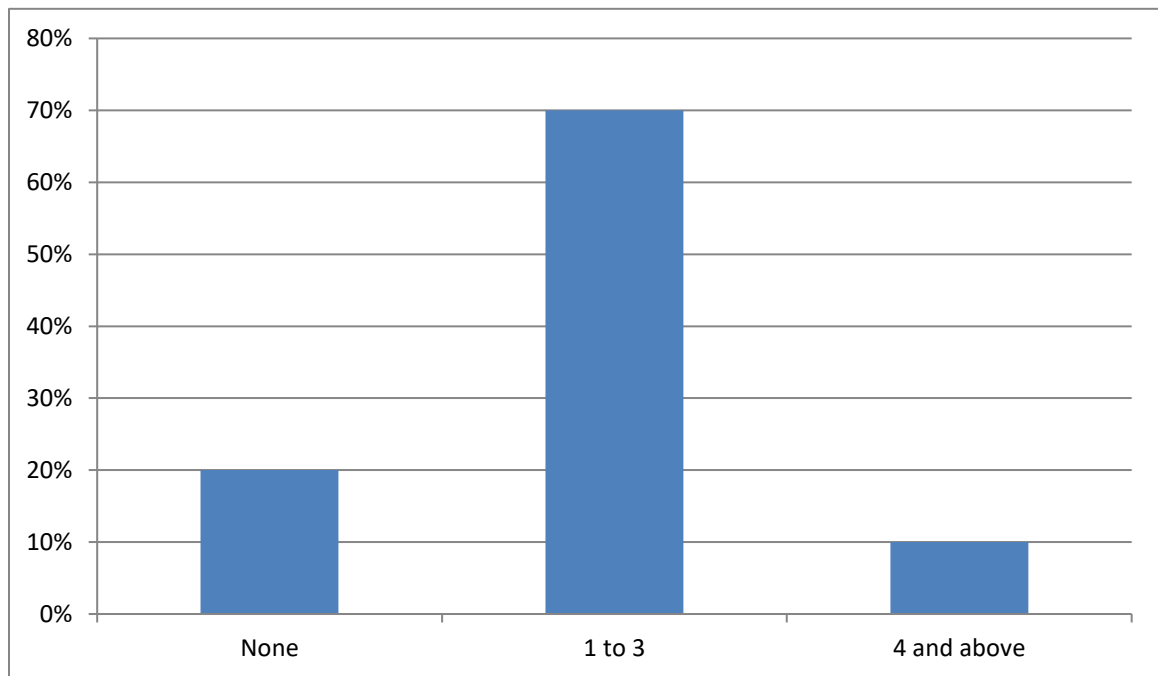


### INTERPRETATION

The above chart shows the different methods used by the respondents to advertise their business. 50% of the respondents used social media platform to advertise their business, 30% Of the respondent used hoarding; like putting a posters to advertise their business and 20% of the respondents used word of mouth to promote their business.

## 2.7 No. of workers employed in the business.

Particulars	Respondents	% of targeted respondent
None	2	20%
1-3	7	70%
4 and above	1	10%
Total	10	100%



### INTERPRETATION

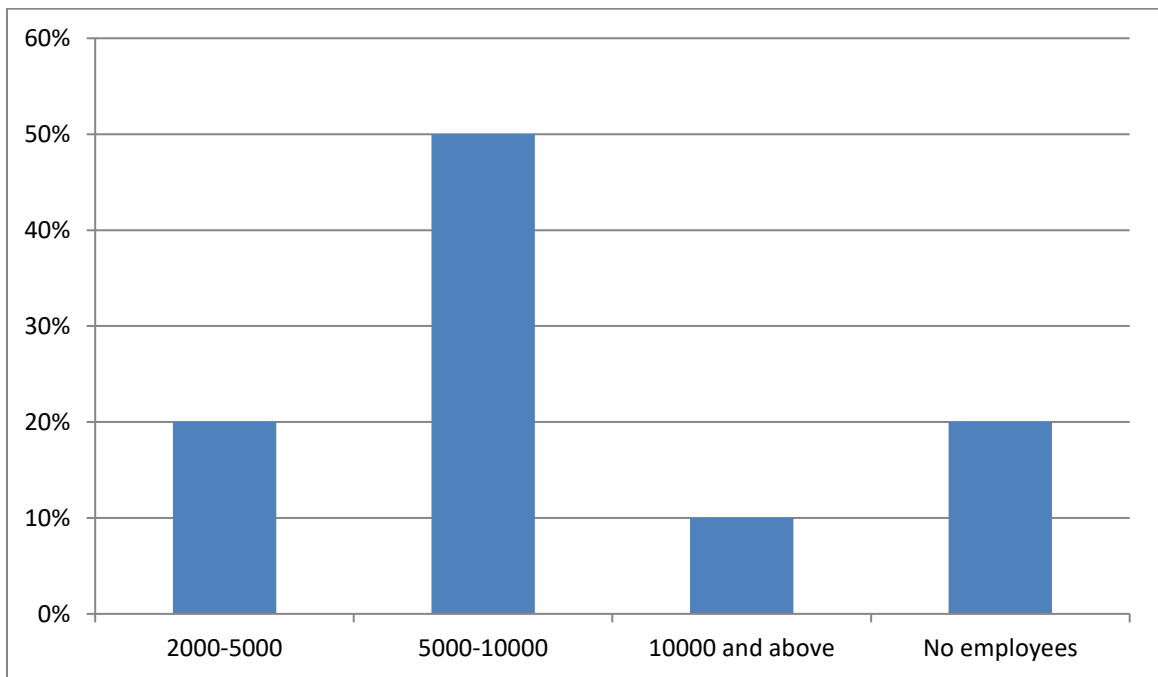
The above chart shows the number of workers employed by the respondents in their business. 70% of the respondents have employed 1-3 employees in their business, 10 %



of the respondents have more than 3 employees in their business, while 20% of the respondents do not have any employees in their business.

**2.8 Average salary paid to employees per month.**

Particulars	Respondents	% of targeted respondents
2000-5000	2	25%
5000-10000	5	62.5%
10000 and above	1	12.5%
Total	8	100%

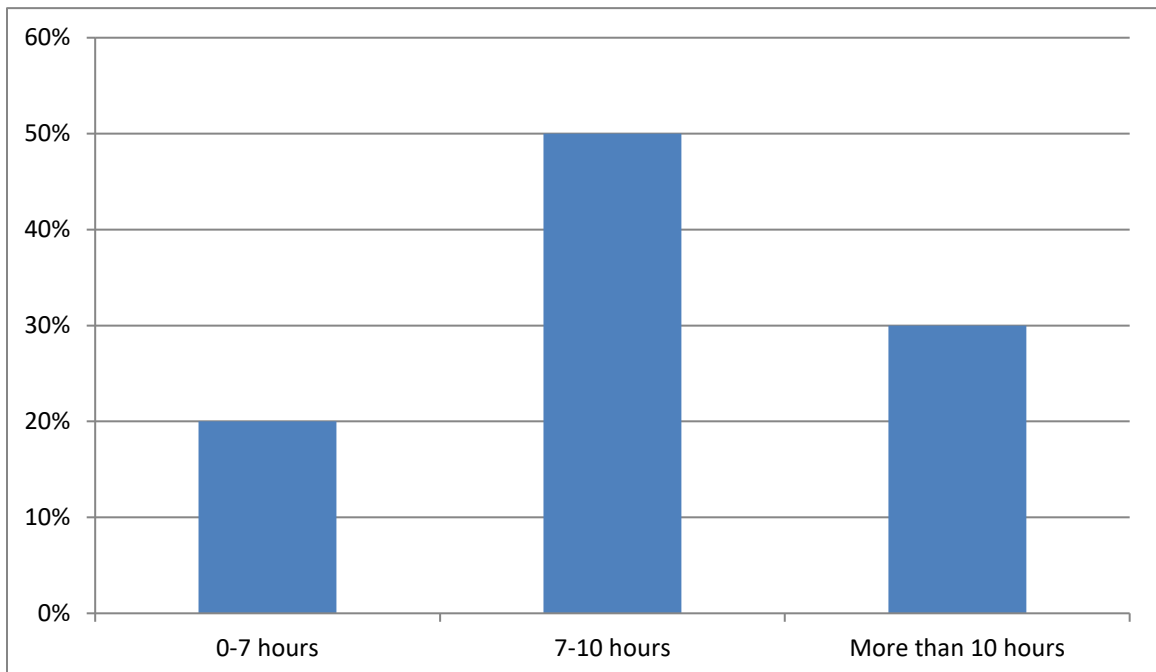


## INTERPRETATION

The above chart shows the average salary paid to the employees by the respondents, 62.5 % of the respondents pays their employees between 5 thousands to 10 thousands in a month, 25% of the respondents pays their employees between 2 thousands to 5 thousands in a month and 12.5% of the respondents pays their employees more than 10 thousands in a month.

### 2.9 Nos. of hours spend by the wholesalers in their shop in a day.

Particulars	Respondents	% of targeted respondents
0-7 hours	2	20%
7-10 hours	5	50%
More than 10 hours	3	30%
Total	10	100%

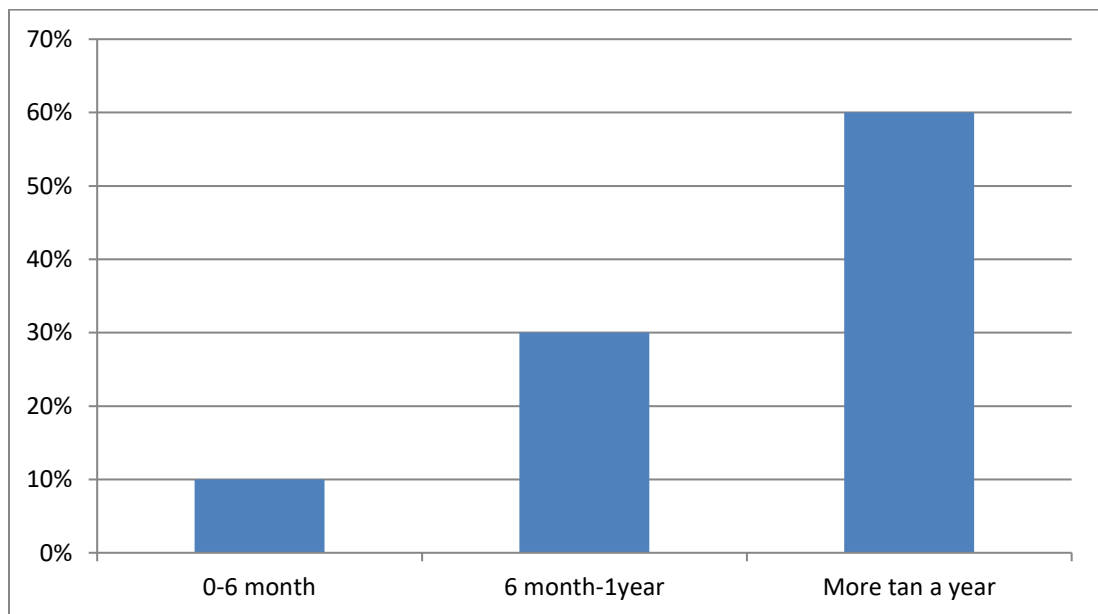


## INTERPRETATION

The above chart shows the time spend by the respondents in their shops in a day to provide services to their customers. 20% of the respondents spends 0-7 hours in a day in their business, 50% of the respondents spends 7-10 hours in a day in the shop and 30% of the respondents spends more than 10 hours in a day in their business.

### 2.10 Time taken by the business to turn profits.

Particulars	Respondents	% of targeted respondents
0-6 months	1	10%
6 month to 1 year	3	30%
More than a year	6	60%
Total	10	100%

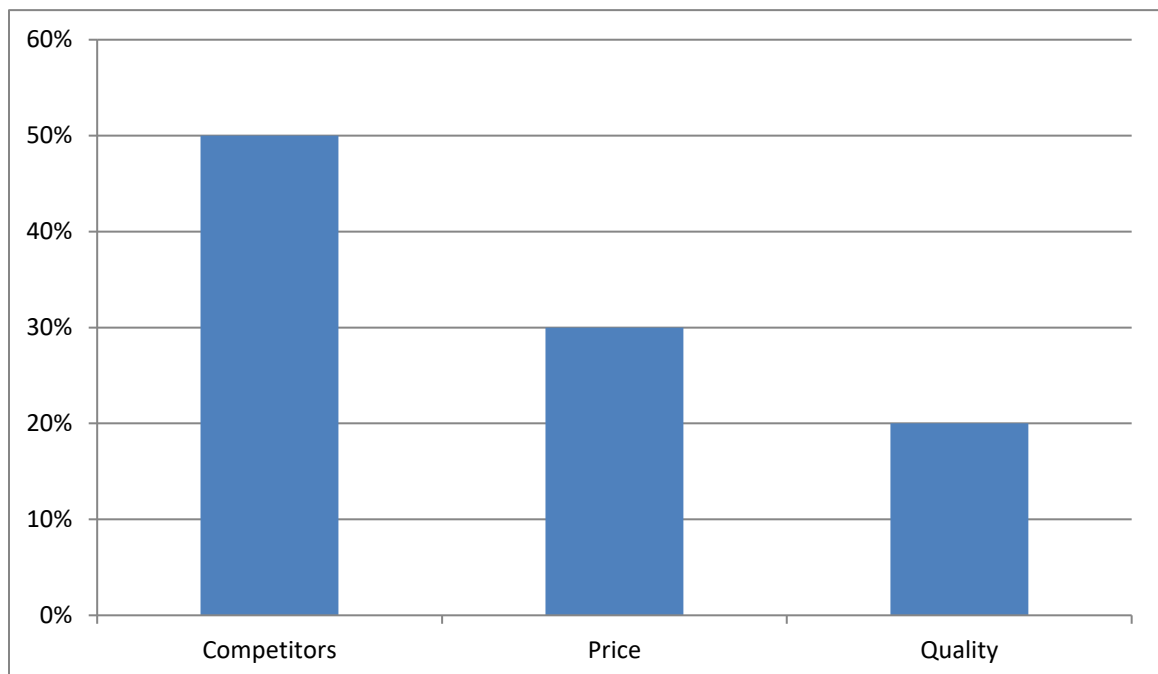


## INTERPRETATION

The above chart shows the time period took by the respondents' business to turn profit from the start of the business. 10% of the respondents' business turn profit within 6 month from the start of the business, while 30% of the respondents' business takes 6 months to 1 year to turn a profit and 60% of the respondents' business took a period of more than a year to turn a profit from the start of the business.

### 2.11 Highest challenges faced in the market.

Particulars	Respondents	% of targeted respondents
Competitors	5	50%
Quality	3	30%
Price	2	20%
Total	10	100%



## INTERPRETATION

From the chart above we found that 50% of the respondents agreed on increasing competition as one of the important challenge which face while persuading their customers. While 30% of the respondents and 20% of the respondents thinks the price differentiation and quality of the products respectively are taken as a challenge.

## CHAPTER 3

### 3.1 FINDINGS

- Some wholesalers have dealership or sub-dealership of various products since long time and some are new in the market. 60 % of the shops were more than 5 years old; similarly 40% of the shops were 1-5 years old and 10% are 0-1 year old.
- It is found that 10% of the respondents are having a weekly sales of 5000-10000 thousands, while 50% of them are having a weekly sales of 10000-20000 thousands and 30% and 10% of the respondents are having a weekly sales of 20000-30000 thousands and more than 30000 thousands respectively.
- It is found that 70% of the respondents sell on both cash and credit basis and 30% of the respondents only sell in cash basis and none of the respondents sell only on credit basis.
- It is found that some shops which have less capital and do not hold dealership of any company are not selling in credit basis. While 40% of the respondents sells on credit for a period of not more than a week, 10% of the respondents sells on credit for a period of 1 month and 10% of the respondents sell on credit for a period of more than 1 month.
- It is found that most of the customers give a maximum weight age to the quality of the products followed by price and advertisement while purchasing.
- For the advertisement and promotion of their business 50% of the respondents uses social media platform and 30% of the respondents uses hoarding; like putting a posters to advertise their business while 20% of the respondents used word of mouth to promote their business.
- It is found that 70% of the respondents have 1-3 employees in their business and 10% of the respondents have more than 3 employees in their business. While 20% of the respondents have not employed any employees.
- It is found that

- It is found that 20% of the respondents spend 0-7 hours in their business in a day and 50% of the respondents spend 7-10 hours in their business in a day whereas 30% of the respondents spend more than 10 hours in a day.
- It is found that 10% of the respondents' business turns profits within 6 month from the start of the business. While 30% of the respondents' business took 6 month to 1 year to turn profits and 60% of the respondents' business took more than a year to turn profits from the start of the business.
- 50% of the respondents agreed on increasing competition as one of the important challenges faced while persuading their customers. While 30% and 20% of the respondents thinks price differentiation and quality of the product are taken as a challenge.

### **3.2 SUGGESTIONS**

- ❖ It is suggested that to start a wholesale business, one should start with small scale capital and expanding the business when you have gain certain percentage of customers in the market.
- ❖ It is suggested that to be a wholesaler one must have good communication skills, during the conversation with the customers you should always give importance to the customer needs and problems and give suggestions in a positive manner.
- ❖ In wholesale business maintaining good relation with the customer and to win the trust of the customers is the most important things for the growth of the business.

- ❖ The wholesalers should provide quality products at a fair price to the customers.
  
- ❖ The wholesalers should also sell their goods in a credit basis to win the trust of their customers and gain more customers.
  
- ❖ It is suggested that at the beginning the wholesalers should aim at making a customer prior to sells because when you have made a customer the sells will rise automatically.

### **3.3 CONCLUSION**

It may be concluded that the wholesalers being the channel of distribution, they sell the goods to the retailers in bulk or in large quantities as well as to the individual consumers. From the above study we found that some of the wholesalers are earning enough profits and giving attractive salaries to the employees in the business which is the positive impact of wholesale business in Kohima Town creating employment opportunities to the unemployed youth.

With the rising of the wholesalers in the market, the wholesalers face many challenges like increase of competitors, price differentiation and quality of the products, where the customers are mostly influenced by the price and qualities of goods while purchasing. Most of the wholesalers of Kohima Town promote their business through social media platforms and even by mouth of words as consumers are also influence by the other consumers in buying the goods or products.

It may also be concluded that to be a wholesaler in Kohima one must know the market he is in and to win the trust of the customers by selling at a reasonable price and providing quality products to the customers. And maintaining good relationship with the customers is also one of the most important point to be kept in mind for the new comer in the wholesale business.



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