

MATCOM

■ THE STOCK RANGE

a learning element for staff of consumer cooperatives

international labour office, geneva

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by Urban Strand



MATCOM
Material and techniques for cooperatives management training

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In collaboration with cooperative organizations and training institutes in all regions of the world, MATCOM designs and produces material for the training of managers of cooperatives and assists in the preparation of adapted versions for use in various countries. MATCOM also provides support for improving the methodology of cooperative training and for the training of trainers.

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THE STOCK RANGE

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HOW TO LEARN

- Study the Element carefully.
- Give written answers to all the questions in the Element, This will help you not only to learn, but also to apply the knowledge in your work at a later stage.
- After studying the Element on your own, discuss it with your instructor and your colleagues, then take part in the practical exercises organised by your instructor.

TRAINER'S NOTES

are available for this Element. See the Trainer's Manual.

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INTRODUCTION



"Which goods should we keep in our co-operative shop?"

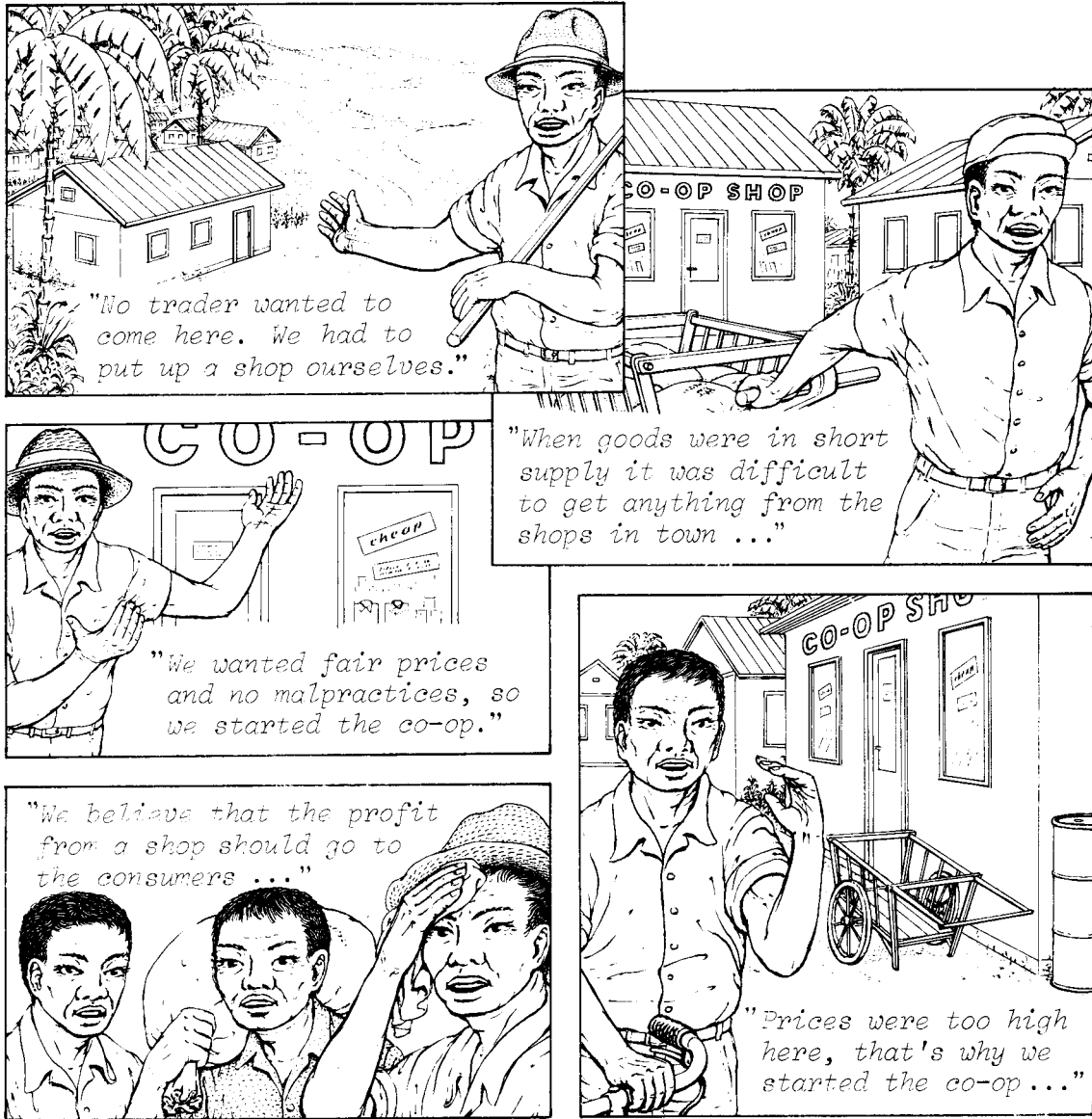
Everybody seems to have different ideas about this. As shop managers we should listen carefully to all suggestions and learn from them. But it might become a disaster if we tried to follow all of them.

We must use the available money to get a suitable assortment of goods, that means a stock range which both serves the members and puts the co-operative society on a sound economic basis. To select such an assortment is one of the most difficult tasks of a shop manager.

The purpose of this MATCOM Element is to give you the basic knowledge in this field.

The aim of a co-operative shop

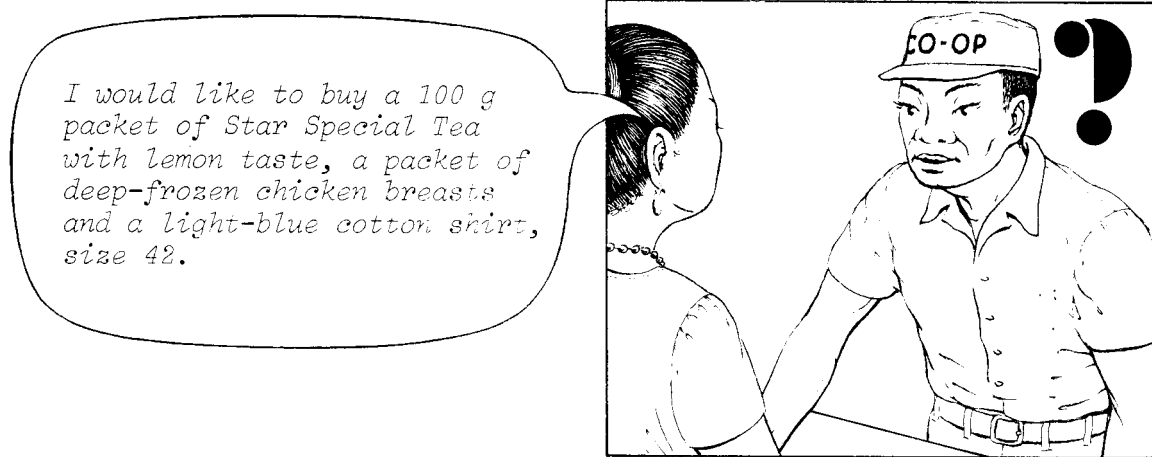
Before we begin studying which goods we should deal in, let us think about the aim of a co-operative shop. Why do people actually start co-operative shops?



A private shop-owner expects to earn a living on his business. But the members of a co-operative shop have a different aim: they just want to obtain the goods they need without the help of private businessmen who may make an undue profit on the distribution. In this way the co-operators expect to save some money. Usually they have very high expectations - they want an improved supply at low prices. That is why they start a co-operative.

WE NEED A STOCK POLICY

A good supply of goods, that is what the members want. But there are thousands of different things which could find buyers among, our members.



We had better admit immediately that we would never be able to satisfy all the requests from individual members. We simply do not have enough money to purchase all those things, and we do not have space to stock them. Consequently, we have to make a selection, we have to take some decisions:

- Should we stock more than one brand and size of tea?
- Should we deal in frozen food?
- Should we deal in clothes - all kinds of clothes?

The question is: how do we select the right goods for our shop? We need a stock policy - that is some guide-lines for the selection of a proper stock range.

The guide-lines should give the answers to questions like the following:

a - Which "lines of goods" should be sold in the shop?

Instead of thinking about all the hundreds or thousands of different things we should keep in stock, it is more practical to decide first what groups of commodities we should

carry. Shop managers use to talk about the "lines of goods they sell in their shops. For instance, one such line is "hygiene articles". It stands for all things we need to keep ourselves clean and tidy: soaps, shampoo, shaving cream, combs etc. Here are some examples of other "lines of goods":

- Fresh meat
- Tinned meat
- Dairy products
- Spices
- Stationery
- Glasses and chinaware
- Electrical appliances
- Garden tools

One should avoid using too general expressions when this list is made up, for instance "food articles" or "clothes". Such groups would include too many different articles. It is better to use expressions like "vegetables", "spices" and "baby clothes".

b - How big would each line be?

The stock policy should also indicate how large a selection of goods there should be within each line. We have to decide the width and the depth of each line.

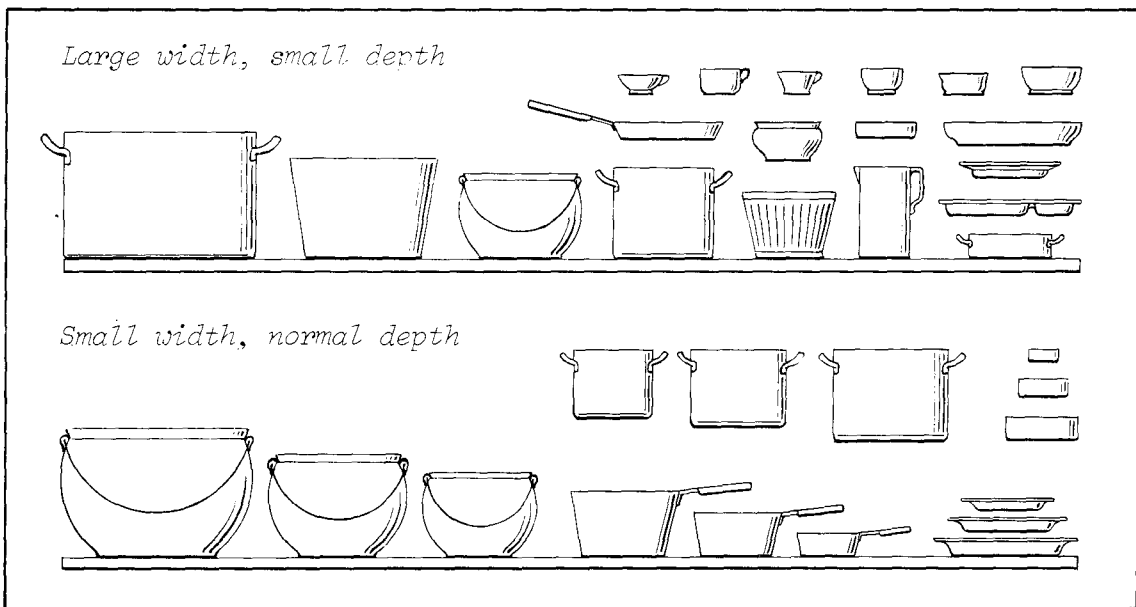
The width refers to the number of different kinds of goods offered. If we keep only toilet soaps and razor blades, the range of hygiene articles is not very wide, but if we include shampoo, hair-tonic, toothpaste, talcum powder and some other things used for personal hygiene, we can talk about a rather wide assortment.

The depth of the assortment can also vary. A deep assortment of toilet soaps means that we have many brands and sizes to choose between, in order to satisfy the members' tastes and requirements.

It is of course not necessary to state the width or the depth in precise numbers when we discuss our stock policy. A classification into three groups would do. Let us call them small - normal - large, meaning the following:

- Small width - Only the most needed commodities.
- Normal width - The common commodities.
- Large width - Almost everything that could find buyers.
- Small depth - Just one or two brands and sizes of each article.
- Normal depth - The common brands, sizes or colours etc. of each article.
- Large depth - Almost all brands, sizes, colours etc. that could find buyers.

Any combination of depth and width is possible. For example, if there is a large width and small depth of kitchen utensils in a shop, we will find many different things like pots, pans, bowls, jugs, dishes, cutlery, etc., but just one or two types and sizes of each article.



! What would the stock range of kitchen articles look like if it had "small width and large depth"?

c - Special conditions

We have already talked about some differences between a co-operative shop and a private shop. We must not forget that the customers/members of a co-operative shop are also the owners of the shop, and many of them very rightly take a great interest in the shop and how it is run. The shop manager can of course not discuss the stock policy with each and every member, but he can, and should, discuss it with the committee which represents the members. The committee might sometimes want to add some general rules which will benefit the members in the long run. Here are some examples of such rules:

- Goods of poor quality should not be sold in the shop, however cheap they may be.
- Co-operative brands (goods produced by co-operatives) should be given preference.

Other more specific conditions may also be suggested in some societies, depending on members' opinions on certain matters. Examples:

- Only locally produced milk should be sold.
- Alcoholic beverages should not be sold.

Usually, conditions like these concern the quality, prices, brands and contents. Some are general, some apply to certain lines of goods only. The shop management must have a keen ear for the members' proposals, of course, but remember:

note!**

Before any special conditions regarding the stock range are implemented, it is very important to know the members' opinion. Otherwise the result may be that some prefer shopping in other stores.

The basic questions which we have discussed on the four previous pages will form the basis for our stock policy. We can now set up a document which will guide the manager when he orders goods for the shop.

Here is an example of such a document:

<u>Line</u>	<u>Width</u>	<u>Depth</u>	<u>Special conditions</u>
Bread and biscuits	Small	Small	
Dairy products	Small	Normal	
Tinned meat	Normal	Small	No pork
Cereals	Large	Small	
Beverages	Normal	Small	
Spices	Small	Small	



List five lines of goods. Indicate which width and depth you would recommend for your shop.

<u>Line</u>	<u>Width</u>	<u>Depth</u>	<u>Special conditions</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

TO FORM A STOCK POLICY

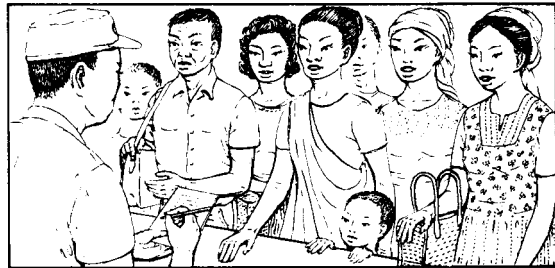
When we form the stock policy for our shop, we have to keep many things in mind:

- a - Which lines of goods do the customers ask for?
- b - What can the customers afford?
- c - Which lines of goods are sold by other shops?
- d - Which resources do we have?
- e - Which goods are actually available?

Let us briefly discuss these questions, one by one:

a - Which lines of goods do the customers ask for?

What would they like to buy? The more you know about your customers' way of life, the more likely you are to select the right lines of goods for their shop.



b - What can the customers afford?

This is important to consider when width and depth of the lines are determined.

How many households are there in the area, and how much are they spending on various types of goods?

Do most of the customers earn just enough money for buying the most needed goods? Or have they more money to spend?

The stock range must be formed in accordance with the answers to these questions. Some shop managers may know the answers through long experience in the area, others may need to carry out some kind of survey in order to find out the "purchasing power" of their customers.

c - Which lines of goods are sold by other shops?

At a place where there are several shops we have to consider what goods our competitors offer, before we decide our own stock policy.

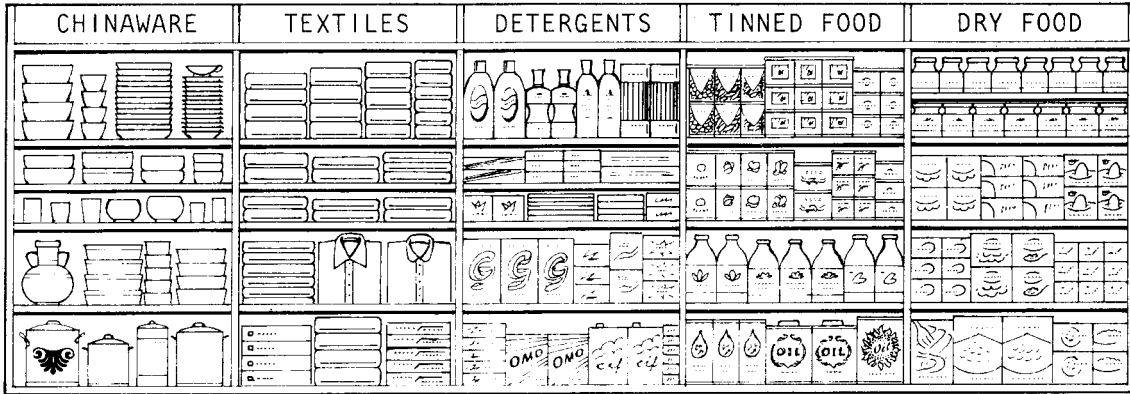


We will have to decide whether to compete and sell the same things as the other shops, or to complete and sell what they do not have. or maybe we should both compete and complete. Which lines of goods can we offer at better prices, with better assortment and service?

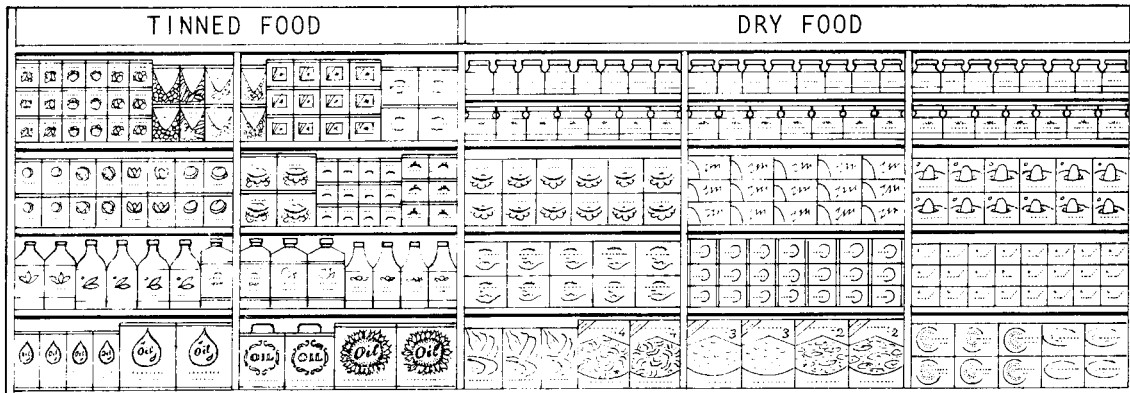
What to do if there are no other shops around? The best stock policy for a sole shop in a remote area is to have a wide range of goods but a small depth. Why?

Well - the money available for purchase of goods could be used in two ways:

- (a) Either on many different commodities (a wide stock range)



- (b) or on several varieties of a few items (a narrow stock range, but a rather deep assortment of each article).



Since there are no other shops, the members would be served best if they could obtain at least one brand of each item they need, as in alternative (a) above.

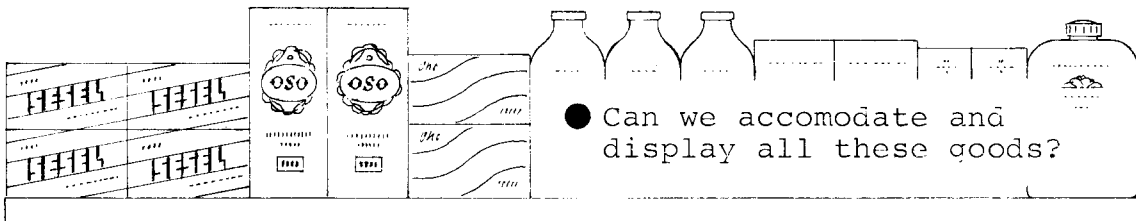
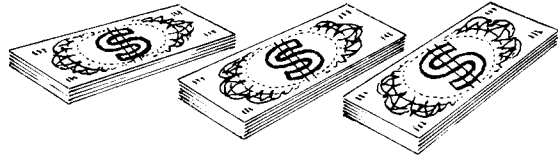


Would you include vegetables in your stock range if there was a nearby market where local growers usually sell their products? Give reasons for your answer.

d - Which resources do we have?

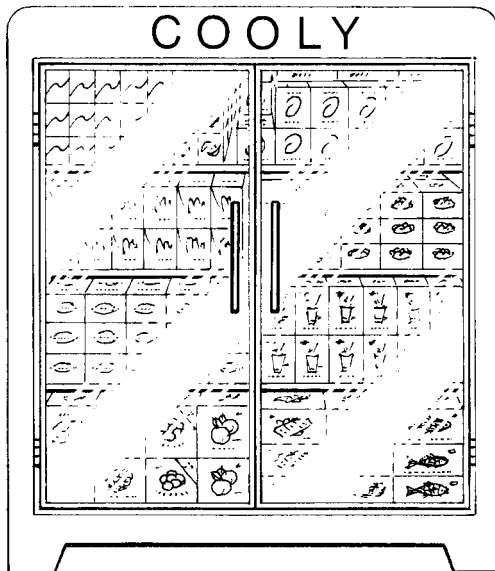
By now we should have a good idea of the ideal stock policy. But we must be realistic. We should also consider if we are able to actually manage the stock range we have in mind.

- Do we have enough money to purchase all the goods?



- Can we accommodate and display all these goods?

- We need cooling equipment for the dairy products...



- We need a shop assistant who knows how to cut and handle meat...



At this stage you are not supposed to calculate exactly which lines you can afford. But knowing the available resources - money, space, equipment, personnel - you should compare them with the desired stock policy. If you find the resources insufficient you have to limit your stock range.



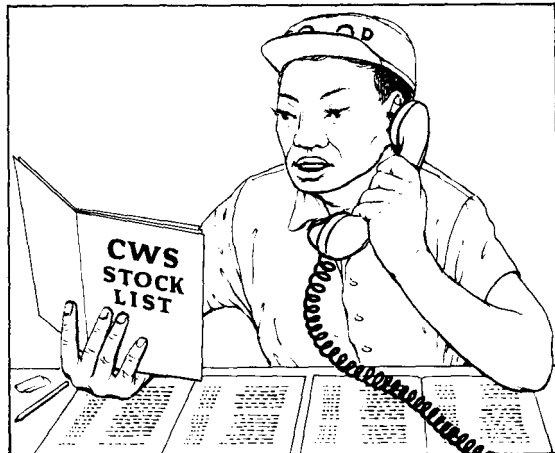
Assume that a shop cannot afford the stock policy that has been suggested. The width or the depth of some lines must be reduced. Which solution would in most cases benefit the members most? Give the reasons for your answer.



One adviser recommended: If you lack money you had better drop one complete line (e.g. clothes) instead of reducing depth and width of several other lines. Do you agree? Write your comments here.

e - Which goods are actually available?

For everything included in our stock list, we have to find a dependable supplier. So the shop manager has to be familiar with all the suppliers/wholesalers in the area. Which lines are they dealing in? What assortment do they offer within the various lines?



TO SELECT THE GOODS

we have discussed what we mean by a stock policy, and what we have to think about when we form such a policy.

But a policy should result in a stock - the actual goods filling the shelves in our shop. Therefore, let us now proceed to discuss the practical job of selecting the right goods for the shop, in accordance with our stock policy. For this job it will be helpful to obtain lists of the goods which are available from the suppliers.

The width

First you should look at the width of each line. Make a list of the different commodities you would like to select, without mentioning anything about brands, sizes or qualities.

LINE:

Cleaning articles (Normal width)
Washing soaps
Detergents
Scouring powder
Washing up Liquids
Dish brushes

This is just an example. What is considered normal in one place may be too limited in another place, and so on. So you will have to make up your own list, based on the local circumstances.

The demand

If all your customers prefer rice instead of maize-flour, it would be stupid to stock maize in your shop. And if they grow their rice themselves, you cannot expect to sell any rice either.

When you select the goods for your list you have to be careful not to include articles which will find no buyers, or very few buyers.

- Why don't you sell tyres for my bike?

John wants to buy tyres and other spares for his mini-bike. The manager can explain why there are none in stock.



- We have got only a few bikes of that size in the village, John. If we would keep tyres and spares for you, we may have them on our shelves for years. We must use our money for things which are much more in demand.

Keeping things on the shelves for a long time means that the money used to purchase them is "frozen" and cannot be used. We must avoid this. Instead we must try to sell the goods quickly in order to get the money back to buy new goods and pay for the expenses.

So it is not enough that one or two people want to buy a certain item. If it is to be included in the stock range, several customers must ask for it.



The goods you purchase from the wholesaler must be sold within a reasonable time.

To practice this rule you need to know at least three things:

- a - What is meant by "reasonable time"?
- b - how much can I sell during that period of time?
- c - What is the minimum Quantity I can purchase from the wholesaler?

Let us take a closer look at these questions.

a - Reasonable selling period

This depends on the kind of goods. You must sell them while they are still in good condition, of course. That means that a stock of perishables, like fresh food, must be sold in a few days' time.

But even if the goods will keep for years, it would be bad business to store them for long. You cannot run the shop unless you make money, and you will not make any money before you sell your goods. Therefore, the key to success is to 'turn' the stock over into sales as fast as possible.

It is very difficult to make a rule, telling how quick you must turn over your stock into sales. But generally speaking, most items should be sold within a few weeks after you receive them. Only some special articles may be kept up to three months before they are sold.

High rate of stock turn

Lower rate of stock turn



b - How much can I sell?

This is, of course, a very difficult question, but fortunately you need not find an exact answer at this stage. Let us take an example: you estimate roughly that you can sell only 5 tins of sardines every week. With this figure in mind we go on to the next question.

c - Minimum wholesale quantity

You have to find out from your supplier the "minimum wholesale quantity" for the various goods.

Will he, for instance, let you buy only 10 tins of sardines? He may sell only cartons of 60 tins. If you can sell only 10 tins within a reasonable period of time, it would be unwise to buy a carton.

Consequently, if it proves impossible to buy a suitable quantity, you cannot include the sardines in your stock range.

As a rule, do not include items in your stock range which you have to buy in too large quantities, unless they are absolutely essential, like salt, sugar, rice, etc.



List the different commodities you would like to include in the following lines of goods in your own shop. (Do not specify brands, sizes, etc.) Consider all the aspects we have discussed on the previous pages.

Cleaning articles:

Dairy products:

Spices:

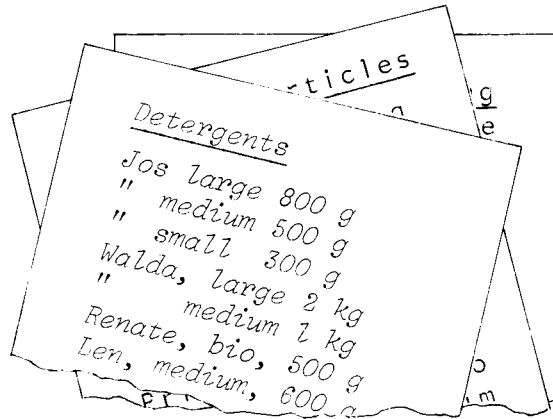


List five items you would like to exclude from the present stock range in your own shop:

To select varieties

Now we come to the selection of the brands, sizes, colours and so on - the stock depth. This is a more complicated task.

For example, when looking at some wholesalers' catalogues we find 12 brands of detergents in various package sizes. In all some 30 different articles:

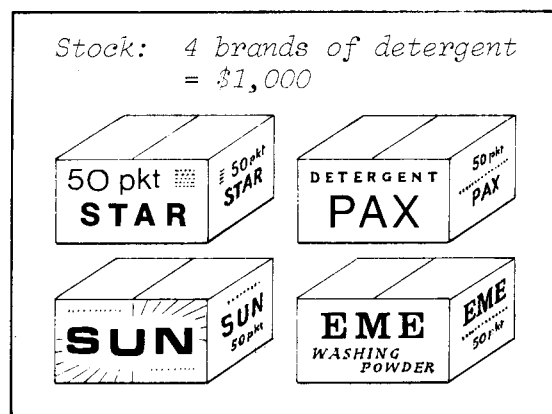


Depending on your stock policy you may select one or two (small depth), several common (normal depth), or all the varieties your customers would buy (large depth). How can you make the best possible selection?

The most economical choice

John, the manager of Ruwa Co-operative, was selling a total of 200 packets of detergent every month. There were four different brands of detergent available from the supplier, all packed in cartons of 50 packets. Prices and qualities were about the same.

If John wants to carry all four brands, he has to purchase one carton of each, that is the minimum quantity he can buy from the supplier. He will spend \$1,000 to get a stock of 200 packets, which will take him one month to sell.

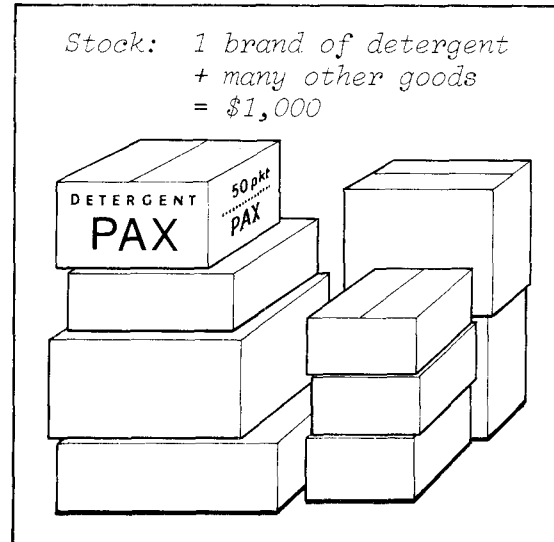


If John stocks just one brand of detergent, he needs to purchase only one carton at a time. It will cost \$250. He gets a stock of 50 packets which will be sold in about one week.

He has then recovered the money and can purchase a new carton which will be sold the next week, and so on. Now the stock is turned every week.

This is what John actually did. In the first case John would have had to spend \$1,000 on the stock, while in the second case he needed to invest only \$250, still selling the same amount of detergent every month. And he could use the \$750 he "saved" to purchase other goods which were also wanted by his customers. This is

the most important reason. The members could buy more goods from the shop, the sales would increase, and so would the surplus earned by the co-operative.



Generally speaking, it is not economical to stock too many varieties of the same commodity. They increase the stock and slow down the rate of stock turn.

Why stock different types?

Now you may wonder why there should ever be more than one variety of each commodity in a shop. To discuss this question, let us use another example with detergents.

Probably most customers would prefer the medium-size packet of the most well-known brand. But it is also likely that some can afford the small packets only, while others would like the big packets which are more favourably priced, if we compare the price per weight-unit. And some customers may be prepared to pay a little extra for a "stronger", more effective washing powder.

When you consider all these facts you will understand that there is a risk that you will sell less if you stock only one type of detergent, because some customers may go to another shop where they can find the type and size they like.

Imagined differences

Differences between various types of commodities may be important, but in the case of detergents they may not be so important. Most customers would probably not even notice any difference, and they could use any of the common brands. It is the same with many other products, too. But every manufacturer would of course like to sell as much as possible of his own product, and through advertising and nice packaging he makes people believe that his product is the best. Some are very clever and manage to persuade a lot of people, so that they are even prepared to pay more for a special brand which in fact is no better than others.

For a shop manager it is indeed very difficult to convince his customers that different brands of products are sometimes almost identical. Furthermore, different customers may be attracted by different advertisements.



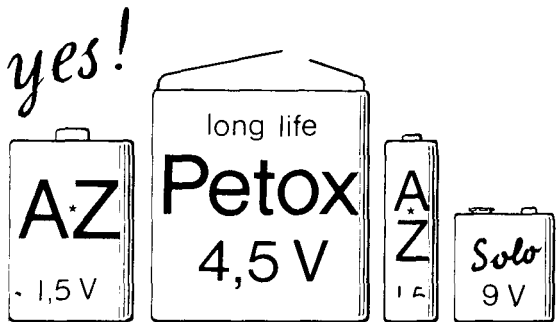
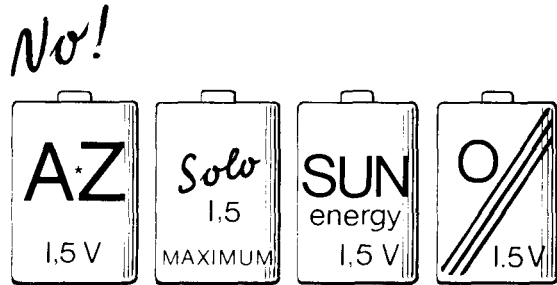
This is why we just cannot drop one of two equal brands from our stock range. We should be especially careful not to drop one popular brand if our competitors sell the same brand. For those customers who are not aware that the two products are the same may then go to our competitors to get their favourite brand, and also other goods.

Therefore, you should not try to reduce the number of varieties in your shop until members understand and agree. Product knowledge and product information are, in fact, very important, not only for the shop staff but also for the members.

Important differences

If you have enough capital in your co-operative to stock several varieties of an article, you should think about the important and less important differences between the varieties. Suppose, for instance, that you can afford to have more than one type of cloth material in stock. To stock several types of material which are almost identical would not help your customers very much. You would give them better service if you offered types of material which are really different with regard to quality and design.

Another example: Your customers often buy batteries for their lamps and transistor radios. The most common type is the round 1.5 volt. Although several brands are available, there is no need to stock more than one brand of this type, because the differences are not important. Instead you could keep also some other, completely different types in stock, which are also demanded by the customers.



?

Shop A stocks normal and small-size round batteries. Shop B stocks only the normal size, but two types, one cheap and one more expensive long-life. Which shop is likely to sell more batteries, and which will serve the customers better? Explain why.



Give a few examples of articles which are of different brands, but otherwise are almost the same.

A final check

We have now described the process of selecting a suitable range of stock for a co-operative shop. There were three steps, as you will recall:

- 1 - First, we made a stock policy. We decided which lines of goods we should deal in, and indicated the width and depth of each line.
- 2 - Then we selected the Goods to be included in each line.
- 3 - And finally, we selected the various brands, sizes and so on.

Now we know exactly which goods we are going to purchase for our shop. But before we do so, we had better check two things:

- a - Can we afford to purchase everything we have selected?
- b - Does the stock range fit the aim of the shop?

a - Can we afford everything?

Since we started to form our stock policy, we have tried to be realistic. We did not include more goods than we thought we could afford to stock. Now we are able to check whether we have been successful or not.

Having listed all the items we would like to purchase we can now check the suppliers' price lists and estimate how much the stock is going to cost, and consider the terms of payment.

Has the society got enough money to purchase everything? If the answer is no, you should find out if it would be possible to get more money. Otherwise you will have to revise the selection of goods. You may even need to revise the stock policy, if much money is lacking.



Why would it be a good idea to take out expensive articles, in case you have to delete some goods from your stock range?

b - The aim of our shop

of course, when deciding which items should be sold in our shop, we must all the time remember why we started the co-operative. Was it because the members wanted more goods, better goods or cheaper goods? The aim of the shop must be reflected in the stock range. If not, you have gone wrong while working on it, and you will need to correct it.

For instance, if a co-operative was started just because the members wanted a better supply of goods, then we should ask the manager of the shop;

- Can you now offer goods that were not available here before?
- Have you made sure that the goods which used to be in short supply are included in sufficient quantities?
- Can you offer equally good assortment, prices and service as the private shops?
- Are goods of poor quality banned from the shop?

TO DEVELOP THE STOCK RANGE

Your careful work may result in a very good stock policy and a nice assortment of goods in your shop. Still, it is likely that you can improve the assortment after some time. New customers or the closing of a nearby shop could give you reason to include some new lines of goods. In fact, even if you manage to get the very best stock range you will soon have a reason to revise it.

Why? Because if you have the right stock range the shop is likely to become a success. And success means more business, more money, more resources

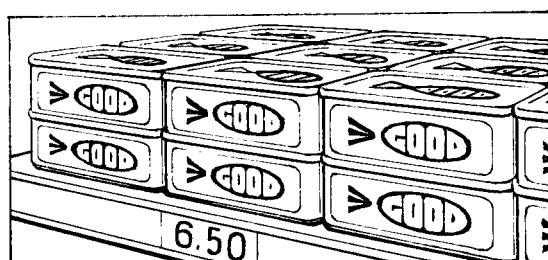
You will be able to develop the co-operative shop, to extend the stock range and to give the members even better service.

It is a good idea to review the stock policy thoroughly at least once a year to see whether it can be improved. Minor adjustments of the stock range should be done much more frequently. You should look for improvements all the time. Particular attention should be paid to:

- a - Slow-movers
- b - Missing big sellers
- c - Novelties
- d - occasional demand

- a - Slow-movers

"Nobody seems to want the tinned fish. Maybe it's too expensive."



If you look carefully at the stock each time you prepare orders for new supplies, you may notice some articles that never seem to move. Retailers have many names for these things turtles, dead stock, shelf-warmers Hardly any customers buy them, so the stock remains almost the same.

Goods that are not wanted by the customers should not be in the stock range. When you finally manage to sell the slow-movers, you should of course not re-order them.

But before you drop a slow-mover you should find out why it did not sell. You had thought it would suit most of your customers, but it didn't. It is important to know the reason why, so you can avoid repeating the same mistake when selecting other goods.

If the reason is not obvious show the article to some customers and ask what they think about it. Most likely they will tell you what is wrong.



And if you still cannot find the reason? Then there is a good chance that the customers just didn't discover the advantages of the article.

Give it another chance before you decide whether or not to drop it. Make the customers aware of the advantages. poster or a special display may be useful.

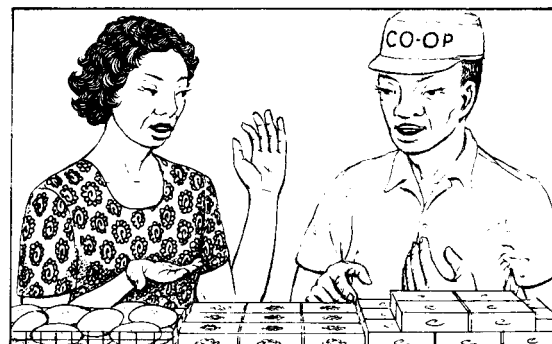


b - Missing big sellers

It may be more difficult to discover if something is missing in your stock range.

"There are so many brands of soap, but not Maxim, the one I prefer."

If only one of your customers prefers that special brand of soap, you have no reason for stocking it.

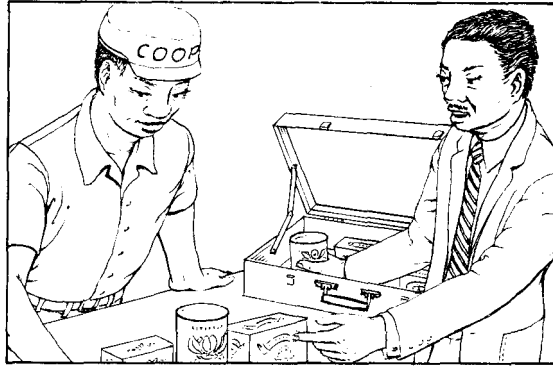


But do listen to all customers who ask for something you do not stock. It is one of the few ways to learn about the bias sellers which are missing in the shop. Ask all the staff members to write all such requests in a notebook, so that you will know if several customers are asking for the same article.

You should also try to discover which commodities you ought to sell more of. For example, you sell about 20 tins of coffee a week, but you are sure that your customers consume much more. Is there another popular brand that you should carry?

c - Novelties

All the time wholesalers and manufacturers try to introduce new articles. Their salesmen try to persuade the shop manager to purchase novelties. Sometimes they offer special terms on the first purchase.



Before you include a new article in your stock range, you should have good reasons to think that it will be an improvement:

- Will sales increase if you include this new article?
- In what way is the new article better than the varieties you already stock?

If you decide to include a new article, make sure that your customers notice it. Tell them about it and put up a sign.



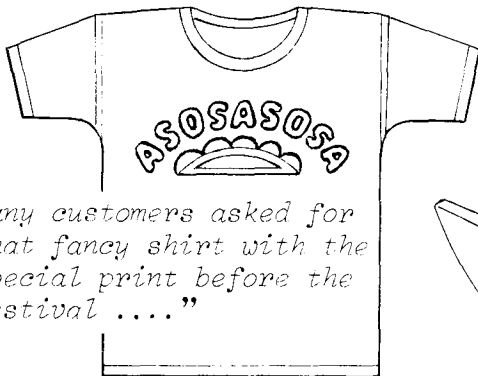
Does the new article replace an old one? Don't forget to drop the old article!



Why should you not include both the new and the old article together in the stock range?

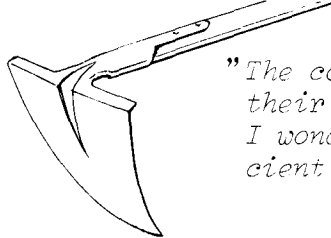
d - Occasional demand

Sometimes the demand for certain goods can rise very quickly and drop again sharply after a short time.



"Many customers asked for that fancy shirt with the special print before the festival"

"Today I have sold at least 10 hoes, because the rains have started and the farmers can begin to work their soil."



"The coffee-growers will get their final pay next week. I wonder if we have sufficient stock"

These types of occasional demand are often known well in advance. If there is money enough it would be a good idea to be prepared for increased sales. The stock range might need to be adjusted temporarily.



(a) On what occasions do people ask for special goods in your shop?

(b) Why should you avoid ordering too large quantities of goods that are only wanted once a year?

SUMMARY

Here is a summary of this booklet. It will help you to review the content. Read the summary slowly, try to remember the reasoning and the main points under each heading.

Form a stock policy

Which lines of goods do the customers demand?

What can the customers afford?

Which lines of goods are sold by other shops?

Which resources do we have?

Which goods are actually available?

Decide stock policy: lines - width - depth - special conditions.

Select the goods

Which commodities should be included in each line?

Can we sell the minimum bulk quantity within a reasonable time?

Select the varieties

Which is the most economical choice?

How important are the differences, real or imagined?

Make a final check

Can we afford everything selected?

Does the stock range agree with the aim of the shop?

Develop the stock range

Is there any reason to change the stock policy?

Are there any slow-movers?

Are there any missing big sellers?

Are there any novelties that should be introduced?

Are there any occasional demands?

" CHECK-OUT "

To prove to yourself that you have fully understood this Element, you should now go through the following questions. Mark what you think is the right answer to each question. If you have problems with a particular question, go back and read the corresponding chapter again. Your teacher will later check your answers.



1. What is meant by a "stock policy"?
 - a Guide-lines for the selection of suppliers
 - b Guide-lines for the design of store-rooms
 - c Guide-lines for the selection of the goods to be sold in the shop

2. What is typical for a good stock range?
 - a Any member could find all the items he needs.
 - b All items in stock are demanded by several customers.
 - c There are many lines of goods in stock.

3. Which line of dairy products is the widest one?
 - a Butter 1/4 kg + butter 1/2 kg + milk 1/2 lit + milk 1 lit
 - b Butter 1/4 kg + milk 1/2 lit + cream 1/4 lit + soft cheese
 - c Butter 1/2 kg + milk 1/2 lit + soft cheese + medium cheese + strong cheese

4. What can we say about a line of goods that includes the common commodities but just one or two brands of each?
 - a it has a normal width and a small depth.
 - b It has a small width and a normal depth.
 - c It has a small width and a large depth.

5. Assume that the co-operative shop is the only shop in the area. Which stock policy is then suitable?
 - a To have a very limited stock range of small depth.
 - b To have a wider stock range of small depth.
 - c To have a stock range of small width but large depth.

6. What is the meaning of a "quick rate of stock turn"?
 - a The goods are delivered quickly after they have been ordered.
 - b The goods are displayed in the shop quickly after they have been received.
 - c The goods are sold quickly after the delivery to the shop.

7. For which of the following items should you expect the highest rate of stock turn?
 - a Toys
 - b Soft drinks
 - c Shoes

8. What is the advantage of turning over the stock quickly?
 - a Less time is needed for stock-takings.
 - b Ordering procedures are simplified.
 - c Less money is "frozen" in the stock.

9. What should you do if you lack capital but still want a wider stock range?
 - a Sell goods on credit.
 - b Turn over the stock into sales more quickly.
 - c Buy from only one wholesaler.

10. What should you do before you reduce the depth of a line?
 - a Increase the prices of the articles to be excluded.
 - b Advise customers to go to other shops.
 - c Find out if your customers understand your reasons and agree.

11. What should you do with the "slow-movers"?
 - a Continue to stock them for the few members who need them.
 - b Delete them from the stock range when the present stock is finished.
 - c Remove them from the selling area and place them in the storage room.

12. Which would be the primary reason for including a new item in the stock range?
 - a You have-not tried to sell it before.
 - b You believe that you will be able to sell it.
 - c You can afford to purchase it.

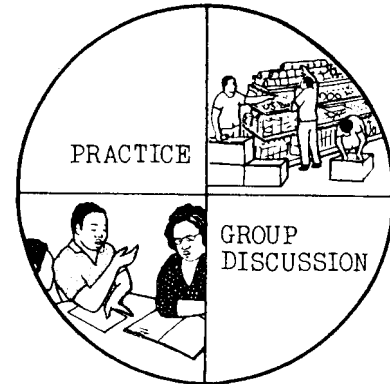
COMPLEMENTARY EXERCISES

Practical Group Assignments in Shops

1. Comparison of stock ranges

Select some lines of goods, e.g.

- a - flour/grains/pulses
- b - coffee and tea
- c - spices
- d - cleaning material



Study the stock of these lines in two or three different shops in the area. Make lists of all the items they carry and the various brands and sizes in stock.

Then compare the lists from the shops. Discuss possible reasons for the differences you have noticed. Which shop has the best assortment?

2. Study of the assortment in a selected co-operative shop

- Prepare in advance a "shopping list", comprising at least 12 commodities which a typical family in the area may need. In the shop, look for these articles and note which ones are missing. Ask the manager for the reason.
- Find out from the manager or from some committee member why the co-operative was started. Then study the stock range to see if it fits the aim of the shop.
- Look for articles which are almost identical. Find out the reason why there is more than one article of the same type in stock.
- Write down which articles you would drop from the stock, and five which you would add.
- In a following discussion, compare your proposals for changes in the stock range, and agree on a joint recommendation.