

CAIT MUST COLLECTIVELY BARGAIN ON BEHALF OF SMALL AND MEDIUM RETAILERS

There is an absence of level playing field between small and medium retailers on one hand and corporate retailers. Corporate retailers arm twist and bargain hard to get more favorable price and terms. There is no economic rationale behind corporate retailers getting more favorable terms than small and medium retailers. Even now corporate retail accounts for less than ten percent of total market. They demand and get much more credit and often further delay the payment or even renege on it. On the other hand small retailers make prompt payments. Thus neither the overall size nor payment terms justify corporate retailers getting lower prices or better terms.

Only reason why they succeed in getting lower prices or better terms is their hard bargaining. Absence of counter bargaining by small retailers makes their task easier and deprives small retailers of level playing field.

CAIT can play a useful role and spear head counter bargaining on behalf of small retailers.

As a first step it can approach all consumer goods manufacturers and demand that there should be no discrimination between small and corporate retailers. CAIT should promote those companies who promise to not to discriminate against small retailers. CAIT can spread the message that these companies do not discriminate against small retailers and hence small retailers should promote their goods.

Subsequently, this campaign can be intensified and retailers should be encouraged to discourage sale of goods of those companies who do not provide them a level playing field.

Area wise committees can be formed to spread the message and implement the decisions of CAIT. All organizations representing small and medium retailers in particular and SME sector in general, as well as NGOs can be associated with this campaign.

This campaign if properly planned and meticulously executed can turn into a revolutionary movement. It will have historical significance. It can vastly strengthen CAIT as a premier national organisation of traders having presence upto grass root levels