

SUBJECT- BUSINESS ORGANISATION

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LARGE SCALE RETAILING

Multiple Shops or Chain Stores: Meaning and Characteristics

A multiple shop system consists of a number of branch shops owned by a single business firm. This is an attempt on the part of the manufacturer or the wholesaler to establish a direct link with the consumer by avoiding middlemen. Some of the definitions of multiple shops are given as under:-

"A multiple shop consists of a number of similar shops owned by a single business firm." - James Stephenson

"This is a system under which there is a large number of retail shops owned by the same proprietor, which are scattered over the various parts of a particular city or a country and are engaged in the same line of activity." -

Thomas

"Fundamentally, a chain store system is a group of retail stores of essentially the same type, centrally owned and with some degree of centralized control of operation." - E.W. Condit and R.R. Still

From the above definitions, it is clear that multiple shops or chain stores operate at different localities in the city under the central ownership and control. The chain store or multiple shop organisation is nothing but the extension of retail business on large scale basis.

* Origin:

The multiple shops in England and the chain stores in the U.S.A grew simultaneously. Some of the multiple shops in England have become very large sized. The Boots Cash Chemist's organisation has more than 1300 branches, in the U.S.A these are known as "chain stores." There is a network of these chain stores in the U.S.A and are getting immense popularity there.

* Characteristics of multiple shops:

(1) Multiple shops specialise in one or two articles. The articles are sold by all the similar shops charging uniform price.

(2) They operate on "cash and carry" principle and do not allow credit and free delivery service to customers. The goods are sold on cash basis.

(3) The main objective of the multiple shops is to establish direct contact with the consumers by eliminating middlemen.

(4) They operate under centralised control and are horizontally integrated.

(5) The layout of these shops is simple and similar.

(6) There are centralised purchases for all the shops which are undertaken by the head-office.

- (7) The branches of multiple shops are scattered throughout the city and also cater to the needs of the customers living at distant places.
- (8) The products sold by multiple shops are mainly necessities or semi-necessities and do not require extensive selling efforts.
- (9) The multiple shops lay emphasis on large and quick turnover.