

A Literature Review of Retailing Sector and Business Retailing Types

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Abstract

The retail sector probably is the most important sector of economy because it has to do directly with consumer. It includes all stores, from kiosks and small groceries to supermarket chains and shopping malls that sell products and services to final consumer for personal and household use. The aim of this paper is to make an investigation of retail sector and its business type. To gather the data, second resources has been used. A deeply scanning of literature has been performed. According to the investigation, the retailing sector generally is organized in two main groups: the retailing within the store and retailing out of the store.

Retailing within the store is classified according to different characteristics, but the most important types of classification are those based on the form of the ownership, merchandise and price. According to the ownership-based classification, the most important types are independent stores, chain stores, franchising and leased department stores. According to the merchandise-based classification the most important types of retailing are department stores, supermarkets, specialty stores, convenient stores, superstores and retailer services. According to the price-based classification, the most important types of retailing are discount stores, factory outlets, category killers, off-price stores, warehouse clubs and hypermarkets. According

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to the place-based classification the most important type of retailing are shopping centers. The most important types of retailing out of the store are direct selling, direct marketing and automatic vending machines selling.

Key words: retail, consumer, store, ownership, merchandise, price;

1. Introduction

Retailing is a socio-economic system, which brings people together, to exchange goods and services for a small consideration; which matches the needs of people, the ultimate consumers, with those of manufacturers and agriculturists, which not only satisfies the essential daily necessities of life but also promotes new lifestyles, thus peace, happiness and prosperity in the community (Rudrabasavaraj, 2010: 1).

The origin of 'retail' word comes from the French 'retailer', that means 'to cut a piece off' or 'to break bulk'. In other words, it shows a first hand-transaction with the customer (Sharma, 2008: 1; Dhotre, 2010: 47; Amit & Kameshvari, 2012: 466). Amit & Kameshvari define retailing as a group of activities where goods and services are marketed to final consumers for personal or household consuming. Retailing does this by making them available on a massive extent and offering them to consumers on a relatively small extent (2012: 466).

In a similar meaning, Kotler and Armstrong define retailing as all the activities for selling goods or services directly to ultimate buyers for their personal, non-business use (2012: 374) whereas according to Aydın, retailing represents the entirety of activities that add value to products and services sold to consumers for personal use and households (2013: 4). So, retailing consists of all of the activities of goods sold to ultimate buyers (Perreault et al., 2013: 295).

Retailing thus, is seen as the ultimate gate in the delivering of products, for consumption by the final consumers. Any firm that markets goods to the ultimate buyer is doing the function of retailing. It thus, includes all activities associated in the selling of products and services directly to the buyers, for their personal, family or household use. Retail is the final stage of any economic activity (Arora, 2012: 10).

People or businesses who deal with retailing are called retailers. Brokers who participate in carrying out a retail activity in the marketing channel are persons or businesses who have retailing as a profession. (Aydın et al.,

2013: 4). Many entities; producers, wholesalers, and retailers, perform retailing. But the largest part of retailing is performed by retailers, businesses whose sales come mainly from retailing (Kotler and Armstrong, 2012: 374). Even if almost all businesses; manufacturers, wholesalers, and retailers sell goods to the latest consumers, retailing is mostly performed by retailers because that's their job (Mucuk, 2009: 285).

The retailer is a person or agent or agency or company or organization who sends the products or services to the ultimate consumer (Amit and Kameshvari, 2012) and embrace the product with the service provide, the customers who need it (Altunışık et al., 2012: 279). Thus, the customer and the fulfillment of customer desires and needs which are the key points of retailing are the retailing focus (MEGEP, 2008: 4).

2. Development of Retailing

Retailing is as old as exchange. Retailing is one of the oldest businesses in the world and was practiced in prehistoric times. Earlier it was the exchange of food and traditional weapon which followed the emergence of traders and peddlers. The day barter has been replaced by exchange through money (in any form) the retailing came into existence (Tiwari, 2009: 1).

A few centuries ago, in the 16th and 17th centuries, some retail chains in some European cities were known (Aydin, 2013: 1-2). However, the beginning of retailing development is acknowledged to be at the end of the 19th century and early of the 20th century. At the beginning, retailers dominated with any merchandise. Later, retailers specializing in the market began to gain momentum. Last few years, there are very large stores, but again selling every kind of merchandise. In countries that have developed retailing, competition has reached high levels and has again started focusing on specialized stores. But this time, they have started to show themselves very deeply (MEGEP, 2008: 13; Altunışık et al., 2012: 280).

Five decades ago, retailing was not an integrated industry. Department stores were the 'giants' of the time providing a number of departments for their customers. Since there, consumers have become more mobile and their behavior has changed. Retailing business has emerged to this challenge and transformed markets at home and abroad (Ferne et al., 2012: 10).

The marketplace of retail has been reconstructed in the space of 5 decades. In place of classic nearness retailing, where consumers bought at their closest convenient store, the attention has shifted to target retailing, where consumers are inclined to go farther to get the best choice at better prices (Fernie et al., 2012: 10).

The industry of retail came up with remarkable adjustments in the whole process of manufacturing, delivering and consumption of goods all over the world. Nowadays, most of the biggest economies are using the retail industry as their crucial growth instrument (Sharma, 2008: 4). But, besides of this, retailers act in a hard and rapid-changing climate, which provides risk as well as hopes. For instance, the industry experiences continual overcapacity, resulting in intense competition for customer money, especially in hard economic times. Consumer demographics, lifestyles, and spending patterns are changing rapidly, as are retailing technologies. To be successful, retailers need to choose target segments carefully and position themselves strongly (Kotler and Armstrong, 2012: 389).

Countries with the most developed and successful retailing in Europe are Germany and England. The turnover of sales sector in these countries is eight times in Greece or Portugal, twice as much as Europe's average. Overall, retailing in Europe is decreasing over time. There is also a dense competition among large retailers such as hypermarkets and chain stores (MEGEP, 2008: 13; Altunışık et al., 2012: 280).

Retail is an extraordinary business, with an ever-shifting landscape. Many retail markets in the world have been particularly eventful in recent years, with increasing competition, margin pressure, and greater merger and acquisition activity (Tang & Lim, 2008: 18). Retailing is increasingly gaining importance and along with the developed technology is turning into a giant sector (MEGEP: 2008: 3).

Today's potential customer is most likely an experienced buyer with a keen eye for price, service and convenience. They are more sophisticated and more demanding. As markets become more competitive, customers' demands for quality product and service increase. As a result, delivering a unique in-store experience is a key goal for retailers today (Tang & Lim, 2008: 10).

Nowadays retailers need to search for new marketing tactics to appeal and hold customers. While in the past, retailers attracted buyers with exclusive assortments and better services, today, retail assortments and

services seems to be more and more similar (Kotler and Armstrong, 2012: 382).

3. Retailing Functions

People often think that retailing is just selling goods at a store, while retailing at the same time includes the sale of services. For example, accommodation in a hotel, visit at a doctor, hair cutting, buying DVDs, VCDs or distributing a pizza at home are all retail services (Aydin et al., 2013: 4).

Retailing can be differentiated in numerous manners from other business activities. It has following characteristics (Arora, 2012: 12):

- There is a direct end-user interaction in retailing.
- It is the only point in the value chain to provide platform for promotions.
- Sales at the retail level are generally in small unit sizes.
- Location is a critical factor in retail business.
- In most retail business, services are as important as core products.
- There are a larger number of retail units compared to other members of the value chain.

Retailing performs various functions in our day to day life. Its main role is seen in the distribution channel of marketing. It serves producer, consumer and economy as a whole in a big way (Tiwari, 2009: 7).

A retailing or retailer's function is important for consumers and manufacturers and wholesalers. Retailers work as buying specialists (agents) for clients and sales agents for their suppliers: while fulfilling these roles, they perform various marketing activities such as meeting customer needs, creating product types, collecting market information, and granting customer's credit. These provide the consumer's connections with producers or wholesalers (Mucuk, 2009: 285).

The retail economic bases can be explained by four concepts of utility (Altunışık et al., 2012: 283; Aydın, 2013: 15-16; Perakendecilik Noktaları: 2016):

1. **Place utility:** Generally, products should be available in a place that the consumer chooses. Otherwise, consumers may not choose the merchandise or the required merchandise can either replace or give up the merchandise completely. In this case, the payments that the

consumer will make are limited. In other words, the place utility can be defined as satisfying the consumer's desire to purchase the desired goods and services in a place where the consumer wants, without departing too far.

2. **Time utility:** Because consumers are looking for products at certain times, the retailer's job is to know this time and make the products available at the required time. However, the retailer seeks to obtain the cost price of the offered capital. The length of delivery time available to the product will affect the price level.
3. **Ownership utility:** The retailer selling to customers with credit provides the utility of ownership. It transfers the ownership of the goods and the payment of the price relates to the maturity. From this perspective there is a credit or financial cost of services to retailers. Sales people also make a contribution to creating this benefit. They complete the documents for the transfer of ownership and provide customer information about the product, charge the price, fill in the sales voucher, and so on.
4. **Shape utility:** Many retailers make a difference in the products sold. Changes made to sell products affect sales. For this reason, there are workshops in many large stores for activities such as toys and tables assembling, photo frames, and more. It is impossible for retailing to be thought of separate from the environment in which it is found and from the changes that occur in this environment. In the concept of this environment there are factors outside the firm that cannot be controlled such as the structure of the population, economic conditions, cultural and social factors, changes in political philosophies, legal and administrative arrangements, technological changes and factors within the firm that can be controlled.

As it can be understood from the above part, from a consumer perspective, the retailer offers him the products and services he needs in the required quantity, at the required location and time. From an economic point of view, the duty of a retailer is to offer real added value or utility to the ultimate consumer (Pradhan, 2008: 4). Dhotre summarizes the functions of retailer as written above (2010: 51):

1. Retailer makes products available and when required by the customers at the convenient places.
2. Retailer acts as an agent engaged in providing customer services.

3. As retailer has direct and regular contact with the customers, they are more comfortable to deal with retailer. Hence, the retailer must maintain a rapport and communicate regularly with the customers.
4. Bulk breaking and offering product assortments as specific need of individual customer. Even though it is the function of wholesaler, large retailers such as Hypermarkets or Supermarkets also perform it. They purchase in bulk and break it in convenient packs and offer to the customers at economical prices.
5. Retailer has to inform customers' feedback and other marketing information to the producers so as to get the idea about local market and customers' response and design appropriate strategies.
6. Retailer can provide financial assistance to the customers by providing credit or installment facility. With the association of banks and other financial institutions, retailers can arrange for loan.
7. Retailer can influence the buying decisions and create the place for the products in the market. Retailer can give detailed information about product, explain product features, instructions to use the product as well as give demonstration of product. Retailer has to clarify all the queries of the customers and finally persuade the customers to buy the product.
8. Retailer acts as a change agent. He has to inform about change in price, new features introduced in the existing product, new models, promotional schemes announced by the producer, etc., and has to create favourable opinion about the changes.
9. Retailer plays important role in selling unpackaged goods and promoting the new products or services/concepts using his contacts, influence and customers' faith on him. Many customers prefer to purchase at the particular retail shop, even though it is not near or very convenient to them just because of the trust and good experience and long relationship with that retailer.

To facilitate the transaction between the retailer and the customer, the retailer performs five basic functions (Tang & Lim, 2012: 7):

1. Merchandising, a process which includes the purchase of an appropriate assortment of products and to ensure the profitable sale of these products.

2. Operations, also known as store management, include activities such as store maintenance, receipt and distribution of merchandise, as well as offer sales-support activities and customer service.
3. Promotions include all activities that concern with communicating the retailer's message to the public through advertising, displays, publicity, public relations, special events and promotional activities of the store.
4. Control, which deals with the financial aspects of the business, that is, accounting procedures, employees' payroll, sales tallies, customer and supplier bills.
5. Personnel, which involves employee selection, training, advancement and welfare.

4. Retailing Types and Store Definition

Retailers generally can be classified by ownership, offered products, operating methods, service level, and location. Below is the classification of retailer institutions (Tenekecioglu et al., 2005: 192-193):

1. According to ownership:
 - Independent Retailers
 - Unified Retailers (volunteer chains, retailer groups, chain stores, branch stores)
 - Manufacturers' sales stores
 - Cooperatives
 - Franchising
2. Based on the products offered:
 - General stores
 - Stores that sell limited types of products
 - Special stores
 - Department stores
 - Convenient stores
3. According to the method of activity:
 - In store retailing
 - Out store retailing (sales by post, door-to-door sales, vending machines, sales by telephone, television, computer)
4. According to the service level:
 - Self Service Retailing (choose-get itself)
 - Retailers who provide limited service

- Retailers who provide full service
- 5. According to the place they are:
 - Stores in the neighborhood
 - Stores in the city center
 - Secondary shopping centers
 - Stores in the city's main shopping centers
 - Stores in shopping malls
 - Retailers in neighborhood markets
 - Sellers on the edge of the highway
 - Stores in villages and towns
 - Retailers in moving (with and without a vehicle)
 - Truck dealers.

Stores that operate as retailers are also eligible to be classified according to the products sold, the joint functions, the property, the place of occurrence, the organizational structures, the method applied, the size of the scale, both of being national and international, service and according to how customers see stores (Altunışık et al., 2012: 291).

4.1. In Store Retailing

The main purpose of retail stores is to provide profit by selling final consumer goods. In accomplishing this goal, retailers offer significant benefits to consumers (Altunışık et al., 2012: 282; MEGEP, 2008: 16). The retailer by providing the right product, in the right place and in the right time, realizes the sale and transfers the ownership and provides the place, time and ownership utility (Mucuk, 2009: 285-286).

A retail store can offer some of the services below or all of them for its customers (Aydın, 2013: 14):

- Suitable location,
- Choice of product types with respect to a particular market segment,
- Separating large volumes of products into small amounts for retail sales,
- Provide different forms of products to bring them in a more acceptable form,
- Storage of products to be available at relatively constant prices,
- Assisting to provide the transfer of ownership of products,
- Contributing to the movement of products during the distribution system (for example, from wholesalers to retailers and consumers),

- Providing information to both consumers and suppliers,
- Providing product and service warranty after sales and meeting customer complaints,
- The possibility of lending and installments
- The possibility of distribution in certain areas of social relations.

Kotler and Armstrong state that it's possible to classify retail stores according to several characteristics, counting the extent of service they offer, the breadth and depth of their product lines, the relative prices they charge, and how they are organized (2012: 375).

According to Tiwari, the retail of the type of the store is classified into three types and the types of retail stores treated below are classified according to this (2010: 71):

- a) Form of the ownership,
- b) Merchandise, and
- c) Price.

4.1.1. Ownership-Based Classification

A retailer may be a part of a chain, manufactured-owned, franchise, or he can be an independent retailer (Dhotre, 2010: 107). The most important types of ownership-based classification are:

- **Independent Stores** - Any type of retail business, whether small or large, can function as an independent one. Just as a business owner can be a person, business can also be run by a partnership. A typical retailer is a small business and managed by a single manager (often the owner is a manager) (Aydm, 2013: 36). Independent stores are small or large retail entities that are not related to anyone in terms of ownership, where the owner may be a person or partnership of different types. These are retail brokers who work independently from both manufacturers and customers (Mucuk, 2009: 289).
- **Chain Stores** - These stores consist of two or more outlets that are generally purchased and controlled (Kotler& Armstrong, 2013: 381). The chain stores, which belong to the retail classification by ownership, are the chain of businesses where two or more retail stores are under one owner (Mucuk, 2009: 287-288). From the shops which offer any kind of goods or service can be created chains (Altunışık et al., 2012: 291-292). Comparing to independent stores, chain stores have a lot of advantages. First, because of their size retailers can buy in big quantities at lower prices and achieve

promotional economies. To deal with pricing, promotion, merchandising, inventory control, and sales forecasting, they can hire specialists (Kotler& Armstrong, 2013: 381). The chain stores can be seen in any type of retail and their biggest organization occurs in department stores, multi-variety stores, grocery stores and women's clothing stores. Compared to independent stores, they have more advantages: high volume purchases and cost savings due to other functions, promotion savings, highly specialized staff etc. (Mucuk, 2009: 288).

- **Franchising** - A franchisor has a successful business model which he wants to be replicated so as to promote growth and expansion. Similar units under this model are called franchises (Chunawalla, 2009: 29). Franchising is a contractual association, between a producer, wholesaler, or service business and independent business people who buy the licence to own and act one or more units in the franchise system (Tiwari, 2009: 74). Manufacturer gives franchise (authority) to a number of independent retailers. But they are not the owners in the real sense. All independent retailers (franchisees) are bound to follow certain rules and regulations laid by manufacturer (franchiser) (Dhotre, 2010: 108). The biggest difference between franchise businesses and other contractual systems (voluntary chains and retail cooperatives) is that franchise systems are normally based on some unique manufacturer service; a method of making business; or the trade name, goodwill, or patent that the franchisor has developed. Franchising system has been outstanding in motels, fast-foods restaurants, autosales, service health and fitness centers, and real estate (Kotler & Armstrong, 2013: 381-382). Franchising provides advantages, both for franchisor and franchisee. Franchisor benefits the motivation and hard work of personel who are entrepreneurs instead of just simple employees, the brand recognition with local communities and conditions, and the enormous buying power of being a franchisor. Franchisees benefit from buying a business with an eminent and accepted brand name (Kotler& Keller, 2012: 450).
- **Leased Department Stores** - As the name indicates itself, this is a department within a departmental store available for rent from an outsider on leaserental. It is managed as an sovereign unit responsible for its incomes and outcomes (Chunawalla, 2009: 32). It is a good method available to the retailer for expanding his product

offering to the customers. One can find jewellery, shoe and perfume sold in this method in large department stores (Tiwari, 2009: 75).

4.1.2. Merchandise-Based Classification

An another classification of retailers is made according to the length and breadth of their product assortments (Kotler & Armstrong, 2013: 376). Here, the most important stores are:

- **Department Stores** - Department stores are retail businesses that sell in large sizes, with the exception of consuming goods, they work in wide buildings in one or many floors, and mostly on each floor there is a separate department (Mucuk, 2009: 287). The department stores are the largest stores made up of many separate departments and offer customers multiple production lines (Perreault et al., 2013: 299). Taking advantage of their size, these stores with a small profit rate, but with rapid stock turnover, try to derive benefits. The department's profits are calculated separately (Altunışık et al., 2012: 291). Department stores are mainly installed in the major shopping centers of cities and sell a wide variety of goods that are not related to one another; furniture, utensils and other household items, clothing for women, men and children, as well as special goods. Due to promotions, service and control are divided into departments (Mucuk, 2009: 287). Recently, department stores have been clutched between concentrated and flexible specialty stores on one side and more efficient, lower-priced discounters on the other. In response, many department stores have used promotional pricing to overpass the discount menace. Others have start using the in store brands and single-brand “designer shops” to battle with specialty stores. Still others are trying catalog, telephone, and selling in web and service still is the main differentiating component (Kotler& Armstrong, 2013: 376). These shops are usually powerful in customer services such as credit, delivery and sales aid (Perreault et al., 2013: 299).
- **Supermarkets** - This type of retailing is the most frequently shopped type (Kotler & Armstrong, 2013: 376). Supermarkets are shops which sell specially food products, cleaning and personal care in special sectors with the self-service system (Altunışık et al., 2012: 292). In the sector, attention is paid to open-air showcases and performances. Supermarkets in developed countries have replaced stores thanks to large quantities and without intermediaries of large food products

and basic needs, fast-moving products and the like, so that low-profit rates can be sold at low prices (Mucuk, 2009: 288). The basic idea of the supermarket was developed during the economic crisis in America in the 1930s. Some innovators introduced to the audience "self-service" to reduce costs and expand the range of products. Profits did not originate from the high profit margins, but from high volumes of goods sales (Perreault et al., 2013: 299). Modern supermarkets have up to 47,000 product items, while shop areas are approximately up to 47,000 square feet. To be called supermarket should at least generate \$ 2 million in annual sales, but an average supermarket per year generates \$ 17 million in sales. In the United States there are about 35,000 supermarkets and most of them are in food items, with intense competition. In most other countries, however, they are beginning to be a new force (Perreault et al., 2013: 299).

- **Specialty Stores** - Stores that sell special merchandise are small, specialized, mostly independent retailers, who with a certain product line address a particular segment of the market but offer variety for clients in the specialized branch. They operate in such areas as, for example, children's clothing, sportswear, coats, shoes for women, and sometimes even in the form of chain stores (Mucuk, 2009: 289). Specialty stores sell particular types of products, high quality sports equipment, privileged clothing, mature products, and even antique products. They are intended to be units that provide better service with knowledgeable employees and unique product range (Perreault et al., 2013: 299). Specialty stores, host limited product lines with profound assortments within those lines. Today, these stores are blooming. The increasing use of market segmentation, market targeting, and product specialization has resulted in a greater need for these stores which focus on specific goods and segments (Kotler & Armstrong, 2013: 376). In specialty stores, the purchase is facilitated by a service provided to certain clients who are well known to management and sales representatives; sales speed increases, as well as cost reductions in product fashion shift and style change. Specialty stores, as long as they offer their customers different tastes and have the money to satisfy them, will surely continue to be part of the retail scene (Perreault et al., 2013: 299).

- **Convenient Stores** - Convenient stores are shops that are established in places closer to the customer, working on the basis of self-service, which have a few varieties but many food products (Tenekcioğlu et al., 2005: 195). Convenience stores are small stores and carry a narrow line of every day sold convenience products (Kotler & Armstrong, 2013: 377). Conventional grocery stores are a lighter type of traditional food stores that have a limited product line. Rather than increasing their variety, markets are restricted by filling their stocks with bread, beer, milk and light products. Most of these stores sell gasoline (Perreault et al., 2013: 302). Convenience stores recently have also broaden their merchandise to items such as snacks, tobacco products, sandwiches, softdrinks, alcoholic beverages such as beer and wine, magazines, newspapers, lottery tickets and car washes. Convenient stores substitutes the consumer trip to supermarket. Convenience stores works for long hours, and are open for seven days of a week (Chunawalla, 2009: 33). Prices are expensive compared to supermarkets (Tenekcioğlu et al., 2005: 195).
- **Super Stores** - Super stores are much bigger than traditional supermarkets and provide a bigger variety of frequently bought food productions, nonfood items, and services (Kotler& Armstrong, 2013: 378). In these stores, in addition to food items, they also offer many different products and services, such as furniture and other household items, photo material, cosmetics, clothing, tires, laundry, car repair, car wash, photo development etc. (Mucuk, 2009: 288).
- **Service Retailers** - For many retailers, the product line may be a service. Service retailers consists of banks, airlines, hotels and motels, restaurants, movie theaters, colleges, hospitals, repair services, tennis clubs, bowling alleys, hair salons, and dry cleaners (Kotler& Armstrong, 2013: 378).

4.1.3. Price-Based Classification

It is also a possibility to classify retailers according to the prices they charge (Kotler& Armstrong, 2013: 378). Retailers follow different pricing strategy. They change their strategies consdering factors like: level of competition, environmental factors, profit objectives, positioning strategies, etc. In practice, many retailers use mixed price techniques (Dhotre, 2010: 111). Here are the most important format of stores based on pricing:

- **Discount Stores** - After World War II, some retailers began to focus on discount prices. These discount stores, which were rented low, made cash payments, repaired itself any service or problem, and sold on discounts to durable products such as cameras and televisions (Perreault et al., 2013: 300). In the early 1950s, with the end of the war, brand makers were added and discount stores got the opportunity to buy the desired goods and thus expanded their products. At this stage, many discount stores were moved to more convenient locations and began to offer more service and warranty. In this way, retail stores of this version were developed (Perreault et al., 2013: 300). Discount shops are retailers who intend to sell to the consumer branded goods at low prices continuously and working with the self-service system (Altunışık et al., 2012: 292; Mucuk, 2009: 289).
- **Factory Outlets** - It is owned by the manufacturer. It stocks the merchandise made by a manufacturer. Textile mills run their own outlets (Chunawalla, 2009: 35). The manufacturer himself opens a retailshop in certain areas and sell at a lower price to the customers. Factory outlets do not contain A grade merchandise, they provide 20-30% discount (Tiwari, 2009: 80).
- **Category Killers** - In last years, the so-called category killers have also lived the boomerang growth of super stores that are actually giant specialty stores. Category killers are giant specialty stores that carries a very profound variety of a particular line and are staffed by knowledgeable employees (Kotler & Armstrong, 2013: 378). These stores offer a large variety of goods at low prices. Consumers are drawn from far and wide. Toy R is one example of these stores stocking several thousand toys. They buy economically, and sell cheap (Chunawalla, 2009: 35).
- **Off-Price Retailing** - They sell merchandise at lower price. Their buying is economical, since they procure seconds, over-runs, and off-season items (Chunawalla, 2009: 35). Off-price retailers buy at less-than-regular wholesale prices and charge buyers less than retail. Off-price retailers can be found in all industries, from clothing, food, and electronics to no-frills and discount brokerages (Kotler & Armstrong, 2013: 378).
- **Warehouse Clubs** - Such stores are established to satisfy such consumers who want low prices every day and willing to give up service needs. In price clubs one has to pay a membership fee. These

store keep limited assortment of goods. Their size may be large also (Tiwari, 2009: 81).

- **Hypermarkets** - These are stores that have a wide range of topics such as food, clothing, furniture, bookstores, household appliances, automobile accessories or spare parts and which have the ability to sell from 45,000 to 60,000 items (Altunışık et al., 2012: 292). These hypermarkets are more like a combination of supermarkets, pharmacies, and large retailers, but their concept is different (Perreault et al., 2013: 301). Hypermarkets operate in a space 5-10 times greater than the supermarkets (Mucuk, 2009: 288) and meet all routine customer needs at low prices (Perreault et al., 2013: 301). They also provide services such as parking, children's playground, hairdressers, massages, etc. (Altunışık et al., 2012: 292).
- Retail stores can also be classified according to the place. The most important type of this classification are Shopping Malls.
- **Shopping Malls:** "A shopping mall is a group of retail organizations built on a place that is planned, developed, owned, and managed as a single unit" (Kotler ve Armstrong, 2012: 388, Aydın, 2013: 141). A shopping mall, shopping center, shopping arcade, shopping precinct or simply mall is one or more buildings forming a complex of shops representing merchandisers, with interconnecting walkways enabling visitors to easily walk from unit to unit, along with a park area - a modern, indoor version of the traditional market place (Ali, 2015: 5229; Kumar & Thakur, 2014: 118). Particularly, shopping malls offer diverse brands and utilities at the same place and host independent retail stores, services, and parking and are maintained by a management firm as a unit. Shopping centers includes also banks, professional offices, theatres, restaurants, service stations and other establishments (Ali, 2015: 5229).

4.2. Non Store Retailing

Even why the most of the retail trade is done in stores, another part is done away from the store that this is called "non store retailing." Non store retailing gradually increasing has developed new varieties, which has accelerated the growth of this type of retail (Mucuk, 2009: 289). Non store retailing can be classified as follows:

4.2.1. Direct Selling

Direct selling, also called multilevel selling and network marketing, is a multibillion-dollar industry, with hundreds of companies selling door-to-door or at home sales parties (Kotler & Keller, 2012: 449).

From a retail point of view, direct selling is the provision of personal contact between the consumer and the seller away from the store. This style of sale also expressed in terms of "door-to-door", "home-to-home sales" can actually be divided into two groups: door to door and home sales. In the first one, contacts are made through phone, letters, etc. with potential buyers, especially with housewives, with them, or before the creation of the contact the potential buyer is met (Mucuk, 2009: 290).

Buying from home in America has started from selling door to door. In this system, the seller goes directly to the customer's house (Perreault et al., 2013: 302) or a salesman goes to the home of a guest who has invited friends; the salesman shows the products and takes orders (Kotler & Keller, 2012: 449). This approach, through personal sales, meets the needs of some consumers directly. Consumers can also make purchases from home, from cable TV channels. They give their orders by phone. Shipment usually takes place after a few days via UPS courier or FedEx (Perreault et al., 2012: 302). The biggest disadvantage of direct sales is the high commission of the retailer. Also, increasing the number of women living alone and working women makes it increasingly difficult to find purchasers for direct sales (Mucuk, 2009: 290).

4.2.2. Direct Marketing

The origin of direct marketing relies in direct-mail and catalog marketing. Direct marketing includes telemarketing, television direct-response marketing, and electronic buying (Kotler & Keller, 2012: 449).

The main types of direct marketing are "direct mail", "marketing of cataloging" and "telemarketing". Firms that apply these methods send customers letters, brochures, and even product samples and order fill formatting and require customers to give orders by phone or mail. This method is used in services such as magazines, books, tapes and CDs, souvenirs, clothing products, insurance marketing, credit card marketing and membership of sports clubs (Teknecioğlu, 2005: 197).

Direct marketing, in general, occupies a very important place in "non store retailing" because it is based in creating contact with the consumer through advertising, phone, catalog, website etc., and the need of not going

to the store (Mucuk, 2009: 290). Nowadays people are doing online shopping and ordering a large variety of products and services from a wider range of websites. In the USA, online sales were predicted to be \$210 billion in 2009, with travel being the greatest category (\$80 billion) (Kotler & Keller, 2012: 449).

4.2.3. Automatic Vending Machines Selling

Sale by automatic machines represents the sale and delivery of products via vending machines (Perreault et al., 2013: 302). It is the sale of products such as cold drinks, hot drinks, snacks and tobacco by automatic machines (vending machines, vendors) (Mucuk, 2009: 290). Vending machines offer a variety of merchandise, including impulse goods such as coffee, soft drinks, newspapers, magazines, candy and other products such as cosmetics, hot food, hosiery, and paperbacks. Vending machines can be found in large retail stores, offices, factories, restaurants, hotels, gasoline stations, and many other places. They offer 24-hour selling, self-service, and merchandise that is stocked to be fresh. Japan has the most vending machines per person. Coca-Cola has over 1 million machines there and annual vending sales of \$50 billion, twice its U.S. figures (Kotler & Keller, 2012: 449). The customer likes the convenience of vending machines, even if they are expensive (Perreault et al., 2013: 302).

5. Conclusion

Retailing includes all activities associated in selling products and services to ultimate consumer for personal, family and household use. It makes the distribution of products from large volumes in small volumes. Retailing makes a connection between the producer and consumer, so it's not a mistake calling it a bridge that connects the producer with its consumers. People or businesses who deal with retail are called retailers and the retailer is a person or agent or agency or company or organization who or which is crucial in reaching the products or merchandise or services to the end consumer. Retailing is an old industry that has existed from the first people in the form of goods' exchanging. In our days, retailing is organized in two main forms: in store retailing and non store retailing. There are a lot of types of in store retailing and they are classified to different characteristics. However, in this paper I have classified the types

of retail according to ownership, merchandise and price and also according to place.

According to ownership-based classification I have discussed about independent stores, chain stores, franchising and leased department stores. Independent stores are small or large retail entities that are not related to anyone in terms of ownership, where the owner may be a person or partnership of different types. Chain stores consist of two more outlets that are generally owned and controlled. Franchising is a lawful association, between a producer, wholesaler, or service organization and independent business people who buy the right to own and operate one or more units in the franchise system. The Leased department stores are departments within a departmental store made available to an outsider on leaserental. They run as an autonomous unit responsible for its revenues and losses.

According to merchandise-based classification, we discussed about department stores, supermarkets, specialty stores, convenient stores, superstores and services retailers. Department stores are retail businesses that sell in large sizes, with the exception of consuming goods, they work in wide buildings in one or many floors, mostly on each floor there is a separate department. Supermarkets are shops which sell specially food products, cleaning and personal care products in special sectors with the self-service system. Specialty stores sell particular types of products, high quality sports equipment, privileged clothing, mature products, and even antique products. Convenient stores are shops that are established in places closer to the customer, working on the basis of self-service, which have a few varieties but many food products. Superstores are stores that are bigger than supermarkets and provide a large variety of everyday purchased food productions, nonfood items, and services. Service retailers include banks, airlines, restaurants, hotels and motels, hospitals, tennis clubs, bowling alleys, movie theaters, colleges, repair services, hair salons, and dry cleaners.

According to price-based classification we discussed about discount stores, factory outlets, category killers, off-price stores, warehouse clubs and hypermarkets. Discount stores are retailers who intend to sell to the consumer branded goods at low prices continuously and working with the self-service system. Factory outlets stocks the merchandise made by a manufacturer. Category killers are giant specialty store that offer a very broad assortment of a particular line and its staff is very knowledgeable. Warehouse clubs are developed to satisfy such consumers who want

discount every day and are ready to give up service needs. Hypermarkets are stores that have a wide range of topics such as food, clothing, furniture, bookstores, household appliances, automobile accessories or spare parts and which have the ability to sell from 45,000 to 60,000 items. I have also discussed about shopping malls that are group of retail businesses built on a site that is planned, developed, owned, and managed as a unit.

Beside the retail within store, retail is organized as a non store type where the business is realized out of the store. The most important types of this organizing are direct selling, direct marketing and automated vending machines selling. Direct selling is the provision of personal contact between the consumer and the seller away from the store. Direct marketing occupies a very important place in "non store retailing" because it is based on creating contact with the consumer through advertising, phone, catalog, website etc., and the need of not going to the store. Vending machines selling represent the sale and delivery of products via vending machines.

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