RETAIL SYSTEM INNOVATION PRACTICES IN SMALL AND MEDIUM BUSINESSES IN TANZANIA; The case of Dar es Salaam *(By Lucy Mary Mboma)*

Abstract

This paper presents current retailing system innovation practices in Tanzanian. The total retail system innovations are influenced by innovations in business environment providing enabling climate that support innovative practices in retail mix.

The findings show that innovations in financial infrastructure reduced the problem of lack of finances and working capital by small and medium retail enterprises (SMREs); innovations in IT, ICT and aid to trade facilitated communications, reduced cost leading to effective retail mix innovations.. The innovations outcomes are new and attractive retail institutions are established in Dar es Salaam, customer satisfaction, retail development and increased peoples' welfare.

The results have implications to policy and business strategy. The importance of business innovations as comprehensive approach starting from meta, macro and micro factors provide enabling environment that enable retailers to innovate retail mix variables. At national level policy formulation having retail sector in mind provide solutions to retail challenges as displayed by financial infrastructure innovations.

The study recommends a comprehensive national policy integrating policies addressing SMREs in different sectors of the economy addressing barriers to trade. Retailers' policy on acquisition of skills of marketing, retailing, management, enterprising, merchandise management and accounting is necessary. Long term solution is streamlining such knowledge in basic education system. Short term solution means introducing business clubs in schools as are cases of art and music orient young people on the best practices in retailing and short courses to managers of retail stores.

The paper concludes innovative practices in SMREs to cover the entire retail system for successful results.

Key terms: Innovations in SMER systems, financial infrastructure, aides to trade and retail mix.