

## **RETAIL OPPORTUNITIES AND EMERGING CONSUMER TRENDS: A STUDY OF UDUPI DISTRICT**

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### **Abstract**

Retail business expansion plays a crucial role in economic development by enhancing the availability of goods and services while generating employment opportunities. In India, the retail sector has emerged as one of the most dynamic contributors to economic growth. According to the Global Retail Development Index (GRDI), India is among the most attractive destinations for retail investment and expansion. Retailers increasingly focus on developing strategic advantages by effectively managing critical resources such as location, infrastructure, and customer relationships. The retail sector contributes nearly 15 percent to India's Gross Domestic Product (GDP), which is significantly higher compared to other emerging economies. Rapid changes in consumer behaviour, driven by globalization, increased disposable income, and advancements in media and communication networks, have transformed the retail landscape. This study is based on primary data collected from 100 retailers in Udupi district through interviews and observation. It aims to analyze the opportunities available to retailers and examine the influence of global lifestyle trends, media exposure, and digital adoption. The findings reveal a highly significant relationship between the type of retail business and the perception of online shopping trends among the younger population, with large-scale retailers showing greater adaptability toward digital transformation. The study concludes that evolving consumer aspirations, increasing digital engagement, and changing lifestyle patterns are reshaping retail practices. Retailers must adopt innovative strategies and leverage technology to sustain growth and competitiveness in the modern retail environment.

**Keywords:** Consumer aspiration, global lifestyle, media influence, retail growth, digital transformation

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### **Introduction**

Retailing is one of the fundamental pillars of economic development, as it facilitates the distribution of goods and services and generates large-scale employment. In India, the retail sector has undergone a significant transformation due to rapid urbanization, rising income levels, and increasing exposure to global markets. The emergence of organized retail, along with the continued presence of traditional retail formats such as kirana stores, has created a highly competitive business environment.

The growing middle class, rising disposable income, and changing consumer preferences have led to an increased demand for quality products and convenience-oriented services. Furthermore, advancements in technology and the widespread use of digital platforms have revolutionized the way consumers interact with retailers. Online shopping, digital payments, and social media marketing have become integral components of modern retailing. In this context, it becomes essential to understand the opportunities and challenges faced by retailers, particularly in semi-urban regions such as Udupi district. This study attempts to analyze these aspects and provide insights into emerging retail trends.

### **Objectives of the Study**

The study is guided by the following objectives:

1. To examine the opportunities available to retailers in Udupi district.
2. To understand the impact of global lifestyle trends on consumer behaviour.
3. To analyze the role of media and communication networks in shaping retail growth.

### **Research Methodology**

The study is based on both primary and secondary data. Primary data was collected from 100 retailers in Udupi district through structured interviews and observation methods. Retailers from small, medium, and large-scale business units were included to ensure a comprehensive understanding of the retail environment. Secondary data was collected from published reports, journals, and previous research studies related to retailing and consumer behaviour. Statistical tools such as percentage analysis and chi-square tests were used to analyze the data and identify significant relationships between variables.

### **Review of Literature**

Previous studies highlight the dynamic nature of the retail sector in India. Research indicates that Indian consumers are highly receptive to new products and innovative retail formats. Increasing income levels and time constraints have led to a growing demand for convenience and quality.

Studies also emphasize the challenges faced by retailers, including infrastructure limitations, supply chain inefficiencies, and regulatory constraints. Traditional retail formats such as kirana stores continue to pose strong competition to organized retail due to their low cost structure and strong customer relationships.

Nair Suja (2008): In the AC Nielsen Shopper Trends Report provides the information that Indians are the most 'novelty seeking' across the Asia Pacific Region. It indicates that Indian consumers will be receptive towards new products and new shopping formats .

Bajaj Chethan, et.al. (2009): In urban India, families are experiencing growth in income but dearth of time better quality products, demand for convenience and services are the key challenges in urban India.

Kar S. and Sahoo (2009): opines that the challenges in the Indian market are infrastructure, technology, supply chain, human resources, store positioning, and foreign direct investment and license-raj.

Sinha P.K. and Uniyal D.P. (2009): The kirana is posing a challenge to a large sized organized retailer. The kirana practices customer relationship management (CRM) diligently. Consumer familiarity runs down from generation to generation. Traditional retailing has been established in India for some centuries. It has a low cost structure, is mostly owner operated, and has negligible real estate and labour cost and little or no taxes to pay. As a McKinsey report points out, Indian retailers operate on an extremely low cost base. Capital expenses in retail business are high due to major renovations needed every 5-7 years for large scale business. Getting the right product mix is critical to retailing. Every retailer wants to have high value, high margin and fast moving products. However this is not always possible. Attention has to be paid to gross margin return on investment.

Baral S.K. and Bihari S.C. (2010): Retailing has been one of the fundamental building blocks of the Indian economy. Sharma and Choudhary (2010): conducted an empirical analysis of 2010 retail stores and customers from Chandigarh, Mohali and Panchkula for the measurement of operational efficiency of small medium and large retail stores and conclude that India has a highly competitive retail industry , therefore, it is very essential to have know-how of all those factors which help retailers to sustain in the long run . One of the major requirement which will keep the retailers a class apart is knowledge regarding the challenges in the field. To meet the challenges of globalization and to remain competitive throughout, the retail industry needs to constantly work upon the areas that can create a difference from growth perspective

Kishen R.Y. (2010): Has expressed his views on global retailing as follows: The trend of big-box retailing has expanded to a global level, adding to supply chain innovation setting up alternative outlets, innovative promotion methods, brand recognition, focusing on the programmers to meet consumer lifestyles base on time, family, money and personal obligations. Retailers aim to optimize their business by increasing efficiency in packaging and handling.

**Emerging Opportunities and Key Challenges for Retailers**

Retailers today benefit from numerous opportunities such as a growing middle class, rising disposable income, increasing consumer aspirations for global lifestyles, and higher per capita spending. The expansion of dual-income households, growing youth population, digital payment usage, and exposure to global products through media further enhance retail growth. Improved education, infrastructure, and the rise of working women also contribute to market expansion. However, retailers face challenges including inadequate retail space, high taxes, limited market size, shortage of skilled manpower, poor infrastructure, and lack of quality malls. Additionally, issues like red-tapism, regional disparities, piracy, inventory management, and outsourcing constraints hinder efficient retail operations.

**Analysis and Interpretation**

**Table 1: The Younger Population who are Comfortable to Transact Online**

Districts	The Younger Population who are Comfortable to Transact Online	Business Units			Total
		Small Scale	Medium Scale	Large Scale	
Developed	Very important	117	96	72	285
		(46.8)	(64)	(72)	(57)
	Moderately important	32	24	14	70
		(12.8)	(16)	(14)	(14)
	Not important	101	30	14	145
		(40.4)	(20)	(14)	(29)
<b>Total</b>		250	150	100	500
		(100)	(100)	(100)	(100)
Moderately developed	Very important	80	36	37	153
		(40)	(60)	(92.5)	(51)
	Moderately important	47	13	2	62
		(23.5)	(21.7)	(5)	(20.7)
	Not important	73	11	1	85
		(36.5)	(18.3)	(2.5)	(28.3)
<b>Total</b>		200	60	40	300
		(100)	(100)	(100)	(100)
Under developed	Very important	69	45	18	132
		(57.5)	(90)	(60)	(66)
	Moderately important	32	3	11	46
		(26.7)	(6)	(36.7)	(23)
	Not important	19	2	1	22
		(15.8)	(4)	(3.3)	(11)
<b>Total</b>		120	50	30	200
		(100)	(100)	(100)	(100)

(Source:Primary data)

**Table 1:** Provides information on the opinions on the younger population who are comfortable in transacting online. In the developed districts, 117(46.8%) of small scale retailers say that it is very advantages 32(12.8%)of them say that it is a Moderately important trend and 101(40.4%) feel that it is not a important trend. 96(64%) of medium scale retailers admit that it is a very important trend, 24(16%) feel that it is moderately important and 30(20%) opine that it is not important. 72(72%) of large scale

retailers say that it is very important and 14(14%) opine that it is moderately important 14(14%) say that it is not important. Chi-square result shows that  $\chi^2=33.637$ ;  $P<0.001$ VHS. Therefore there is very high significant relationship between the types of respondents of developed districts and the younger population who are comfortable in transacting online.

In the moderately developed districts, 80(40%) of small scale retailers opine that it is very important,47(23.5%) say that it is moderately important and a greater number 73(36.5%) of retailers say that it is not an important trend.36(60%) of medium scale retailers say that it is very encouraging, 13(21.7%) opine that it is moderately important and another 11(18.3%) say that it is not important 37(92.5%) of large scale retailers say that it is very important,2(5%) say that it is moderately important and only refuses to recognize the importance of the trend in theses districts.1(2.5%) Chi(square result shows that  $\chi^2=41.009$ ;  $P<0.001$  VHS. Therefore there is very high significant relationship between the types of respondents of moderately developed districts and the younger population who are comfortable in transacting online.

In the underdeveloped districts,69 (57.5%) of small scale retailers opine that it is very important,32(26.7%) recognize the trends moderate importance and 19(15.8%) of retailers say that it is not an important trend; 45(90%) of medium scale retailers say that it is very important, and 3(6%) opine that it is moderately important and 2(4%) say that it is not important.18(60%)large scale retailers these districts say that it is very important,11(36.7%) say that it is moderately important and 1(3.3%) opine that it is not important. Chi square result shows that  $\chi^2=21.640$ ;  $P<0.001$  VHS. Therefore there is very high significant relationship between the types of respondents of underdeveloped districts and the younger population who are comfortable in transacting online.

**Table2:Increase in Media and other Communication Network**

Districts	Increase in Media and other Communication Network	Business Units			Total
		Small Scale	Medium Scale	Large Scale	
Developed	Very important	93 (37.2)	92 (61.3)	70 (70)	255 (51)
	Moderately important	59 (23.6)	44 (29.3)	16 (16)	119 (23.8)
	Not important	98 (39.2)	14 (9.3)	14 (14)	126 (25.2)
	<b>Total</b>	250 (100)	150 (100)	100 (100)	500 (100)
Moderately developed	Very important	80 (40)	24 (40)	36 (90)	140 (46.7)
	Moderately important	79 (39.5)	25 (41.7)	3 (7.5)	107 (35.7)
	Not important	41 (20.5)	11 (18.3)	1 (2.5)	53 (17.7)
	<b>Total</b>	200 (100)	60 (100)	40 (100)	300 (100)
Under developed	Very important	62 (51.7)	24 (48)	26 (86.7)	112 (56)
	Moderately important	43 (35.8)	25 (50)	3 (10)	71 (35.5)
	Not important	15 (12.5)	1 (2)	1 (3.3)	17 (8.5)

	<b>Total</b>	120	50	30	200
		(100)	(100)	(100)	(100)

**(Source:Primary data)**

**Table 2:** Provides the information on increase in media and other communication network.

93(37.2%) of small scale retailers say that it is very important, and 59(23.6%) say that it is a moderately important trend and 98(39.2%) felt that it is not a important trend. 92(61.3%) of medium scale retailers say that it is a very important trend, 44(29.3%) felt that it is moderately important and 14(9.3%) opine that it is not important. 70(70%) of large scale retailers say that it is very important , 16(16%) opine that it is moderately important 14(14%) say that it is not important in the developed districts. Chisquare shows result that  $\chi^2=63.452$ ;  $P<0.001$  VHS. Therefore there is very high significant relationship between the types of respondents of developed districts and increase in media and other communication network.

80(40%) of small scale retailers opine that it is very important,79(39.5%) say that it is moderately important and 41(20.5%) of retailers say that it is not a important trend.24(40%) of medium scale retailers say that it is very important, 25(41.7%) opine that it is moderately important 11(18.3%) say that it is not important and 36(90%) large scale retailers say that it is very important,3(7.5%) say that it is moderately important and 1(2.5%) opine that it is not important in the moderately developed districts. Chisquare result shows that  $\chi^2=35.031$ ;  $P<0.001$  VHS. Therefore there is very high significant relationship between the types of respondents of moderately developed districts and increase in media and other communication network.

62(51.7%) of small scale retailers opine that it is very important,43(35.8%) say that it is moderately important and 15(12.5%) of retailers say that it is not a important trend,24(48%) of medium scale retailers say that it is very important, and 25(50%) opine that it is moderately important and 1(2%) say that it is not important in underdeveloped districts. 26(86.7%) of large scale retailers say that it is very important,3(10%) say that it is moderately important and 1(3.3%) opine that it is not important in the under developed districts. Chi square result shows that  $\chi^2=20.158$ ;  $P<0.001$  VHS. Therefore there is very high significant relationship between the types of respondents of underdeveloped districts and increase in media and other communication network.

**Table 3: Rise in consumer aspiration level for Global lifestyle**

Districts	Rise in Consumer aspiration level for Global Lifestyle	Business Units			Total
		Small scale	Medium scale	Large scale	
Developed	Very important	124	105	72	301
		(49.6)	(70)	(72)	(60.2)
	Moderately important	26	23	13	62
		(10.4)	(15.3)	(13)	(12.4)
Not important	100	22	15	137	
	(40)	(14.7)	(15)	(27.4)	
	<b>Total</b>	250	150	100	500
		(100)	(100)	(100)	(100)
Moderately Developed	Very important	129	44	37	210
		(64.5)	(73.3)	(92.5)	(70)
	Moderately important	31	8	2	41
		(15.5)	(13.3)	(5)	(13.7)
Not important	40	8	1	49	
	(20)	(13.3)	(2.5)	(16.3)	
	<b>Total</b>	200	60	40	300
		(100)	(100)	(100)	(100)

<b>Under Developed</b>	Very important	89	41	29	159
		(74.2)	(82)	(96.7)	(79.5)
	Moderately important	20	8	1	29
		(16.7)	(16)	(3.3)	(14.5)
	Not important	11	1	0	12
		(9.2)	0	0	(6)
<b>Total</b>		120	50	30	200
		(100)	(100)	(100)	(100)

**(Source:Primary data)**

**Table 3:** Provides the information about the retailer’s opinions on the role of the rise in consumer aspiration level for global lifestyle.

124(49.6%) of small scale retailers in the developed districts say that it is very important and 26(10.4%) say that it is a moderately important trend while 100(40%) feel that it is not an important trend. 105(70%) of medium scale retailers say that it is a trend to reckon with; 23(15.3%) feel that it is moderately important and 22(14.7%) opine that it is not important. 72(72%) of large scale retailers say that it is very important, 13(13%) opine that it is moderately important and 15(15%) say that it is not important. Chi square result shows that  $\chi^2=40.222$ ;  $P<0.001$  VHS. Therefore there is very high significant relationship between the types of respondents of developed districts and the role of the rise in consumer aspiration level for global lifestyle.

The data on the opinions from the moderately developed districts do not vary much from the above. 129(64.5%) of small scale retailers opine that it is very important, 31(15.5%) say that it is moderately important and 40(20%) of retailers say that it is not a important trend. 44(73.3%) of medium scale retailers say that it is very important, 8(13.3%) opine that it is moderately important and 8(13.3%) say that it is not important. Surprisingly 37(92.5%) large scale retailers say that it is very important, 2(5%) say that it is moderately important and 1(2.5%) opines that it is not important. Chi-square result shows that  $\chi^2=13.211$ ;  $P<0.01$  HS. Therefore there is highly significant relationship between the types of respondents of moderately developed districts and the role of the rise in consumer aspiration level for global lifestyle.

From the under developed the numbers run thus: 89(74.2%) of small scale retailers opine that it is very important, 20(16.7%) say that it is moderately important and 11(9.2%) retailers say that it is not an important trend. 41(82%) of medium scale retailers say that it is very important, 8(16%) opine that it is moderately important and 1(2%) says that it is not important in underdeveloped districts. 29(96.7%) of large scale retailers say that it is very important, 1(3.3%) say that it is moderately important. But no respondent from the large scale units of these districts feels that the changes in the aspiration of the consumers for the global lifestyle effects much change in the business. Chi square result shows that  $\chi^2=9.766$ ;  $P<0.05$  S. Therefore there is significant relationship between the types of respondents of underdeveloped districts and the role of the rise in consumer aspiration level for global lifestyle.

### **Findings**

The study reveals that a significant proportion of retailers recognize the growing middle-class population as a very important trend, with 69% in developed districts and 66% in underdeveloped districts expressing this view. Across all districts, retailers consider factors such as increasing per capita income, growth in dual-income households, limited time availability of consumers, and rising workforce with global exposure as highly important. Additionally, trends such as increased use of debit/credit cards, growing youth population, expansion of media and communication networks, and rising consumer aspirations for global lifestyles are widely acknowledged as key drivers of retail growth. The findings also indicate that large-scale retailers across all districts perceive online transactions among younger consumers as highly significant, whereas small-scale retailers show

varied responses. Statistical analysis confirms a strong relationship between the type of retail business and the perception of these trends.

### **Interpretation**

The findings suggest that the retail sector is undergoing a transformation driven by socio-economic and technological changes. The strong emphasis on factors such as income growth, lifestyle changes, and media influence indicates that consumer behaviour is becoming more dynamic and globally oriented. The higher level of awareness and adaptability among large-scale retailers reflects their better access to resources and technology, enabling them to respond effectively to emerging trends such as online retailing and digital communication. In contrast, the relatively slower adaptation among small-scale retailers highlights the need for capacity building and technological integration. Overall, the results imply that business size plays a crucial role in shaping retail strategies, and retailers must align with changing consumer expectations to remain competitive.

### **Conclusion**

The retail sector in India, particularly in regions like Udupi district, is undergoing a rapid transformation driven by changing consumer behaviour, technological advancements, and globalization. The study highlights that increasing consumer aspirations, growing digital engagement, and expanding media influence have significantly reshaped the retail landscape. Retailers must adopt innovative strategies, embrace digital technologies, and focus on customer-centric approaches to remain competitive. While large-scale retailers are better equipped to adapt to these changes, small and medium retailers must also upgrade their capabilities to sustain growth. Overall, the future of retailing lies in integrating traditional strengths with modern practices to meet the evolving needs of consumers.

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