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CONSUMER BEHAVIOUR IN RETAILING: A CASE STUDY WITH REFERENCE TO THE CONSUMERS OF UDUPI MARKET

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ABSTRACT

Retailing is one of the oldest forms of business, originating from the barter system in prehistoric times. Over time, retailing evolved with surplus production and exchange of goods among communities. In India, traditional retail formats such as kirana stores have existed since ancient times as reflected in Arthashastra. The sector has transformed significantly with the emergence of organized retail and changing consumer lifestyles. Factors such as rising income levels, urbanization, and globalization have influenced retail growth. The retail sector plays a crucial role in economic development and employment generation. Modern retailing is characterized by increased consumer spending and changing preferences. The study was conducted to understand the perception of retailers in Udupi market, and it finds that rising middle class, higher per capita income, and double income households are key drivers of retail growth.

KEYWORDS: *Retailing, Consumer Behaviour, Organized Retail, Unorganized Retail, Retail Trends*

OBJECTIVES

1. To study the present trends in retailing
2. To understand the perception of retailers
3. To interpret the perception of retailers
4. To classify the problems of retailers
5. To suggest the measures to solve the problems of retailers

REVIEW OF LITERATURE

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.

Subbaiah A. and Jeykumar S. (2010): The boom in retailing has been confined primarily to the urban markets in the country. The modern retailer is yet to feel the saturation effect in the urban market and it has come to be identified with lifestyles.

Rajkumar P. & Jacob F. (2010): The retail industry has evolved into organized trading from traditional business operation. The evolution of organized retailing was initiated in a big way but the entry of corporate houses, both domestic and global 'Organised' refers to trading activities undertaken by licensed retailers, that is, those who registered for sales tax, income tax etc. These include corporate backed hypermarkets and retail chains and also privately owned large retail business. 'Traditional' refers to those who operate in unorganized markets. Unorganized retailing, on the other hand, refers to the traditional formats of low cost retailing, for example, the local Kirana(Mom and pop)shops, owner operated general stores, paan/beedi shops, convenience stores. Hand cart, pavement vendors etc.

Bhattacharya D. and Roy S. (2011): In sales organizations, the fulfillment of the customer needs and wishes by customer contact employees can be seen as crucial for gaining a high degree of customer orientation. Retail sales personnel requires greater expenditure of efforts by the sales personnel to interact with a heterogeneous group of customers.

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R.K. Srivatsava (2013): Retailing is the largest private industry. India has the highest retail density the world, having over 15 million retail outlets

Pareek S. &Kaustubh P. (2013): "A vibrant private sector create jobs, provides the goods and the services needed to improve the living standards, and contribute taxes necessary for public investment in health, education and other services".

Trends in Retailing

1. Growing middle class
2. High disposable income.
3. Rise in consumer aspiration level for global lifestyle
4. Increase in per capita spending by consumers.
5. Growth in the number of double income households.

Challenges/ Limitations faced by the retailers:

1. Want of sufficient and appropriate retail space.
2. Small market size.
3. High taxes and custom duty.
4. Shortage of human resource capital.
5. Shortage of high quality malls.

Research Methodology

For the purpose of the study the retailers of Udupi Market were interviewed.100 retailers from small, medium and large scale business were selected and the information was obtained from observation and administering the questionnaire. Data analysis is supported using statistical tools like Chi-square tests to understand relationships between variables.

Analysis and Interpretation

Some of thetrends which are prevailing in retail market are considered for the present study. The following section provides the details of the trends in retailing business.

Table5.2.1: Rapidly Growing Middle Class Consumers

Districts	Rapidly Growing Middle Class Consumers	Business Units			Total
		Small Scale	Medium Scale	Large Scale	
Developed	Very important	145 (58.0)	127 (84.7)	72 (72.0)	344 (68.8)
	Moderately important	21 (8.4)	16 (10.7)	13 (13.0)	50 (10.0)
	Not important	84 (33.6)	7 (4.7)	15 (15.0)	106 (21.2)
	Total	250 (100.0)	150 (100.0)	100 (100.0)	500 (100.0)
Moderately developed	Very important	145 72.5)	52 86.7)	32 80.0)	229 76.3)
	Moderately important	39 (19.5)	3 (5.0)	7 (17.5)	49 (16.3)
	Not important	16 (8.0)	5 (8.3)	1 (2.5)	22 (7.3)
	Total	200 (100.0)	60 (100.0)	40 (100.0)	300 (100.0)
Under developed	Very important	69 (57.5)	49 (98.0)	15 (50.0)	133 (66.5)
	Moderately important	48 (40.0)	1 (2.0)	15 (50.0)	64 (32.0)
	Not important	3 (2.5)	0 (0.0)	0 (0.0)	3 (1.5)
	Total	120 (100.0)	50 (100.0)	30 (100.0)	200 (100.0)

(Source: Primary Data)

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Table 5.2.1: Provides the information about the trend in rapidly growing middle class consumers.In the developed districts, 145(58%) of small scale retailers say that the role of the middle class consumers is very important; 84(33.6%) felt that it is not important and 21(8.4%) say that it is moderately important trend. Among the medium scale retailers 127(84.7 say that it is a very important trend;16(10.7%) felt that it is moderately important and 7(4.7%) opine that it is not important at all. 72(72%) of large scale retailers say that it is very important, 15(15%) say that it is not important and 13(13%) opine that it is Moderately important. Chi-square shows that χ^2=50.769; P<0.001VHS. Therefore there is very high significant relationship between the three types of business units of developed districts and the trend in rapidly growing middle class consumers.

Among the retailers in the moderately developed districts, 145(72.5%) of small scale retailers opine that it is very important; 39(19.5%) say that it is moderately important and 16(8.0%) of retailers say that it is not an important trend.52 (86.7%) of medium scale retailers say that it is very Important; 5(8.3%) say that it is not important and 3(5.0%) opine that it is only moderately important.Chi-square result shows that χ^2 =8.752 ; P=0.068 NS Therefore there is nosignificant relationship between the three types of business units of moderately developed districts and the trend in rapidly growing middle class consumers.

In the underdeveloped districts, 69(57.5%) small scale retailers say that the role of the middle class consumers is very important; 48(40%) say that it is moderately important and 3(2.5%) opine that it is not important at all. Of the medium scale units, 49(98%) say that it is very important, 1(2%) felt that it is moderately important but none feels that it is not important. Out of the total large scale retailers, 15(50%) opine that it is very important,15(50%) feel that it is moderately important; however, nobody desires the importance of the middleclass consumers in the business. Chi-square result shows that χ^2=31.650 ;P<0.001VHS .Therefore there is very high significant relationship between the three types of business units of underdeveloped districts and the trend rapidly growing middle class consumers.

Table 5.2.2: Increase in Per Capita Spending by Consumers

Districts	Increase in Per Capita Spending by Consumers	Business Units			Total
		Small Scale	Medium Scale	Large Scale	
Developed	Very important	103 (41.4)	107 (71.3)	65 (65.0)	275 (55.1)
	Moderately important	52 (20.9)	36 (24.0)	19 (19.0)	107 (21.4)
	Not important	94 (37.8)	7 (4.7)	16 (16.0)	117 (23.4)
	Total	249 (100.0)	150 (100.0)	100 (100.0)	499 (100.0)
Moderately developed	Very important	109 (54.5)	24 (40.0)	34 (85.0)	167 (55.7)
	Moderately important	46 (23.0)	32 (53.3)	5 (12.5)	83 (27.7)
	Not important	45 (22.5)	4 (6.7)	1 (2.5)	50 (16.7)
	Total	200 (100.0)	60 (100.0)	40 (100.0)	300 (100.0)
Under developed	Very important	96 (80.0)	12 (24.0)	22 (73.3)	130 (65.0)
	Moderately important	20 (16.7)	38 (76.0)	8 (26.7)	66 (33.0)
	Not important	4 (3.3)	0 (0.0)	0 (0.0)	4 (2.0)
	Total	120 (100.0)	50 (100.0)	30 (100.0)	200 (100.0)

(Source: Primary Data)

Table 5.2.2: Provides information on the role of per capita spending by consumers.

From among the retailers in the developed districts, 103(41.4%) of small scale retailers say that it is very important;94(37.8%) felt that it is not important and 52(20.9%) say that it is a moderately important factor. 107(71.3%) of medium scale retailers say that it is a very important element, 36(24.0%) feel that it is moderately important and only 7(4.7%) opine that it is not important. 65(65%) of large scale retailers say that it is very

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important , 16(16%) say that it is not important and 19(19%) opine that that it is moderately important for the improvement of their business .Chi-square result shows that χ^2=64.904; P<0.001VHS. Therefore there is very high significant relationship between the three types of business units of developed districts and the trend role of per capita spending by consumers

In the moderately developed districts, 109(54.5%) of small scale retailers opine that it is very important, 46(23.0%) retailers say that it is moderately important and 45(22.5%) of retailers say that it is not a important trend.24 (40%) of medium scale retailers say that it is very important, 4(6.7%) say that it is not important and 32(53.3%) opine that it is moderately important in moderately developed districts. In the moderately developed districts, 34(85%) small scale retailers say that it is very important, 5(12.5%) say that it is moderately important and 1(2.5%) opine that it is not important. Chi-square result shows that χ^2=40.564; P<0.001 VHS.Therefore there is very high significant relationship between the three types of business units of moderately developed districts and the trend role of per capita spending by consumers

Out of the total retailers in the underdeveloped districts, 96(80.0%) of small scale retailers opine that it is very important,20(16.7%) say that it is Moderately important and 4(3.3%) of retailers say that it is not an important factor at all .12(24%) of medium scale retailers say that it is very important,0(0%) say that it is not important and 38(76%) opine that it is Moderately important in underdeveloped districts. 22(73.3%) large scale retailers say that it is very important; 8(26.7%) say that it is Moderately important but none rules out the importance of the role of per capita spending in their business.Chi-square result shows that χ^2=58.153; P<0.001 VHS. Therefore there is very high significant relationship between the three types of business units of underdeveloped districts and the trend role of per capita spending by consumers.

Table5.2.3: Growth in the Number of Double Income Households

Districts	Growth in the Number of Double Income Households	Business Units			Total
		Small Scale	Medium Scale	Large Scale	
Developed	Very important	100	116	72	288
		(40)	(77.3)	(72)	(57.6)
	Moderately important	38	23	11	72
		(15.2)	(15.3)	(11)	(14.4)
	Not important	112	11	17	140
		(44.8)	(7.3)	(17)	(28)
	Total	250	150	100	500
		(100)	(100)	(100)	(100)
Moderately developed	Very important	84	39	34	157
		(42)	(65)	(85)	(52.3)
	Moderately important	96	15	4	115
		(48)	(25)	(10)	(38.3)
	Not important	20	6	2	28
		(10)	(10)	(5)	(9.3)
	Total	200	60	40	300
		(100)	(100)	(100)	(100)
Under developed	Very important	44	43	15	102
		(36.7)	(86)	(50)	(51)
	Moderately important	71	4	15	90
		(59.2)	(8)	(50)	(45)
	Not important	5	3	0	8
		(4.2)	(6)	(0)	(4)
	Total	120	50	30	200
		(100)	(100)	(100)	(100)

(Source: Primary Data)

Table 5.2.3: Provides information on growth in the number of double income households.In the developed districts, 100(40%) of small scale retailers say that it is very crucial, and 38(15.2%) say that it is a moderately important trend and 112(44.8%) feel that it is not a important trend. On the other hand, 116(77.3%) of medium scale retailers say that it is a very important trend, 23(15.3%) feel that it is moderately important but 11(7.3%) perceive it as unimportant. 72(72%) of large scale retailers say that it is very significant to them while, 11(11%) opine that it is moderately important to their business 17(17%) say that it is not important. Chisquare shows χ^2

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=80.592; P<0.001VHS. Therefore there is very high significant relationship between the three types of business units of developed districts and the trend growth in the number of double income households.

Of the retailers in the moderately developed districts ,84(42%) of small scale retailers opine that it is very important,96(48%) say that it is Moderately important and 20(10%) of retailers say that it is not an important trend.39(65%) of medium scale retailers say that it is very important, 15(25%) opine that it is moderately important 6(10%) say that it is not significant to their establishments. 34(85%) large scale retailers say that it is very important,4(10%) say that it is moderately important and 2(5%) opine that it is not important. Chisquare shows χ^2 =31.040; P<0.001 VHS. Therefore there is very high significant relationship between the three types of business units of moderately developed districts and the trend growth in the number of double income households.

In the underdeveloped districts, 44(36.7%) of small scale retailers opine growth in the double income families has a crucial role to play.71(59.2%) say that it is moderately important and only 5(4.2%) of retailers say that it is not an important trend.43(86%) of medium scale retailers say that it is very important, and 4(8%) opine that it is moderately important and 3(6%) say that it is not important, in the underdeveloped districts in the underdeveloped districty15(50%) large scale retailers say that it is very important,while15(50%) say that it is moderately important nevertheless, none feels that it is not important to the growth of tier business enterprise. Chi square shows χ^2 =39.288; P<0.001VHS**.** Therefore there is very high significant relationship between the three types of business units of underdeveloped districts and the trend growth in the number of double income households.

FINDINGS AND SUGGESTIONS

The study reveals that the growing middle class is a major factor influencing retail growth, as it increases demand for a wide range of products and services. It is also observed that an increase in per capita spending significantly impacts retail performance, particularly benefiting medium and large-scale retailers. Further, the rise of double income households has led to higher consumer demand and changing purchasing patterns. The analysis also indicates a significant relationship between the size of the business unit and the perception of retail trends, especially in developed and underdeveloped districts. However, retailers in moderately developed districts exhibit mixed perceptions, suggesting a transitional phase in retail development.

Based on these findings, several suggestions are proposed to improve the retail sector. There is a need to enhance retail infrastructure and ensure the availability of adequate retail space. Skill development programs should be provided to improve the efficiency of retail employees. Reducing the tax burden on small retailers can help them remain competitive in the market. Additionally, retailers should be encouraged to adopt digital technologies and integrate online retailing practices. Finally, strengthening supply chain and logistics systems will improve overall efficiency and support sustainable growth in the retail sector.

CONCLUSION

Indian retail sector has shown a drastic change due to rising income and change in consumer taste and preferences. Most of the retailers in all types of districts have opined that trend in retail sector is changed due to changes in technology, double income households , changes in consumer tastes and preferences and more young population in the economy. The retail sector in India is rapidly evolving due to socio-economic changes. Retailers perceive rising income, consumer preferences, and dual-income households as key drivers. Addressing challenges will ensure sustainable growth.

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