



**A Study On The Impact Of Shopping Malls On Retail Sector With Special Reference To  
Nattika Panchayath Of Thrissur District**

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**Abstract**

Retail is the process of selling goods and services to customers through various channel of distribution with the ultimate aim of earning profit. Retail sector have contributed to employment and income generation to very large sections of the society thereby improving the standard of living. Shopping malls are large corporate entities with huge capital and infrastructural facilities which is now seen in every metropolitan cities of the country. Now the shopping malls contribute to business sector more significantly than any other type of organized sector. With the increased number of shopping malls the existing small retail sector faces problems like cutthroat competition, insufficient capital, absence of professionalism and lack of application of modern techniques and other facilities. So the increased competition from emerging shopping malls have led to closure of retail business which has led to loss of many business and resulted in huge implication to industry and society. There is a severe competition among the small retailers to attract customers and to retain them for their existence. In this context there is a need to examine the impact of shopping mall on retail sector based on the response of small retailers. Hence this study is proposed to explore the impact of shopping malls on small retail sectors in Nattika panchayath of Thrissur district. The results reveal that there is minor impact on retail shops with introduction of shopping malls and the retailers are adopting various strategies to cope with the competition.

*Keywords: Retail sector, Shopping mall*

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## 1. INTRODUCTION

Indian economy is dominated by agriculture sector on employment front with retail sector enjoying the second place. Due to the entry of new players, Indian retail sector has emerged as one of the most dynamic and fast-paced industries. The modern retail market in India is expected to grow from Rs. 94,421 crore (US\$ 13.51 billion) in 2016 to Rs 1.86 lakh crore (US\$ 26.67 billion) in 2019. According to the Indian council for research on international Economic Relations (ICRIER), India is the fifth largest retail market in the world. Retailing presently contributes about 10% of India's gross Domestic Product (GDP) and 6% to 7% of employment.

Retail is the process of selling goods and services to customers through various channel of distribution with the ultimate aim of earning profit. Retail sector have contributed to employment and income generation to very large sections of the society thereby improving the standard of living. The major features of this sector are direct interactions with the customers thereby knowing the actual pulse of the market, point of sales promotion through display of posters and banners to attract customers, convenient location and layout and the most important: free home delivery and providing credit facilities.

The concept retail, acting as middlemen between manufacturer and the ultimate consumers are now in convenient and varied forms and dimensions, from the traditional retail outlet and street local market shops to shopping malls which provides various products and services under one roof including entertainment and recreation facilities. With liberalization and privatization the big international brands made their way to India naturally led to the emergence of shopping malls

Shopping malls are large corporate entities with huge capital and infrastructural facilities which is now seen in every metropolitan cities of the country. Now the shopping malls contribute to business sector more significantly than any other type of organized sector. The major features of malls like availability of products and services under a single roof, parking facilities, food courts and entertainment and recreation facilities have attracted consumers.

So the increased competition from emerging shopping malls have led to closure of retail business which has led to loss of many business and resulted in huge implication to industry and society. There is a severe competition among the small retailers to attract customers and to retain them for their existence. In this context there is a need to examine the impact of shopping mall on retail sector based on the response of small retailers. Hence this study is proposed to explore the impact of shopping malls on small retail sectors in Nattika panchayath of Thrissur district

## 2. OBJECTIVES OF THE STUDY

- To study the impact of shopping malls on the retail sector
- To identify the selling strategies adopted by small retailers to cope up with competition.
- To study on the perception and attitude of small retailers towards shopping malls.

### 3. RESEARCH METHODOLOGY

This study is a descriptive in nature based on primary and secondary data. Primary data is collected from the owners of retail shops of Nattika panchayath in Thrissur district with help of structured questionnaire and direct interview. 50 respondents from Nattika panchayath of Thrissur District were selected using Convenience sampling method. Likert scale is used for scaling responses. The secondary data for the study were collected from journals, periodicals, census data and papers published in internet. Collected data is analyzed using simple mathematical and statistical tools like percentage, weighted mean, standard deviation and ranking method.

### 4. REVIEW OF LITERATURE

- **SHOUVIK SANYAL AND MOHAMMED WAMIQUE HISAM (2018)** in the study “Influence of income on the shopping habits of consumers with respect to shopping malls in Kolkata” analyzed the impact of income level of customers patronizing shopping malls on their shopping behavior based on factors like location of mall, variety, quality and price of products. This study is conducted to highlight the income of customers as an important variable and also indicate that there is no significant relationship between locations of the mall with income level. Factors like price, quality and variety have a positive influence with change in income level.
- **NEETHU M MATHEWS (2018)** in the study “Impact of shopping malls on retail outlets” reveals impact of shopping malls on small retail outlets in Kollam city. It is stated that shopping malls are becoming a symbol of fashion and new style of buying among new generation, and this cause adverse impact on small retail outlets.
- **DR.SANTHA S (2017)** conducted a study on the topic “Attitude of consumers towards shopping malls in Ernakulam District” pointed out that as shopping mall is one by a single property representing merchandise, with interconnecting walkways enabling visitors to walk from unit to unit, with on-site parking and so the attitude of customers towards shopping malls has great relevance in this present world.
- **DR.ARCHANA CHANUVAI NARAHARI (2017)** conducted a study on the topic “customer behavior towards shopping malls-A study in Bhavanagar”.to analyse the purchasing behavior of shopping mall customer in Bhavnagar district. The study reveals that customers are witnessing a new style of shopping experience which is quite distinctive than traditional shopping method. This study also analyzes gender differences in terms of purchasing behavior and the overall level of satisfaction among customer towards shopping mall.
- **ASHVIN KUMAR (2017)** in the topic “A study on the factors affecting consumer behaviour while shopping at shopping malls” tries to determine the key factors that influence consumer behaviour towards shopping malls. This study reveals six

attitude factors of the shoppers towards mall such as price parity, locality and convenience, Prestige shopping, relax shopping and product knowledge.

- **DR LESHAMONI SRINIVAS AND N.HARI PRASAD (2016)** conducted a study on the topic “Consumer buying behaviour at malls”. This study tries to assess the perception of consumers towards purchasing in shopping mall. This study also tries to know the buying behaviour of the customers and also the satisfaction level of the customers. The study reveals that social economic profile, income, Frequency of visit, purpose of visit, period of relationship between the respondents and shopping malls are some of the factors that influence the customer to shop in shopping malls.

## 5. ANALYSIS OF DATA AND DISCUSSION

**Table 5.1 Showing Gender Wise Classification**

Variable	N(Samples size)	Male		Female	
		N	%	N	%
Gender	50	35	70	15	30

**Source: Primary Data**

### INTERPRETATION:

The above table shows the gender wise classification of respondents and out of 50 respondents 70% are male and 30 % are females.

**Table 5.2 Showing Type of Retail Shop**

Type of Retail Shop	No. of Respondents	Percentage
Electronics	2	4
Stationery	9	18
Grocery	8	16
Footwear	7	14
Fancy or cosmetics	6	12
Textiles	7	14
Others	11	22
<b>TOTAL</b>	<b>50</b>	<b>100</b>

**Source: Primary Data**

### INTERPRETATION:

This table shows that out of 50 respondents, 22% of them have shops belonging to others like hotels, medical shops, beauty parlours 14% of the respondents have footwear shops, 14% of the respondents have textiles shops, 18% of respondents have stationary shops and only 4% of them have electronic shops.

**Table 5.3 Showing Opinions on Shopping Mall**

<b>Statement</b>	<b>Rank 5</b>	<b>Rank 4</b>	<b>Rank 3</b>	<b>Rank 2</b>	<b>Rank 1</b>	<b>Total score</b>	<b>Rank</b>
Profit oriented	5	16	69	26	9	125	4
Competitive in nature	10	16	24	44	13	111	5
Affordable to high income group	65	68	45	6	2	186	2
Only sell highly branded products	35	76	33	18	4	166	3
Concept of purchase of all item under one roof	85	60	39	8	1	193	1

**INTERPRETATION:**

This table shows the opinion of retailers on shopping mall. The respondents equally opine that shopping mall is encouraging more customers due to the main reason of purchase of all item under one roof and it ranks first with the score of 193. The 2<sup>nd</sup> rank is for affordable to high income group with score 186. The 3<sup>rd</sup> rank is for only sell high branded products with score 166. The 4<sup>th</sup> rank is for profit oriented with score 125 and the last rank is for competitive in nature with score 111.

**Table 5.4 Showing Difficulties Faced By Retailers**

<b>Difficulties</b>	<b>No. Respondents</b>	<b>Percentage</b>
No entertainment	15	30
Fewer spaces	11	22
Fewer infrastructure	8	16
Lesser quality	7	14
Others	9	18
TOTAL	50	100

**INTERPRETATION:**

The table shows the difficulties faced by retailers compared to shopping malls. 30% of respondents are of the opinion that lack of entertainment facilities is the most threat they face followed by fewer spaces, infrastructure and only 14% of the respondents opine that it is lesser quality.

**Table 5.5 Showing Opinions on Impact of Shopping Mall**

<b>STATEMENTS</b>	<b>MEAN</b>	<b>SD</b>	<b>LEVEL of opinion</b>
Growth of malls is a threat to retail sector	3.12	1.45	Agree
Loyal customers of retail sector shifting towards shopping malls	2.28	0.04	Disagree
Malls charge high price than retailers	4.34	0.99	Strongly agree
Wide range of choice available in malls as compared to retail shops	3.82	1.60	Agree
Shopping ambience and comfort are high in malls as compared to retailers	3.26	1.24	Agree
Malls may replace the retail sector	1.54	0.53	Strongly disagree
Shopping malls result in reduction in sales, customers and income of retail sector	2.92	1.14	Disagree

**INTERPRETATION:**

Retailer perception on impact of shopping mall on retail sector:

1. Growth of malls is a threat to retail sector: calculated mean of 3.12 with standard deviation of 1.45 indicated that respondents agrees to the concept that shopping malls are threat to retail sector
2. Loyal customers of retail sector shifting towards shopping malls: calculated mean of 2.28 with standard deviation of 0.04 indicated that respondents disagrees to the concept that customers are shifted towards shopping mall
3. Malls charge high price than retailers: calculated mean of 4.34 with standard deviation of 3.44 indicated that respondents strongly agrees to the concept that shopping mall charge high price
4. Wide range of choice available in malls as compared to retail shops: calculated mean of 3.82 with standard deviation of 1.60 indicated that respondents agrees to the concept that shopping mall provide wide range of choice
5. Shopping ambience and comfort are high in malls as compared to retailers: calculated mean of 3.26 with standard deviation of 1.24 indicated that respondents agrees to the concept that shopping malls provide shopping ambience and comfort
6. Malls may replace the retail sector: calculated mean of 1.54 with standard deviation of 0.53 indicated that respondents strongly disagrees to the concept that shopping mall replace retail sector
7. Shopping malls result in reduction in sales, customers and income of retail sector: calculated mean of 2.92 with standard deviation of 1.14 indicated that respondents disagree to the concept that shopping malls reduce sales, customer and income.

**Table 5.6 Showing Selling Strategies of Retailers**

<b>SELLING STRAGEIES</b>	<b>MEAN</b>	<b>SD</b>	<b>LEVEL OF OPINION</b>
Wide range of product availability	3.9	0.85	Agree
Merchandise display attractive	3.56	0.98	Agree
Good after sales service	4.54	0.82	Strongly agree
Acceptance of credit or online payment	4.14	1.09	Strongly agree
Provide credit facility	4.62	0.56	Strongly agree
Introduce media and sales promotion	1.62	0.93	Strongly disagree
Maintain good customer relationship	3.8	0.87	Agree
Provide offer	1.64	1.015	Strongly disagree

**INTERPRETATION:**

Retailer perception on the strategies adopted by retailers to compete with shopping mall:

1. Wide range of product availability: calculated mean of 3.9 with standard deviation of 0.85 indicated that a respondent agrees to the concept that retailers provide wide range products.
2. Merchandise display attractive: calculated mean of 3.56 with standard deviation of 0.98 indicated that a respondent agrees to the concept that retailers provide merchandise display.
3. Good after sales service: calculated mean of 4.54 with standard deviation of 0.82 indicated that a respondent strongly agrees to the concept that retailers provide good after sales services
4. Acceptance of credit or online payment: calculated mean of 4.14 with standard deviation of 1.09 indicated that a respondent strongly agrees to the concept that retailers accept credit or online payment.
5. Provide credit facility: calculated mean of 4.62 with standard deviation of 0.56 indicated that a respondent strongly agrees to the concept that retailers provide credit facilities
6. Introduce media and sales promotion: calculated mean of 1.62 with standard deviation of 0.93 indicated that a respondent strongly disagrees to the concept that retailers introduce media and sales promotion
7. Maintain good customer relationship: calculated mean of 3.8 with standard deviation of 0.87 indicated that a respondent agrees to the concept that retailers maintain good customer relationship
8. Provide offer: calculated mean of 1.64 with standard deviation of 1.015 indicated that a respondent strongly disagrees to the concept that retailers provide offer.

**Table 5.7 Showing Opinions on Reduction in Gross Savings**

<b>Responses</b>	<b>No. of Respondents</b>	<b>Weighted Mean</b>
Much higher	0	0
Higher	3	0.24
About the same	32	1.92
Lower	10	0.4
Much lower	5	0.1

**Source: Primary Data**

**INTERPRETATION:**

This table shows the opinion on reduction in gross savings after the introduction of shopping mall and a majority of the respondents show neutral opinion with a highest mean of 1.92 and respondents with lowest mean of 0.1 says that there is much lower reduction in gross earnings.

**Table 5.8 Showing Impact on Sales on Arrival of Malls**

<b>Responses</b>	<b>No. of Respondents</b>	<b>Weighted Mean</b>
Much higher	0	0
Higher	9	0.72
About the same	36	2.16
Lower	4	0.16
Much lower	1	0.02

**Source: Primary Data**

**INTERPRETATION:**

This table shows the impact of shopping mall on sales of the retailers and majority of respondents with a highest mean of 2.16 are on the neutral opinion and a least mean of 0.02 says that there is much lower impact on sales



## 6. FINDINGS

- ❖ Majority of respondents were males (70%), in age group of 41-60 years (64%)
- ❖ Majority of respondents with a weighted mean of 1.92 reported that their sales and net earnings remained unaffected even after the opening of malls in their vicinity.
- ❖ It is to be noted that percentage of closure of retail shops after commencement of malls in their vicinity was very insignificant because retailers were keen to stay in the business and compete with the malls.
- ❖ Majority of them opined that providing credit facility is the most preferred selling strategy adopted by retailers to enhance the strength to attract people.
- ❖ Majority of the sample respondents strongly agreed to the fact that price charged by shopping malls are higher than retail shops
- ❖ Majority of respondents opined that due to the shortage of entertainment facilities customers preferred shopping malls than retail shops
- ❖ The other difficulties faced by retailers are fewer infrastructure, fewer spaces in the shops and lack of branded products
- ❖ Most of the respondents agreed with opinion that wide ranges of choice are available in mall as compared to retail sector.
- ❖ Majority of the respondents with a mean of 1.54 and SD of 0.53 strongly disagreed with that the retail sector may be replaced by shopping malls.
- ❖ Majority of the respondents neither agree nor disagree with the statement that the shopping ambience and comfort attract the customers to shopping malls.
- ❖ In this study, from the data collected it is revealed that introduction of shopping malls has created a lesser impact on retail sector

## 7. SUGGESTIONS

- ❖ Retailer should use special display rack to attract the customers at entrance of the store.
- ❖ New arrivals are to be placed by the retailers at eye catching place.
- ❖ Retailers should communicate their customers through pamphlets or personal call.
- ❖ Extensive efforts are needed for changing shabby entrance, absolute unattractive display, inconvenient packing etc.
- ❖ Free home delivery and genuine replacement of defective product should improve customer satisfaction.
- ❖ Packaged food, biscuits & chocolates and individual personal care products should be offered by retailers at reasonable margin (at below MRP.)

## 8. CONCLUSION

Shopping mall is a concept of one or more shop under a single roof representing merchandise with interconnects walkways which enable visitors to walk from one unit to another unit. Thus this provides a new style of shopping experience to the consumers. This study was conducted to analyze the impact of shopping mall on retail sector with special reference to Nattika Panchayat of Thrissur district. It is concluded from the study that there is minor impact on retail shops with introduction of shopping malls and the retailers are adopting various strategies to cope with the competition.

The study also reveals that shopping mall has resulted in the closure of some shops like electronics, mobile shops and at the same time made positive impact on some other retail sectors like fancy shops, hotels, textiles. Shopping malls are not only for shopping but also for entertainment and recreation. In the coming years as modern consumer always look for innovative trends as a part of their lifestyle and to experience new shopping ambience may leads to the closure of small retail sector.

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