A study on the "Impact of shopping malls on the unorganised retail sector. The study further stated that Mega Malls within the vicinity of 200-500 meters distance.

The gigantic retail stalwarts from abroad like Wal-Mart, Carrefour etc. with their huge capital base and Technical know, have severely impacted the Turnover and Operating profits of the sample retailers. A survey based study of small unorganised retailers operating in close proximity to Food World and Subhiksha (CII-KSA Technologies) in Chennai showed that none of them had to close their operations with the advent of these big organised retail formats. The study observed that there was a little impact on the sales and remunerative prices for farmers, tame inflation and so-

The evidence on the impact of malls on unorganised retail is contrasting with some studies showing impressive and fav-

The review of literature shows that the emergence of shopping malls has severely influenced operations of small shop-

A study on the "Impact of shopping malls on the unorganised retail sector – a case study of Mangalore region" stated that the malls interestingly have no severe impact on the employ-

The research design is descriptive and exploratory in na-

The study was conducted with the following research objec-

The study was conducted in the Srinagar city of the state of Jammu and Kashmir. The city is witnessing a massive infra-

Indian economy is dominated by agriculture sector on em-

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Literature Review

Introduction

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Impact of Shopping Malls on Small Retail Outlets- A Case study of Srinagar City

KEYWORDS

unorganised retail, profitability, sales turnover, FDI

ABSTRACT

This paper attempts to assess the impact of shopping malls on the unorganised retail sector in the Srinagar city. The results from the sample respondents revealed that there has been positive impact of shopping malls on the small retailers in the catchment of these malls. The positive impact was observed on the sales turnover and operational profitability measures. Apropos to findings, the study concludes that there should be a gradual and phase wise introduction of the “FDI in retail sector” in order to avoid the backlash.

Objectives of the Study

The study was conducted with the following research objectives:

To identify and outline the socio-economic profile of the selected unorganised retailers.

To identify the impact of shopping malls on the sales and profits of the sample retailers.

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Analysis and Discussion

Table: 1 Demographic Profile of the respondents
N=200

| Attributes/category | No of Respondents | Percentage of Respondents |
|---------------------|-------------------|---------------------------|
| a) Age              |                   |                           |
| Up to 25 years      | 10                | 5%                        |
| 26-35 years         | 50                | 25%                       |
| 36-45 years         | 30                | 15%                       |
| Above 45 years      | 10                | 5%                        |
| b) Gender           |                   |                           |
| Male                | 198               | 99%                       |
| Female              | 2                 | 1%                        |
| C) Education Status |                   |                           |
| Primary             | 70                | 35%                       |
| Secondary           | 90                | 45%                       |
| Graduation          | 30                | 15%                       |
| Post-graduation     | 10                | 5%                        |

Source: Primary Data

The analysis of the table-1 shows that overwhelming majority of the respondents are male 99% and just 1% respondent is female. This is purely because of the religious influence of the Kashmiri society which discourages the female participation in the market particularly shop keeping. Besides, 45% respondents hold graduation degrees, 35% hold secondary (10+2) qualification and meagre 5% are post-graduates. This is explained by the overall lower literacy rates in Jammu & Kashmir particularly in Kashmir province. The literacy rates are below the national averages. Further, the analysis reveal that 50% respondents are between 26-35 age group and just 10% of the respondents are above the age group of 45 years. Which again reflects that the overwhelming majority (90%) are in the “baby boomer” category and can provide the “demographic dividend” to the state.

Table: 2 Sales Turnover and Operating Profit behaviour of Unorganised Retail Outlets
N=200

| Parameter           | Increased | Same/Unchanged | Declined |
|---------------------|-----------|----------------|----------|
| Profit              | 60%       | 15%            | 25%      |
| Sales               | 65%       | 20%            | 15%      |

Source: Primary Data

The Table: 2 throws some astonishing figures, than analysis reveal that a great majority of 60% respondents reported an increase in the profits after the opening of the organised retail formats like Malls, 15% reported status-quo in the profit behaviour. However, still a good percentage of respondents revealed a drop in their profit rates post-mall operation.

Findings of the Study

- The male population dominates the unorganised retail industry in at least the Srinagar area and the figure is 99%.
- Around 80% of the respondents hold primary and secondary qualification.
- The respondents in the age group of 25-45 dominate unorganised retail and this group constitutes around 90% of the sample size. This again shows that the male adults primarily rule the roost.
- The study also revealed that the Mall don’t have any adverse impact on the sales and profitability of the respondent shopkeepers.
- There is also negligible adverse impact on the customer patronage of the unorganised retail outlets on account of the Malls.
- An overwhelming majority of the respondents observe that the entry of malls and permitting FDI in retail segment is not going to adversely impact the small unorganised retail industry in Srinagar city.
- The majority of the respondents also revealed that there is no need for them to upgrade their floor space.
- However, some value added services give a better shopping experience, this was revealed by good percentage of respondents.

Conclusion and Suggestions

The study is a unique in that it has revealed some astonishing facts. The analysis of sample shops revealed that the malls and opening up of retail sector is not going to impact unorganised retail in a bad way. In contrast to the common belief that Malls have an adverse impact on the unorganised retail segment, the study found quite an encouraging support for opening of the retail segment in at least in Srinagar city. This can be observed from the increasing sales, profits and customer base of unorganised small shopkeepers which fall in the vicinity of organised retail formats like Malls. The present study is just a humble attempt to unravel the mystery behind the impact of organised retail formats like supermarkets, malls etc. on the small shopkeepers. The findings of the present study are encouraging in that the policy makers can make certain policy changes in the context of retail segment in Kashmir. However, the implementation of the Central governments’ decision on FDI in Retail should be carried out in a controlled and phased manner for better reflecting the demands of all the stakeholders involved.

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