

A STUDY ON THE PERFORMANCE OF SMALL RETAILERS IN THE LIGHT OF INCREASED SHOPPING MALLS IN KERALA

BY

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Abstract

In Kerala, a significant increase in the number of shopping malls has been observed over the last 15 to 20 years. Shopping malls become popular by providing a better shopping experience to customers. It attracts people from every layer of the economy. The increased number of shopping malls in Kerala adversely affected the work of small retailers. Small retail shops are generally owned and managed by individuals and families. These small retailers have played a vital role in shaping our economy. With the expansion of large retail chains and shopping malls, many small and medium retailers have experienced a substantial decline in customer footfall and sales. The study will help in identifying major challenges, operational problems and performance of small retailers in the light of increased shopping malls in Kerala.

Keywords: *shopping malls, small retailers, policy making, and customer footfall.*

Introduction

Shopping malls offer a wide range of facilities including supermarkets, entertainment zones, cinemas theatres, food courts, beauty parlours, textile outlets, shopping marts, etc. The shopping experience it provides are amazing and attractive. In Kerala, a significant increase in the number of shopping malls has been observed over the last 15 to 20 years. Shopping malls provide an improved shopping experience, particularly for the younger generations and have become popular among families.

The increased shopping malls in Kerala adversely affected the working of small retailers. Small retail shops are generally owned and managed by individuals and families. These small retailers have played a vital role in shaping our economy. With the expansion of large retail chains and

shopping malls, many small and medium retailers have experienced a substantial decline in customer footfall and sales. Some have even been forced to close their businesses as they are unable to compete with large-scale retailers in terms of pricing, variety and facilities.

This study aims to provide a clear understanding of the growth of shopping malls in Kerala over the past decade and their impact on the performance and survival of small retailers. The findings will be useful for policymakers and government authorities in framing appropriate strategies to support small retailers and thereby protect the economic stability of the region.

Objective of the Study

1. To identify changes in the performance of small retailers due to the increased shopping malls in Kerala

2. To understand the major challenges and operational problems faced by small retailers due to competition from organised retail formats

Methodology of the Study

For the study, both secondary and primary data were used.

Secondary Data

The secondary data have been gathered from the following sources;

- Government publications, magazines, journals and other published sources.
- Various textbooks related to the retail business.
- Published and unpublished research reports and dissertations.
- Website of various marketing related articles and the industry.

Primary Data

- Survey method was used for collecting primary data. A well-structured interview schedule is used to collect primary data from small retailers.
- The population of the study comprises small retailers of Kerala. The small

retailers in Kerala are scattered. The formula used to fix sample size is $n \geq (1.96 s/d)^2$, where 'n' stands for the sample size, 's' the estimate of standard deviation, 'd' the standard error of the estimate of the population parameter, and the value 1.96 is the critical value from a normal test at 5 per cent level of significance. Accordingly, a sample size of 304 is an adequate size for the population. However, the present study used a sample size of 314 with the aim of more validity and reliability of the data. In the first stage, through purposive sampling, out of the fourteen districts of Kerala, five districts have been selected. In the next stage, a sample of 314 small retailers were selected based on the proportion in which they are spread in the different chosen sample districts.

Threat from Shopping Malls

Shopping malls provide a wide variety of products to customers under one roof with a lot of amenities like car parking, restaurants, cinema theatres, playing stations for both children and adults etc. The customers are attracted towards these malls, leaving small retailers. The details of the threat faced by small retailers are explained in the following table

Table 1.1 Threat from Shopping Malls

	Threat from Shopping Malls		Total	
	Yes	No		
Annal Sales				
	Less than 2.5 lakhs	98	30	128
	2.5 lakhs - 5 lakhs	84	30	114
	5 lakhs - 7.5 lakhs	24	8	32
	7.5 lakhs - 10 lakhs	6	14	20
	More than 10 lakhs	14	6	20
Total		226	88	314

From table 1.1, it is inferred that most of the small retailers in Kerala (71.97 per cent) face threat from shopping malls, but 28.03 per cent do not support this view. Thus, from the table analysis, it can be interpreted that shopping malls are creating problems for small retailers in Kerala.

H₀: There is no significant dependence between shopping malls and sales of small retailers in Kerala.

H₁: There is significant dependence between shopping malls and sales of small retailers in Kerala.

Table 1.2 Chi-Square Tests

	Value	df	Significance
Pearson Chi-Square	9.577 ^a	4	0.048
Likelihood Ratio	8.434	4	0.077
Linear-by-Linear Association	3.070	1	0.080
N of Valid Cases	314		

From the chi-square table 1.2, it is clear that in related to shopping malls and sales of small retailers in Kerala, the P value is significant at 5 point level ($P = .048 < .05$), hence the null hypothesis, there is no significant dependence between shopping malls and sales of small retailers in Kerala, is rejected.

Shopping Malls and Regional Operational Problems

The number of shopping malls are increasing day by day in Kerala. These malls create problems for small retailers. The operational problems faced by small retailers in Kerala are discussed here with

the help of a mean table and associated with one-way ANOVA.

H₀: There is no significant difference in the operational problems faced by small retailers due to the presence of shopping malls across the selected districts.

H₁: There is a significant difference in the operational problems faced by small retailers due to the presence of shopping malls across the selected districts.

The mean score of the responses of selected small retailers on operational problems has been presented in the following table (table 2.1).

Table 2.1. Mean of Operational Problems

	Small Retailers	Operational Problems
Cochin	Mean	20.5412
	N	170
	Std. Deviation	1.6942

Thiruvananthapuram	Mean	20.75
	N	64
	Std. Deviation	1.95101
Kottayam	Mean	21.1818
	N	44
	Std. Deviation	1.89326
Trissur	Mean	20.875
	N	32
	Std. Deviation	1.96214
Kozhikode	Mean	21
	N	4
	Std. Deviation	0
Total	Mean	20.7134
	N	314
	Std. Deviation	1.79047

Table 2.2 ANOVA Table

		Sum of Squares	Df	Mean Square	F	Sig.
Operational problems *	Between Groups (Combined)	7.973	8	0.997	0.620	0.758
	Within Groups	492.129	306	1.608		
	Total	500.102	314			

Based on the table 2.2, the mean score variation is not found significant at 5per cent level of significance ($P.758 > .05$). The null hypothesis, that there is no significant difference in the operational problems faced by small retailers due to the presence of shopping malls across the selected districts, was tested here with one-way ANOVA and it was found that the value F is not significant. Therefore, the null hypothesis is accepted with an interface that there is no significant difference in the operational problems of small retailers on the basis of selected districts.

Findings of the Study

1. Most of the small retailers in Kerala are of the opinion that competition from shopping malls is the main threat to marketing.
2. The majority of the shopping malls opined that policy making from the government and other concerned authorities is necessary to supporting small retailers from the clutches of shopping malls.

3. Most of the small retailers in Kerala face a threat from shopping malls.
4. The increased number of shopping malls has adversely affected the sales of small retailers in Kerala.
5. Small retailers face operational problems due to the presence of shopping malls in Kerala.

Recommendations

- The significance of the small retailers in Kerala is very high as they generate large employment opportunities for ordinary people. Since financial crises are one of the major problems of small retailers in Kerala, government support must be provided to them.
- Small retailers in Kerala face difficulty in marketing their products, marketing subsidies should be extended to this area.
- The government should strengthen the measures to prevent the unhealthy establishment of shopping malls.
- A substantial share of small retailers depend on agencies for their product

supply. There is no common standard rate of supply in this regard. Hence, it is suggested that urgent government intervention is needed to fix and regulate standard rates applicable across Kerala.

- Physical appearance of shops is one of the major factors that determines sales. Therefore, sufficient vigilance should be taken by the retailers while setting up their shops.

Conclusion

In Kerala, shopping malls created a new purchasing experience and became popular among people within a short time. But it adversely affected the working of small retailers. The expansion of shopping malls led to a substantial decline in customer footfall and sales. These small retailers have played a vital role in shaping our economy by providing a large number of employment opportunities directly and indirectly. To protect small retailers, the government and concerned authorities must extend a helping hand in the form of financial support and marketing subsidies.

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