Impact Of Shopping Malls On The Unorganized Retail Sector : A Case Study Of Mangalore Region

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INTRODUCTION

Retailing is the largest private industry in India, and the second-largest employer after agriculture. Organized corporate retailing is poised to become the business of this decade in India. This sector has witnessed significant development in the past 10-15 years from the small unorganized family-owned retail formats, to organized retailing. With unprecedented growth in corporate retailing, and with the entry of foreign retail players, the Indian market has caused concern that the small and marginal unorganized retailers will be adversely affected. Further, concern has been expressed that through vertical integration from "plough to plate", producers will be squeezed into ever lower margins. Retail is clearly the sector that is poised to show the highest growth in the next 5 to 10 years. The organized sector is set for a revolution in Indian retailing with a far reaching impact on traditional retail. The present size of the organized sector was expected to grow to 25-30 per cent by the year 2010. In 2009, there were about 300 operational malls, 1500 supermarkets, and 325 departmental stores under construction (Laxmana and Shilpa, 2009). Many domestic and foreign retail players are coming up with huge investments, due to which, the present 15 million mom-and-pop shops and kirana stores fear losing their business. Most of the studies had predicted that the organized sector would reach to US$ 400-600 billion by the year 2010, and may emerge as a main business threat to millions of retailers in the unorganized sector (Dale & Biswas, 2007). The fast emerging retail sector, which promises to be the sunrise segment of the Indian economy, is all set to witness bold reform measures, with the government proposing to allow FDI in multi-brand retail. Recently advocating that FDI in retail would bolster farmers' income, tame inflation, and bring technical know-how, the Department of Industrial Policy and Promotion (DIPP), Govt. of India released a discussion paper *"FDI In Multi-brand Retail"* on July 6, 2010, inviting views, opinions, responses, and suggestions from the stakeholders to open the Indian retail market to the key foreign retail giants, thereby allowing 100 per cent FDI (Menon and Bindu, 2010).

The development of malls is the result of the opening up of the Indian economy in 1991 through the policies of economic liberalization, globalization, and privatization. The "reform" of the retail industry is inevitable. Regardless of whether the growth of retail is helped by the corporate or foreign retail chains, malls will adopt the full range of 'material practices' to assist such development. Material practices include architectural practices, form of market research, and supply chain technology. The concern here is to note how such 'dividing practices' discriminate the malls from the surrounding controlled retailers, small shops, and hawkers. One of the criticisms about the malls is that they lead to the replacement of the traditional main street shopping, and cause its subsequent decline. Many find malls ugly "Big Boxes" that kill the beauty and pedestrian life of the street around them (Voyce Malcom, 2007).

LITERATURE REVIEW

The review of literature shows that there are contrasting and contradicting opinions among the global and Indian researchers as to the impact of malls on the operations of the unorganized stores. Many research studies are of the view that the emergence of shopping malls has severely impacted the sales and the operational profits of the traditional retailers, while few empirical studies are not ready to accept this premise. A survey based study of small unorganized retailers operating in close proximity to Food World and Subhiksha (CII-KSA Technopak, 2003) in Chennai showed that none of them had to close their operations with the advent of these organized retail formats. The study observed

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that there was a little impact on the sales and inventory on the selected respondents in the initial period of time; however, it phased out gradually. A national survey on *"FDI In The Retail Sector In India"* (Mukherjee and Patel, 2005), the first of its kind sponsored by the Indian Council for Research on International Economic Relations (ICRIER), strongly recommended the introduction of FDI in the organized retail sector over a period of five to six years to boost the pace at which the organized retail sector is growing. The study highlighted that the impact on unorganized retailers located in close proximity to organized outlets was not so severe that it will result in their closure.
A survey conducted by the Federation of Indian Chambers of Commerce and Industry and Pricewaterhouse Coopers (2005) indicated that the Indian retail sector will undergo a sea change in size as well as in format in the next ten years. According to the survey, the established players will reach saturation levels in the metros by the year 2010, and shift their focus to other Class I and Class II cities. The study further revealed that though large retailers will control a substantial portion of the retail market in India, the small players, that is, the kiranas will continue to survive on the basis of personal relations with the customers and proximity to homes.
A study of the *"Impact of Malls On Small Shops and Hawkers In Mumbai"* (Kalhan, 2007) clearly indicated that there has been a severe impact of malls on the unorganized retail shops operating in the vicinity of malls. The study further said that mega malls are making deep inroads in the sales of retailers operating in the unorganized sector.
The study conducted by the ICRIER at the behest of the Government of India indicated price benefits to farmers, lower prices to consumers, and almost no effect on the traditional retailers (Joseph et al., 2008). The study, which was based on the largest ever survey of all segments of the economy that could be affected by the entry of large corporates in the retail business, found that unorganized retailers in the vicinity of organized retailers experienced a decline in sales and profit in the initial years of the entry of organized retailers, but this adverse impact weakened over time. A research study conducted by Centre for Global, New Delhi and the Foundation for Advanced Studies on International Development, Tokyo, clearly indicated that a number of small unorganized businesses had to close their shops due to the arrival of big shopping malls and organized retailers in their vicinity (Kalirajan & Singh, 2009).
A survey of 100 youths conducted by *The Hindu* on the premises of different colleges in Mangalore city revealed that with the opening of super and hyper markets, cloth and accessory stores, eateries and multiplexes, Mangaloreans now have more variety to choose from (Nayak & Suvarna, 2010).
One of the research studies investigated the prominent factors of shopping mall buying behavior relating to quality, time saving, and price. The findings of the study revealed that there are three segments of customers- quality conscious, conscious about saving time, and price conscious, to whom the shopping malls have to cater to in different ways (Kaushal & Medhavi, 2011). A survey based research study observed that due to the recent changes in the demographic system of consumers, and due to the awareness of quality conscious consumption, consumers preferred to buy different products both from the organized and unorganized retailers. Hence, both the organized and unorganized retailers have to implement various value-added services to attract these customers (Ramanathan & Hari, 2011).
The overview of the literature, and research and development in the subject reveals that the entry of the shopping malls has hampered the growth and survival of the unorganized retail trade in India. It has also been observed that the unorganized retailers have developed a hostile attitude towards the malls. Based on the literature review and the results of the pilot study, the researchers made a sincere attempt to elicit first hand information from the selected unorganized retailers operating in the vicinity of mall operations to assess the negative impact, if any, on their operations.

RESEARCH OBJECTIVES OF THE PRESENT STUDY

The research study was conducted with the following set of objectives:

❖ To present the socio-economic profile of the sample unorganized retailers.

❖ To explore the financial and economic impact of shopping malls on the sample unorganized retail outlets.

❖ To study the attitudes, perceptions, and opinions of the sample unorganized retailers about the impact of malls on the unorganized retail sector.

❖ To identify the challenges and threats perceived by the sample unorganized retailers from the malls operating in their vicinity.

RESEARCH METHODOLOGY

The study is both descriptive and exploratory in nature. Hence, the research methodology was formulated in accordance with the requirements of the subject, where both the primary and secondary data sources were tapped effectively and efficiently, with emphasis on gathering first hand assessment of the situation. The research design of the study is crafted on the basis of the objectives, and the nature of the problem to be investigated, and the availability of time and the skill of the researchers. In order to select the adversely impacted unorganized retail stores, the researchers developed a catchment area. A catchment area is an area defined in terms of radius of a distance in kilometer from where the existing shopping malls are expected to draw the customers of traditional retail shops. In the catchment area, 224 unorganized retail stores were selected on a stratified sample based on their size, nature of business, business practices, proximity to retail chain, and shopping malls, etc. To elicit the primary data, a pre-structured questionnaire was administered to the selected sample respondents. Before administering the questionnaires to the respondents, a pilot study was carried out to test the technical flaws of the proposed questions. Some questions were kept open-ended to capture as much information as possible, while close-ended questions helped to maintain the commonality, and to form the basis for comparison between various respondents.

GEOGRAPHIC COVERAGE AND TIME PERIOD OF THE STUDY

Mangalore (in Karnataka) has kept pace with development, and has come up with a lot of infrastructure projects, including malls and modern retail formats. It is growing by leaps and bounds, and is emerging as one of the most sought-after destinations for the leading organized domestic and foreign retail players in India. However, at the same time, the unprecedented growth of malls and other modern retail formats has jeopardized the interest of the small and marginal traditional retailers operating in the unorganized retail sector, and its impact has been so severe that it has threatened the very existence of the unorganized retailers. The survey was conducted over a period of 8 months - from June 2010 to February 2011. As far as organized and unorganized retailers are concerned, information was collected through repeated on-site visits to the respondents' outlets, and each interview lasted for around an hour, depending on the willingness, co-operation, and availability of free time (of the respondent). Appropriate statistical methods, techniques and tools like Microsoft Excel and Statistical Program for Social Sciences (SPSS) software were applied to analyze the primary data to reach at useful inferences and logical conclusions.

LIMITATIONS OF THE STUDY

The key limitations of the present study are:

❖ The study is limited to the attitudes and the perceptions of the selected sample respondents, and may not be universally applicable.

❖ There was a possibility of respondent bias in self reporting perceptions of the survey.

❖ The study is 'micro' in nature, and its survey findings and observations cannot be generalized, and may be subject to change from time to time and place to place.

❖ As the sample size was 224 respondents, is not necessary that it truly represents the population universe.

ANALYSIS AND INTERPRETATION

This part of the research paper presents the analysis and interpretation of the collected data from the sample size of 224 unorganized retailers operating their business within the vicinity of three selected mega shopping malls viz., Bharath Mall, Empire Mall and Saibeen Mall in the Mangalore region. The focus of the analysis was to explore and present the impact of shopping malls on the marginal and petty retail shops operating in the unorganized sector.

❖ **Demographic Profile Of The Sample Respondents :** The Table 1 briefly indicates the profile of the sample respondents (n = 224) :

❖ 87% of the respondents were males and 13% were females.

❖ 70% of the respondents were under the age group of 31 to 50 years, which shows that most of the respondents were adults, with ample experience of managing the business.

❖ 86 % of the respondents were married, while only 14 % of them were unmarried.

❖ 14% of the respondents were educated up to the primary level, 30 per cent of them possessed education upto the secondary school level, while 52 per cent of them were graduates, and 4 per cent of them held postgraduate degrees.

Table 1: Demographic Profile Of The Selected Respondents

Factor and Category	No. of Respondents	Percentage
1. Gender		
Male	196	87
Female	28	13
2. Age		
Up to 30 years	28	12
31 - 40 years	84	38
41 - 50 years	72	32
51 - 60 years	32	14
Above 60 years	8	4
3. Marital Status		
Married	192	86
Unmarried	32	14
4. Educational Level		
Primary	32	14
Secondary	68	30
Graduation	116	52
Post Graduate	8	4
Source: Primary Data		

The analysis of the Table 2 shows that 88 per cent of the sample shops were having less than 500 sq. ft. of floor space, which clearly indicates that the majority of the retail outlets in the unorganized sector are of small size as compared to their counterparts operating in the organized sector. The study also reveals that most of the owners of sample shops were satisfied with the present floor space of their shops; however, they wanted to upgrade their shops into super kiranas to sustain and face the competition from the organized retailers operating at the malls.

Table 2: Distribution of Sample Shops By Floor Space

Floor space (Sq. ft.)	No. of Respondents	Percentage
Less than 100	32	14
100 - 200	59	26
200 - 300	38	17
300 - 400	35	16
400 - 500	34	15
500 - 600	8	4
More than 600	18	8
Total	**224**	**100**
Source : Primary Data		

❖ **Impact On The Turnover And Profit Of The Sample Shops :** The results of the Table 3 reveal that as high as 63 per cent of the sample unorganized retailers reported falling sales, while 23 per cent of them said that their sales remained unaffected in spite of opening of malls near their shops, and surprisingly 14 per cent of the respondents reported an increase in their sales. The survey findings clearly indicate that the sales and the profit of the sample shops operating in

Table 3: Sales Performance & Profitability Of Sample Shops Since The Start Of Mall Operations		
Response	**No. of Respondents**	**Percentage**
Declined	140	63
Remained Same	52	23
Increased	32	14
Total	**224**	**100**
Source: Primary Data		

the unorganized sector declined drastically since the start of mall operations in their vicinity. Hence, it can be concluded from the survey results that there has been a negative impact on the traditional retailers due to the commencement of mall operations.

However, the respondents who reported that their sales remained unaffected even after the opening of malls were dealing in those products which were not found in the malls, like- stationary, photocopying services, branded mobiles, beds and cushions, and computer accessories, etc. Certain eateries and fast food hotels close to the shopping malls reported an increase in sales due to the patronage of the mall employees, and the customers frequenting the malls.

Table 4: Extent Of Decline In Sales And Profitability Of Sample Shops Since The Start Of Mall Operations		
Response	**No. of Respondents**	**Percentage of Respondents**
Less than 20 per cent	48	34
20 - 30 per cent	40	29
30 - 40 per cent	24	17
40 - 50 per cent	12	9
More than 50 per cent	16	11
Total	**140**	**100**
Source: Primary Data		

The analysis of the Table 4 shows that 34 per cent of the respondents reported less than 20 per cent decline in their sales and profitability, 29 per cent of them reported a decline of 20-30 per cent, while 17 per cent of the respondents' sales and profit fell by 30-40 per cent, and 26 per cent of them reported a significant cut in their turnover and margin to the extent of 30 per cent to 50 per cent. It was observed from the survey analysis that 11 per cent of the respondents who responded to the survey reported that more than 50 per cent of their sales and profit declined due to the opening of malls near their shops. The impact of malls on these sample shops dealing in grocery, apparels, and ready-to-eat and bakery items was so severe that they were at the verge of closure. Some of the respondents brought to the notice of the researchers the fact that few grocery and general merchandise shops, which were operating near the Nilgiris retail outlet housed in the Empire Mall, shut shop as the they were unable to bear the stiff competition from organized outlets like Nilgiris and Big Bazaar. The notable reasons for the closure of unorganized retail stores were the use of predatory pricing policy, and huge discounts offered by the organized retail outlets operating at shopping malls. Apart from that, the change in customers' buying behavior to buy all the products under a single roof to save time, as majority of the Mangaloreans are working couples, was one the reasons cited by most of the respondents for the decline in sales.

However, it is to be noted that the percentage of the closure of the unorganized retail shops after the commencement of shopping malls in their vicinity was very insignificant, i.e., less than 1 per cent. However, it was observed that a majority of the sample unorganized retailers were keen to stay in the business and compete with the malls.

On the contrary, no malls were wounded, but instead, many new shopping centres like City Centre, the second biggest mall in Karnataka, and seventh largest in India, and Mischief Mega Mall have already commenced their operations in Mangalore. Excel Mall, Time Square, Pio Mall, Golden Harvest Mall, Mangalore Central Mall, Mak Mall, Inland

Galore, Golden Square, Prestige Forum, Palma Mall, 'Spectrum' and 'Times Square' mall were some of the upcoming mega malls in Mangalore. However, it was observed that the opening of the new shopping malls, to a certain extent, affected the sales of the existing malls, thereby indulging in price wars, and unhealthy promotional schemes.

Table 5: Sales Decline Of Sample Shops By Business Type As A Result Of Mall Operations

Business type	Number of shops showing sales decline	Total number of sample shops	Per cent of shops showing sales decline
Grocery	52	60	87
Processing Food	19	44	43
Footwear	7	8	88
Fancy & Gifts	23	44	52
Vegetables & Fruits	10	16	63
Cloth & Garments	17	24	71
Furniture & Interiors	6	8	75
Electrical, Electronics	10	16	63
Others	2	4	50
Total	**140**	**224**	**63**

Source: Primary Data

The outcome of the Table 5 shows that a majority of the sample shops, irrespective of the type of business, reported more than 50 per cent decline in their sales since the start of mall operations. It is clear from the results of the above frequency table that the decline in sales is not confined to grocery stores only, but unbranded garment and footwear shops, furniture and electrical shops, all seem to have suffered due to the entry of organized retailers. This may lead to deeper questions regarding the changing class composition and shift in consumption patterns in the vicinity of the malls.

Table 6: Sales Decline Of Sample Shops By Shop Size As A Result Of Mall Operations

Shop floor space (Sq. ft.)	Number of shops Showing sales decline	Total number of sample shops	Per cent of shops showing sales decline
Less than 100	18	32	56
100 - 200	35	59	59
200 - 300	24	38	63
300 - 400	23	35	66
400 - 500	29	34	85
500 - 600	4	8	50
More than 600	7	18	39
Total	**140**	**224**	**63**

Source: Primary Data

It may be observed from the frequency Table 6 that the number of shops reporting decline in sales were very high in the average-size range of 300 to 500 sq. ft. as out of 69 sample shops, 52 of them reported decline in sales and profit. However, the least impacted shops were in the size range of less than 100-200 sq. ft. (56%), and more than 600 sq. ft. (39%). It may be concluded from the survey findings that the tiny shops (like petty corner shops), and the fairly large retail stores (like Janatha Bazaars) experienced the least impact on their sales as compared to an average size of 300-500 sq. ft. stores, that were severely impacted due to the start of mall operations.

Table 7: The Price Charged By The Organized Retailers Is Less As Compared To The Price Charged By The Sample Unorganized Retailers		
Response	**No. of Respondents**	**Percentage**
Yes	100	45
No	124	55
Total	**224**	**100**
Source: Primary Data		

The analysis of the frequency Table 7 shows that 55 per cent of sample traditional retailers disagreed that the prices charged by the organized retail outlets operating at the malls were less than the prices charged by them. Infact, a majority of the sample respondents argued that the prices charged by them were far less as compared to the prices offered by the organized outlets. Some of the respondents advised the investigators to buy a few products from their shops to counter check the prices charged by the outlets operating in the malls.

❖ **Impact On The Employees Of The Sample Shops :** The Table 8 shows that out of the 224 selected sample shops, 164 (73%) shops were using the services of hired employees, of which only 44 (26%) shops had retrenched some of their employees due to the decline in sales and profit after the commencement of malls near their area of operations. The findings of the field survey reveal that, as of now, there was no severe adverse impact of malls on the employment scenario of unorganized retail sector, but things may change in the future.

Table 8: Number Of Sample Shops Who Retrenched Their Employees After The Commencement Of Mall Operations		
Response	**No. of Respondents**	**Percentage**
Yes	44	26
No	124	74
Total	**164**	**100**
Source: Primary Data		

❖ **Impact On The Customers Of The Sample Shops :** The analysis of the Table 9 highlights that 66 per cent of the sample retailers reported a loss of high value, most loyal, and regular customers. It is to be noted that the decline in the number of customers was not only confined to the grocery stores, but the same trend can also be seen in other types of shops like those selling - gifts and fancy items, electrical and electronics goods, and food processing. The interpretation of the Table 9 indicates that the unprecedented growth of malls in Mangalore resulted in loss of high value, regular, and most loyal customers of the sample shops. However, quite a significant number of the respondents also reported that there were many high value and most frequented customers who switched their loyalty to the shopping malls, but later realized that the products and the services offered by the organized outlets operating at the malls were not up to their expectations and tastes, and a majority of them returned to their old unorganized retail shops.

Table 9: Patronage Of High Value Customers Of Sample Shops Since The Start Of Mall Operations		
Response	**No. of Respondents**	**Percentage**
Declined	148	66
Remained Same	56	25
Increased	20	9
Total	**224**	**100**
Source: Primary Data		

Table 10: Attitudes And Perceptions Of The Sample Respondents On The Impact Of Shopping Malls On The Unorganized Retail Sector n = 224				
Sl. No.	Statements	Agree	Can't Say	Disagree
1.	Unprecedented growth of malls is a threat to the unorganized sector.	176 (78)	16 (7)	32 (15)
2.	Shopping malls are making inroads in the sales of informal retail sector.	144 (64)	20 (9)	60 (27)
3.	Loyal customers of unorganized retail shops are drifting towards shopping malls.	152 (68)	16 (7)	56 (25)
4.	Shopping ambience and comfort are high in malls as compared to unorganized retail shops.	196 (87)	4 (2)	24 (11)
5.	Wide range of choice for customers in malls as compared to the unorganized outlets.	140 (63)	12 (5)	72 (26)
6.	Organized outlets charge less selling price as compared to the unorganized outlets.	44 (20)	28 (12)	152 (68)
7.	Add-on facilities are the added advantage to malls over the unorganized shops.	196 (88)	8 (3)	20 (9)
8.	Malls may dislodge and displace the unorganized retailers.	120 (54)	28 (12)	76 (34)
9.	Foreign Direct Investment should be allowed in the Indian retail sector.	44 (20)	36 (16)	144 (64)
10.	Government should regulate and control the operations of shopping malls.	128 (57)	40 (18)	56 (15)

(Parentheses indicate percentage of total)
Source: Primary Data

❖ **Attitudes And Perceptions Of The Respondents About The Impact Of Malls On The Unorganized Retail Sector :** The attitudes and the perceptions of the selected sample respondents, as incorporated in the frequency Table 10, clearly indicates that an overwhelming majority of them agreed that add-on facilities like parking, etc. were the added advantage for the malls (88%); shopping ambience and comfort was high in malls (78%); the unprecedented growth of shopping malls was a threat to the unorganized retail sector (78%); their customers were shifting to malls (68%); malls were making inroads in their sales (64%); malls were offering wider range of products to customers (63%); the Government should regulate and control the operations of shopping malls (57%); and malls may dislodge and displace unorganized shop-keepers (54 %).

However, the sample respondents disagreed with the statements - that outlets operating at malls charge less selling price as compared to the unorganized retail outlets (68%); and Foreign Direct Investment should be allowed in the Indian retail sector (64%).

CHALLENGES AND THREATS FROM MALLS AS PERCEIVED BY THE SAMPLE UNORGANIZED RETAILERS

Based on the opinions and the observations made by the selected sample unorganized retailers, the following are some of the perceived challenges and the threats that the malls may pose to them in the near future:

❖ Fear of losing their regular customers to the malls.
❖ Upgradation of shops in terms of floor space and technology to cope up with the increasing competition from malls.
❖ Unethical practices adopted by the malls to kill the traditional retailers like predatory pricing.
❖ Weak backward supply chain as compared to the malls.
❖ Lack of finance and credit to expand their business and to hold a large inventory of popular brands.
❖ Lack of attractive sales promotional schemes and policies to attract the customers.

MAJOR FINDINGS OF THE STUDY

Based on the summary of the analysis and the interpretation of primary data, the study reports the following major findings:

1) Demographic Profile Of The Respondents : Majority of the unorganized retailers were males (87%), in the age group of 31 to 50 years (70%), and most of them were married (86%), and were graduates (52%).

2) Adverse Impact On The Turnover And Operating Profits Of The Sample Shops : The survey findings clearly indicate that the turnover and operating profits of the sample shops had declined drastically since the start of mall operations in their vicinity. The survey findings reveal that 63 per cent of the sample shops reported a fall in sales and profit, of which 77 per cent of them reported fall in sales and margin as high as 30 to 50 per cent. In fact, a few shops were in the red zone, facing the threat of closure, if the same trend continued. The findings also throw light on the fact that a majority of the sample shops, irrespective of the type of business, reported more than 50 per cent decline in sales since the start of mall operations.

3) Least Impact On The Employees Of The Sample Unorganized Shops : The findings of the field survey reveal that as of now, there was no severe adverse impact of malls on the employment scenario of the unorganized retail sector in Mangalore region, but things may change in the future.

4) Adverse Impact On The Customers Of The Sample Shops : Majority of the respondents (66%) reported that there was a significant decline in the number of their high-profile and most frequented customers after the commencement of mall operations. One of the key findings of the survey shows that though there was a negative impact of malls on the customers of the sample shops initially, but it gradually phased out over time, as customers returned back to their fold.

5) An Overwhelming Majority Of The Sample Respondents Opined That:

- Entry of shopping malls is a threat to the unorganized retail sector.
- Cost of shop floor space increased after the opening of shopping malls.
- Organized retailing was making inroads in the sales of the unorganized sector.
- Loyal customers of the unorganized retail shops were drifting towards malls.
- Superior shopping ambience at malls attracted their most valued customers.
- Add-on facilities at malls were the added advantage for the organized outlets.
- There was a wide range of choice for the customers at malls as compared to the traditional retail shops.
- There was no need to allow FDI in the Indian retail sector.
- There was a need to regulate the operations of the shopping malls.

SUGGESTIONS

On the basis of the main findings of the survey and the review of national and international retail experience, the study makes the following suggestions to improve the performance and operational efficiency of the unorganized retail shops to cope up with the increasing competition from shopping malls.

- To encourage the formulation of organized-unorganized retailers' partnership.
- To encourage the formation of buying co-operatives and associations of the unorganized retailers.
- To allow unorganized retailers to have access to private labels and brands of the organized players.
- To improve the business practices and to upgrade the technology of unorganized retailers.
- To improve their (unorganized retailers) operational efficiency to check decline in sales and profit.
- To have access to better credit facility.
- To take innovative measures to retain their loyal customers.

IMPLICATIONS OF THE STUDY

It is expected that the findings of the study will be useful for all the stakeholders of the retail sector- the retailers, retailing industry as a whole, policy makers, researchers, academicians, government, the society in general, and the sample shop owners, in particular.

CONCLUSION

The analysis of the study indicates that the sample unorganized shops were impacted by the unprecedented growth of malls and stand-alone supermarkets, and the competition is intensifying over time. The negative impact of shopping malls on the sample shops can be seen in the form of decline in sales, profit, and the number of customers. The impact was so severe that few sample shops, particularly grocery and food processing were in the loss zone, and if this pressure continues, their closure is imminent. The dislodgement, displacement, and the unemployment of the unorganized shop-keepers' effect could be far greater than the employment effect of the organized sector. The present study has made an attempt to unfold the effects and the far-reaching impact of shopping malls on the unorganized retail sector in Mangalore region. The study advocates a balanced approach to retail, and suggests that the government, the organized retailers, and the unorganized retailers should play a constructive role in building a common platform for the co-existence of both - the organized and unorganized retail.

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