The Growth of Mall Culture and the Crisis of Local Entrepreneurship; A Study with Special Reference to Nagaon District

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Abstract: The retail sector in India has witnessed significant transformation with the advent of modern malls, affecting local traders and small businesses. This study examines the impact of the growing mall culture on local entrepreneurship in Nagaon District, Assam, between 2018 and 2021. With a sample size of 150 traders from an indefinite population engaged in various businesses, the research explores how changing consumer behavior, competition, and urban commercial shifts challenge traditional business models. Using descriptive statistics, charts, and diagrams, the study identifies key threats to local entrepreneurship and suggests possible adaptive strategies. The findings reveal a trend of declining profitability, customer attrition, and adaptation stress among local traders, underscoring the need for policy support and business model innovation.

Keywords: Mall Culture, Local Entrepreneurship, Retail Crisis, Nagaon District, Consumer Shift, Trader Adaptation.

1. Introduction

1.1 Background

Over the past two decades, India's retail sector has undergone a seismic transformation driven by globalization, urbanization, and the liberalization of investment norms. One of the most visible outcomes of this transformation is the proliferation of shopping malls—enclosed, climate-controlled retail complexes offering a mix of global brands, entertainment options, and food courts. These malls have redefined consumer behavior and urban lifestyles, especially in Tier II and Tier III cities like Nagaon, Assam.

Nagaon, traditionally known for its bustling street markets and local trading hubs, began witnessing the establishment of shopping malls around 2017–2018. This shift from traditional bazaars to modern malls is symbolic of a wider socio-economic transformation. However, beneath this shift lies an emerging crisis—an existential challenge for thousands of local entrepreneurs and traders whose businesses are built on personalized service, lower margins, and community trust.

Local traders in Nagaon, operating in sectors like garments, electronics, groceries, footwear, and restaurants, are facing dwindling footfalls, increased customer migration to malls, and rising operational challenges. Despite having decades of business experience, many of these traders are struggling to adapt to

changing consumer preferences, digital payment systems, online marketing trends, and the flashy attraction of malls.

This study investigates the multidimensional impact of mall culture on local entrepreneurship in Nagaon District, based on field data from 150 traders spanning from 2018 to 2021.

1.2 Significance of the Study

This research holds relevance for several stakeholders:

1. Policy Makers: By highlighting the unintended consequences of unregulated retail modernization, the study urges the formulation of inclusive policies that protect small entrepreneurs.

2. Local Trade Bodies and Chambers of Commerce: The findings offer actionable insights to support their members through capacity-building initiatives and collaborative strategies.

3. Urban Planners and Local Governance Bodies: The research underlines the need to integrate local traders into new commercial ecosystems through spatial and regulatory planning.

4. Academic and Research Communities: This work adds to the limited empirical literature on mall-induced economic transitions in smaller urban districts of North-East India.

Most importantly, this study gives voice to the silent economic distress experienced by traditional businesses, which are often overlooked in the euphoria surrounding modern retail.

1.3 Review of Literature

Several studies have examined the evolution of retail infrastructure and the consequences of mall culture across India:

Sinha and Banerjee (2004) studied consumer preferences in malls and observed a strong shift in urban consumption habits favouring branded outlets and organized spaces.

Dey and Ghosh (2013) found that local traders in Kolkata experienced a decline in revenue after the establishment of large malls, especially in high-end product categories.

Prasad and Arya (2016) focused on Jaipur and concluded that while malls generated employment, they simultaneously led to the erosion of traditional market systems.

Rajeev and Chatterjee (2019) explored the dual nature of retail evolution in Guwahati and warned that unsynchronized growth of malls could marginalize small business owners.

However, studies specific to semi-urban districts in North-East India—especially places like Nagaon—remain rare. Most research tends to focus on large cities and metropolitan contexts, failing to capture the unique socio-economic fabric of places like Nagaon where entrepreneurship is deeply localized, generational, and relationship-driven.

1.4 Research Gap

A close review of existing literature reveals the following gaps:

Geographical Gap: Most studies focus on Tier I cities or state capitals; there is a significant dearth of empirical research from districts like Nagaon in Assam.

Time Gap: The majority of studies were conducted in the early 2010s; very few reflect the post-2018 reality when mall culture began taking hold in Assam.

Stakeholder Gap: There is limited analysis from the perspective of affected traders. Most studies emphasize

consumer behaviour rather than business displacement or entrepreneurial adaptation.

Sectoral Gap: Research often generalizes retail impacts without disaggregating the effects on specific business types like garments, groceries, electronics, and small food outlets.

This study aims to fill these gaps by providing updated, field-based insights into the crisis of local entrepreneurship in the face of mall expansion, with a focus on the Nagaon district from 2018 to 2021.

2. Objectives of the Study

1. To examine the extent of business displacement or customer attrition experienced by local traders due to mall culture.

2. To assess the financial and operational challenges faced by traditional entrepreneurs.

3. To explore the coping strategies adopted by local businesses in response to the growth of mall culture.

3. Research Methodology

3.1 Research Design

This study adopts a descriptive and exploratory research design, aiming to understand the impact of mall culture on local entrepreneurship by gathering both quantitative and qualitative data from local traders. The research uses primary data from the field and secondary data from local economic reports, newspapers, and government publications.

3.2 Study Area and Duration

Area: Nagaon District, Assam

Duration of Study: 2018 to 2021 (to observe trends before and after the expansion of mall culture)

3.3 Sample Design

Population: Local traders engaged in various businesses such as garments, electronics, groceries, hardware, footwear, and food services in Nagaon town.

Sample Size: 150 traders selected from an indefinite population.

Sampling Technique: Stratified random sampling — based on the type of business, each category was proportionately represented to ensure broad coverage.

3.4 Data Collection Methods

Primary Data:

Structured questionnaire

Personal interviews

Focused group discussions (with market associations)

Secondary Data:

Reports from local Chambers of Commerce

Economic census reports

News articles and district development plans

3.5 Tools and Techniques for Data Analysis

Quantitative tools: Percentage analysis, bar charts, pie diagrams, and trend lines.

Qualitative insights: Summarized and interpreted based on respondent narratives.

Software used: Microsoft Excel and Google Charts (for data visualization)

4. Data Analysis and Interpretation

4.1 Business Type Distribution of Respondents

Business Type	No. of Respondents	Percentage (%)
Garments	35	23.3%
Electronics	25	16.7%
Grocery Stores	30	20.0%
Footwear	20	13.3%
Hardware	15	10.0%
Food Services	25	16.7%

Interpretation:

The distribution reveals that the garment sector is the most prominent among local entrepreneurs in Nagaon (23.3%), followed by grocery stores (20%) and electronics and food services (16.7% each). These sectors are also the ones most vulnerable to competition from malls, which typically house branded outlets, modern supermarkets, and food courts. This justifies focusing our study on these traders, as they are directly affected by consumer migration to malls offering similar goods and services in more organized settings.

The broad representation across sectors ensures that the analysis captures the diverse impact of mall culture on various types of businesses.

4.2 Sales Trend After Mall Emergence (2018–2021)

Year	% Reporting Decline	% Reporting No Change	% Reporting Increase
2018	18	65	17
2019	32	52	16
2020	49	39	12
2021	61	27	12

Interpretation:

The data indicates a clear and accelerating decline in the performance of local businesses following the growth of mall infrastructure in Nagaon:

In 2018, the impact was minimal, with 65% of traders reporting no change and only 18% facing decline.

By 2019, the scenario worsened as 32% of traders experienced reduced sales.

2020 and 2021 witnessed sharp declines (49% and 61%, respectively), showing that the mall culture gradually started influencing consumer behavior, pulling them away from local markets.

The steady decrease in the "No Change" category (from 65% to 27%) confirms the widespread erosion of customer base from traditional markets to mall-based retail outlets. The fact that the "Increase" category stagnated around 12–17% across years implies that only a few businesses have benefited, possibly those

who adapted quickly or operate in niches not served by malls.

This analysis addresses the first objective of the study: To examine the extent of customer attrition and sales impact on local businesses.

4.3 Key Challenges Faced by Traders

Type of Challenge	% Traders Reporting
Customer Shift to Malls	78%
High Competition & Rent	62%
Lack of Modern Display/Setup	49%
Limited Marketing Capability	54%
Fear of Closure	38%

Interpretation:

The most pressing issue for local traders is the customer shift to malls (78%), highlighting how consumer preferences are evolving towards a more standardized, air-conditioned, and branded retail experience. This is followed by high competition and operational costs (62%), emphasizing the economic vulnerability of small shops due to lack of bargaining power, footfall, and scale.

Other notable challenges include:

Inadequate marketing and poor display mechanisms, which prevent traditional traders from matching the appeal of mall-based retail.

Emotional stress and fear of closure (38%), reflecting deep anxiety about sustainability.

These results directly relate to the second objective of the study: To assess the financial and operational challenges faced by local entrepreneurs.

4.4 Coping Strategies Adopted by Traders

Strategy	% Traders Adopting
Discount Offers	45%
Renovation of Storefronts	22%
Product Diversification	38%
Online Delivery/Whatsapp Sales	28%
Digital Payment (UPI, QR)	41%
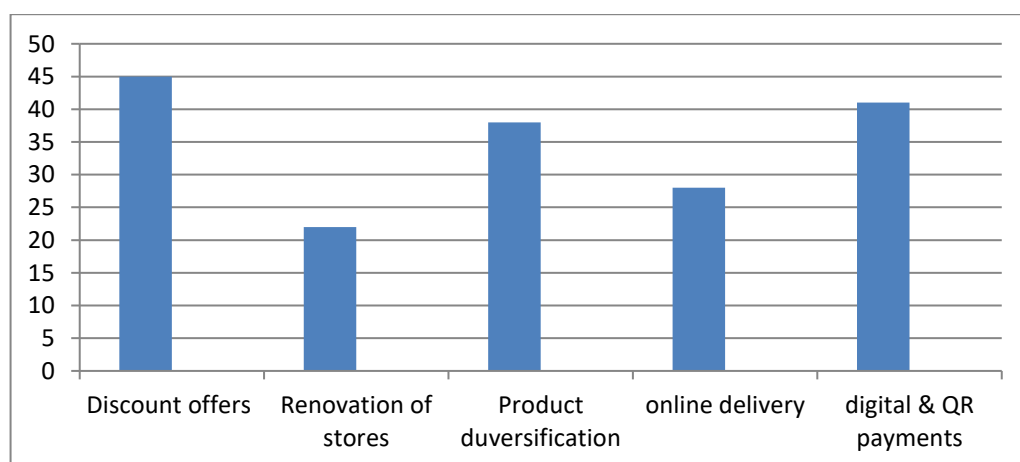
Bar Chart showing Strategies Adopted by Traders to compete with the shopping Malls in percentage

Interpretation:

Faced with growing competition, many traders have tried to respond by offering discount schemes (45%), which help retain price-sensitive customers. Digital payment adoption (41%) shows increasing awareness of customer convenience and the need for modernization. However, only 28% have used online delivery or WhatsApp-based commerce, indicating a digital divide that prevents local traders from fully competing with e-commerce and mall ecosystems.

Product diversification (38%) is a key adaptation strategy, where traders have added new categories or restructured inventory to attract a broader customer base.

The low renovation rate (22%) reflects constraints in capital, suggesting that many traders are unable to invest in store makeovers to match mall aesthetics.

This section aligns with the third objective of the study: To explore coping and adaptation strategies used by local businesses.

4.5 Traders' Outlook for Long-Term Sustainability

Response	Percentage (%)
Believe business is sustainable	32%
Unsure	45%
Believe it may not survive	23%
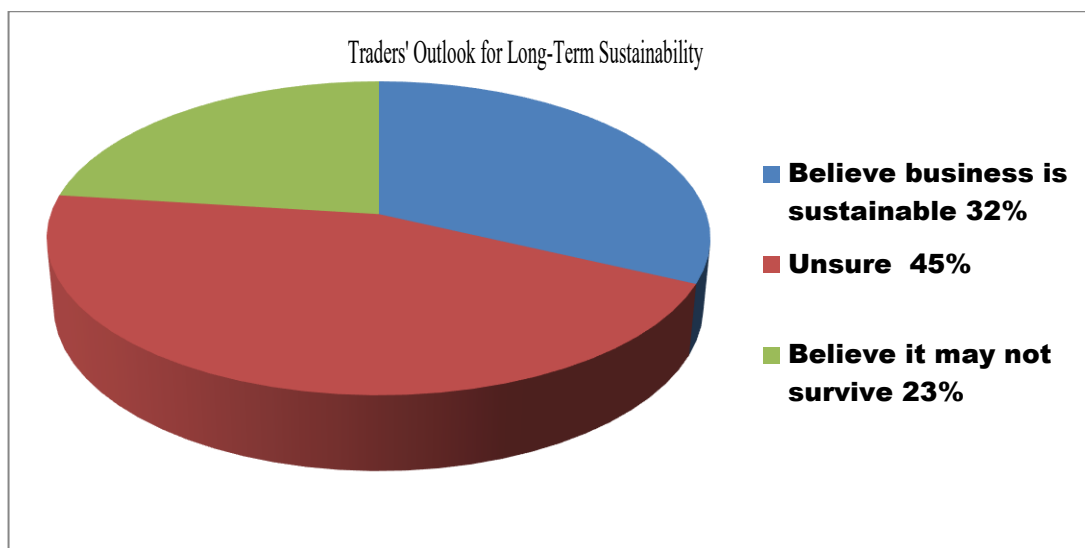
Pie Chart showing Traders outlook for long term sustainability in percentage

Interpretation:

A significant portion of traders (45%) remain uncertain about their future, which reflects a lack of clarity in strategic direction and absence of institutional support. Only 32% are confident that their businesses will survive, perhaps due to strong customer relationships or adaptation measures.

The 23% who believe their business will not survive present a serious concern for employment, self-sufficiency, and socio-economic balance in the region.

This pessimistic outlook, despite efforts to adapt, reveals that survival alone is not enough—traders need structured support, skill up gradation, and digital empowerment.

General Insights and Cross-Sector Analysis

Garment, electronics, and grocery businesses are the worst affected, as these are key focus areas in malls and e-commerce.

Food services fared slightly better due to uniqueness in local taste and customer loyalty.

Traders with younger family members or staff were more likely to use digital tools, indicating a generational gap in adaptability.

5. Major Findings

The study reveals a significant and growing tension between traditional retail practices and modern mall culture in Nagaon District. Through an analysis of responses from 150 local traders, the following key findings emerge:

5.1 Declining Sales and Customer Footfall

A majority of local traders have experienced a consistent decline in monthly sales from 2018 to 2021. The data shows a sharp increase in the percentage of traders reporting loss in revenue, rising from 18% in 2018 to 61% in 2021. The establishment of malls in the district has led to a gradual shift in consumer preference from open markets to climate-controlled, organized retail environments.

5.2 Growing Operational Challenges

Small business owners are facing rising operational costs, limited marketing resources, and shrinking profit margins. Additionally, most lack the physical infrastructure, branding, or technological sophistication to compete with mall-based or online businesses. Many traders also expressed difficulties in modernizing their shops due to capital constraints.

5.3 Weak Digital and Marketing Adaptation

While some adaptation is taking place—such as the adoption of UPI payments, product diversification, or discount offerings—these efforts remain inconsistent and fragmented. Less than half of the respondents are engaged in any form of digital or promotional strategy, which limits their competitiveness in a rapidly digitizing economy.

5.4 Psychological and Financial Stress

Beyond economic data, the study uncovers a growing sense of psychological stress and business insecurity. Many traders, especially those over 45 years of age, express a fear of eventual business closure and lack of motivation to innovate, given the perceived permanence of mall culture.

6. Suggestions and Policy Implications

To address the crisis faced by local entrepreneurs and promote a balanced retail ecosystem in Nagaon District, the following measures are recommended:

6.1 Capacity Building and Training

Government departments, trade associations, and educational institutions should collaborate to organize workshops and digital literacy training for local traders. This includes topics such as online sales, inventory software, branding, customer retention, and digital payments.

6.2 Infrastructure Support and Vendor Zones

The Municipal Board and District Administration should allocate and maintain dedicated vendor-friendly zones or smart bazaars with affordable rents and clean surroundings near high-footfall areas. These zones can include basic amenities and promote traditional retail as a community experience.

6.3 Marketing and Branding Collaboratives

Local traders can form marketing cooperatives that pool resources to develop community branding, advertise seasonal offers, and host shopping festivals. Shared digital marketing platforms or bulk buying alliances could also improve their market power.

6.4 E-commerce Collaboration and Digital Onboarding

Partnerships with e-commerce platforms like Amazon Local Shops, Flipkart Wholesale, or regional delivery apps can help traders reach digital consumers without full technological overhaul. Subsidized onboarding or logistic support can act as incentives.

6.5 Policy Mandates for Inclusive Retail

Local urban planning and licensing policies can mandate malls to reserve certain retail spaces (e.g., kiosks or weekend stalls) for certified local traders or artisans, thus integrating traditional retail into modern platforms.

7. Conclusion

The growth of mall culture in Nagaon District is a double-edged phenomenon—while it signals urban modernization and retail expansion, it simultaneously threatens the survival of local entrepreneurship, which has historically sustained the district's economy and community networks.

The data indicates that while a small portion of traders have managed to adapt, the majority face dwindling sales, technological gaps, and uncertainty about the future. These challenges are compounded by psychological distress and the absence of targeted policy support.

However, the crisis is not irreversible. With timely intervention through training, financial support, inclusive policy-making, and digital adaptation, local traders can be empowered to co-exist and thrive alongside organized retail. A hybrid model that respects cultural identity, economic diversity, and community commerce is essential for sustainable development in Nagaon and other emerging towns of India.

This study emphasizes that urban retail development must not come at the cost of eroding the roots of traditional entrepreneurship. Instead, a balanced ecosystem where malls and markets co-develop is both desirable and achievable.

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