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**ECONOMIC IMPACT OF COVID 19 ON RETAIL BUSINESS IN
WAYANAD, KERALA**

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Abstract

The retail sector is one of the biggest sectors at a world level and is managed by some of the strong businesses. Kerala being one of the highest consumer markets in the country the future for retail through has a strong pathway to establish further. The covid-19 has transformed our lives especially during lockdown. The implementation of lockdown by the government in order to prevent the widespread COVID in the economy no doubt has made serious effects on business especially retail sector. Most of the stores, except stores selling essential food and grocery have been shut across country. Fernades (2020) estimates that in most countries GDP growth is likely to decline by 3 to 5% in an event of a mild (1.5 months) lockdown. Against this backdrop, the author has made an attempt to analyse the economic impact of COVID 19 in Kerala in particular. Covid -19 pandemic has brought economic activities in Kerala to a near grinding halt. Kerala's planning commission has estimated that the lockdown has brought loss to the state over RS 80,000 crore from march 25 to May 3.with only essential commodities being sold during the lockdown that began on March 25, traders have been struggling to meet their costs . The national lockdown in India has inflicted a lot of damage on all sectors of national and states economy and pushed the economy to an unprecedented recession. It can be said that the retail sector in Wayanad has been facing a severe crisis due to the corona virus threat and lockdown. The crisis in the region will seriously affect the district economy. The outbreak of the pandemic and implementation of lockdown has resulted in unprecedented loss of GSDP and employment in all sections of the country. The lockdown implemented by the government to prevent the spread of COVID-19 has greatly affected the retail business. Most of the stores, except stores selling essential food and grocery have been shut across the country. Garments, sarees, electronics, mobile shops, furniture, hardware, etc. almost all stores had been closed.

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Introduction

Retail is the process of selling consumers goods or services to customers through multiple channels of distribution to earn a profit. The retail sector is one of the biggest sectors at a world level and is managed by some of the strong businesses. Kerala being one of the highest consumer markets in the country the future for retail through has a strong pathway to establish further. The covid-19 has affected our lives especially during lockdown. The implementation of lockdown by the government in order to overcome the widespread COVID in the economy no doubt has made serious effects on business especially retail sector. Most stores, except stores selling essential food and grocery have been shut across country. Fernades (2020) estimates that most countries GDP growth is likely to decline by 3 to 5% in an event of a mild (1.5 months) lockdown.

Against this backdrop, the author has made an attempt to analyse the economic impact of COVID 19 in Kerala in particular. Covid -19 pandemic has brought economic activities in Kerala to a near grinding halt. Kerala's planning commission has estimated that the lockdown has made the state to lose over RS 80,000 crore from march 25 to May 3. with only essential commodities being sold during the lockdown that began on March 25, traders have been struggling to meet their costs. The national lockdown in India has inflicted several kinds of damage on all sectors of national and states economy and pushed the economy to an unprecedented recession.

The IMF forecasts that Indian GDP will register a negative growth of (-) 4.5 in the fiscal year 2020-21. The Asian

development bank projects a negative growth of (-) 4 of GDP. Domestic economic activity has been impacted severely by the two months lock down and subsequent restrictions. It can be said that the retail sector in Wayanad has been facing a severe crisis due to the corona virus threat and lockdown. The crisis in the region will seriously affect the district economy.

Statement of the problem

The retail sector was one of the most adversely affected sectors in India due to the COVID- 19 pandemic. It hits its lowest point due to a complete closure imposed by government to tackle the health crisis at hand. There is a transition from off line buying to online buying by the majority of the consumers for easy access regarding their goods and services. It is said that sectors like retail were scrambling to adapt amidst such unprecedented times. It is necessary to find out the problems faced by retailers during the period of lockdown and also the measures taken by the government to support them. This research paper entirely deals with the problems and challenges faced by retail industry during the COVID period.

At present the entire globe has been affected with the pandemic situation especially because of infectious virus, i.e. COVID-19. In an attempt to decrease the spread of the virus, many countries have imposed temporary closures to non-essential stores, bars and venues, as well as putting a ban on large public gatherings. As such the retail industry faces substantial shifts.

The term 'retailing' refers to any activity that involves a sale to an individual customer. The Indian retail sector is severely affected by the COVID-19. This study

focuses on how the virus and the pandemic have affected the retail sector in Sulthan Batheri Municipality in Wayanad district of Kerala. Retail shops in Sulthan Batheri were shut down due to lockdown, and retailers suffered huge loss due to lockdown. During that period, only retail outlets selling essentials had been opened. In Sulthan Batheri when the COVID case was reported in Malabar Trading Company, the retailers who purchase their goods from this company have been badly affected due to the closure of the company. Retailers were unable to procure essential goods meant for sale. So the pandemic has caused many problems to retailers like loss of income, damages to existing goods and decrease in consumer demands because customers were reluctant to purchase directly from the shops with respect to the fear of COVID-19. More and more people had opted online purchase of goods. The COVID-19 crisis and the lockdown hit the retail sector significantly.

Objectives of the Study

1. To study the impact of COVID-19 on retailers in the study area.
2. To study the situation before and after COVID-19
3. To offer appropriate suggestions to improve the performance of retail business after COVID-19.

Methodology

The study is mainly based on both primary and secondary data with the help of Google form. The study on “Economic impact of COVID 19 on Retail business needs wide collection of data from the various sources namely, newspaper clippings, articles in journals and other web sources. The information collected was analysed and pointed out in the findings and conclusion.

The data collection method adopted was also suitable for this situation. The survey with the help of Google form was conducted in the month of May. The data have been collected from as many as 50 retailers in Sulthan Batheri Municipality.

Limitations of the Study

1. Some respondents may not have given accurate data.
2. Respondent’s cooperation was lacking due to COVID-19 pandemic situation.
3. The study is based on limited sample. 50 samples determines the whole study.
4. The data collected from Sulthan Batheri Municipality constitute only a small part of Wayanad

Review of Literature

Harith Sharly Benjamin (2020) Covid-19 pandemic has brought economic activities in Kerala to a near-grinding halt. The sale of non-essential consumer goods has halted. Kerala’s Planning Commission has estimated that the lockdown has lost over 80,000 crore from March 25 to May 3. With only essential commodities being sold during the lockdown that began on March 24, traders have been struggling to meet their needs.

According to Elenora Pantano, Gabriele Pizzi and Charles Dennis (2020) Retailers are aware that their responses to the emergency will dramatically impact their business, but scrambling to adapt. For some major retailers that have already suffered growing competition from online stores, the crisis will be the last straw and they will either go out of business or permanently close a high proportion of physical stores, that consumers will be unable to revert to former shopping habits.

Business Today.in (2020) Indian retailers across electronics, fashion and grocery sectors are optimistic about realising around 85 per cent of pre-pandemic level in terms of business over the course of the next six months, and are looking at the upcoming year(2021) with cautious optimism, according to the Retailers Association of India's(RAI) latest survey.

Net scribers (2020) the immediate impact of the outbreak included sudden surges in demand for essential goods and services, a heightening of the health care and the financial crisis, reduced employment opportunities, and a steep decline in demand for non- essential goods and services. The Indian government's decision of locking down 1.3 billion people has pushed the country's domestic economy into a dark and unnerving zone, severely impacting small and medium enterprises and unorganized retailers. Global financial institutions have changed the outlook of India's economic growth and lowered the country's GDP growth target post the corona virus outbreak.

Statista Research Department (2020) made a study on the amount of growth in retail sales had already dropped between 2019 and 2020, even before the outbreak of the virus, which is certain to have further ramifications. Certain sectors have witnessed growth with and considerable increase in sales of consumer goods recorded in heavily-affected countries, such as United Kingdom, United States, Italy, and Germany. This increase is in part because grocery stores have remained open and consumers appear to be stocking up on certain goods and supplies.

Profile of the Study Area

Comprising an area of 2132 sq. km; Wayanad has a powerful history. The two caves of Ambukuthimala located between Sulthan Batheri and Ambalavayal, with pictures painted on their walls and pictorial writings speak volumes of the bygone era and civilization.

While tracing the historical perspectives of the study area, it is available from 18th century onwards. This land was ruled by the Rajas of the Veda tribe in the olden days. In modern time, Wayanad is falls under the Pazhassi Raja of Kottayam royal dynasty. After Hyder Ali became the ruler of Mysore, he captured Wayanad and brought it under his control. During the days of Tipu, the study area was restored to the Kottayam dynasty. But over the period Tipu handed over the Malabar region to the British government. This was undertaken through Sreerangapattanam treaty. This became possible due to the strong fight between the British and Pazhassi Raja of Kottayam.

At last, Wayanad reached in the hands of British and was the breakthrough in the history of the study area. The British government launched the plateau for cultivation of crops such as tea. In addition, roads were laid in the areas of dangerous slopes of Wayanad starting from Kozhikode to Thalasseri.

As and when Kerala came into exist, Wayanad became part of Kannur district. Over the years, South Wayanad was annexed to Kozhikode district with a view to satisfy the demands of the society of Wayanad especially for the purpose of development. Both North Wayanad and south Wayanad were carved out and combined together to

form the present study area. The practice of agriculture is the main occupation of the region. In addition, Wayanad is known for its crops such as coffee, tea, cocoa, pepper, ginger etc.

Wayanad district is styled as the ‘Green Paradise’ and is also called ‘Land of spicy hills’ for its rich treasures. Wayanad district, in Malabar is one of the border districts of Kerala, fringing the Mysore plateau to the north- east and contiguous with the Nilgiris of Tamilnadu. It was formed on November 1, 1980 merging North and South Wayanad regions of Kozhikode and Kannur districts. Wayanad is bordered by Karnataka to north and north- east, Tamilnadu to south west and Kannur to north- west. The name ‘Wayanad’ is derived from ‘Vayal Nadu’ which means the paddy field in English. The district is famous for its large amount of camping and trekking trails, breath taking waterfalls, caves, bird watching sites, flora, fauna and an overall plethora of magnificent sights. This area has been a tourist favourite over the year.

Sulthan Batheri

Sulthan Batheri, formerly known as “Sulthan’s Battery and Ganapathivattam” is a town and municipality in Wayanad district of Kerala, near the borders of Tamilnadu and Karnataka states. This town was a part of Kidanganadu village, which was named because of the practice of the Kidangans tribes. After the invasion of Malabar by Mysore ruler Tipu Sulthan, the town was acquired by the Mysore army which was acted as the storeroom for his ammunition. Thus the town came to be known as Sultan’s Battery and later as Sulthan Batheri, the Malayalam version of its name.

Data Analysis and Interpretation

Data analysis is based on the relevant information arise from the detailed survey conducted about the topic of an economic analysis of retail business in Sulthan Batheri Municipality on the Wayanad district of Kerala.

Table 1

Classification based on monthly turn over

Sl. No	Income	No. of respondents	Percentage
1	Rs.10,000 - 25,000	30	60
2	Rs 25,000 - 50,000	15	30
3	Rs 50,000 - 75,000	1	2
4	Rs 75,000 - 1,00,000	1	2
5	Rs 1,00,000 above	3	6
	Total	50	100

Source: Primary data

Table 1 shows that 60% of respondents have monthly income between Rs 10,000 – 25,000 , 30% are in between Rs 25,000 – 50,000 ,6% are above Rs 1,00,000. Hence it is clear that a majority of persons have profit between Rs 10,000 – 25,000.

Table 2

Classification based on type of business

Sl. No	Type of business	No. of respondents	Percentage
1	Vegetable shop	4	8
2	Store	8	16

3	Stationery	6	12
4	Medical shop	2	4
5	Other	30	60
	Total	50	100

Source: Primary data

It is clear that most of respondents business is related to other than stationery and vegetable shop. 16% of the respondents business related with store and 12% of respondents business related with stationery item and 8% of respondents were going through vegetable shop. And only few have medical shop, that is, 4%.

Table 3

Occurrence of problems during COVID-19

Sl. No	Category	No. of respondents	Percentage
1	Strongly agree	17	34
2	Agree	22	44
3	Disagree	2	4
4	Neutral	9	8
	Total	50	100

Source: Primary data

Table 3 shows the problems faced by retail business during the period of Corona virus. There were many problems faced by them like in matters of cash flow shortages, increase in stress and worry, decreased revenue, customer ignorance about reopening of business, delay in getting fresh supply, etc. Thus this diagram shows the problems faced by retailers. 44% of people agreed for

this statement that they were in a pandemic situation in all way valid out of 50 responses.

Table 4

Effect of COVID-19 on retail business

Sl. No	Category	No. of respondents	Percentage
1	Agree	46	92
2	Disagree	4	8
	Total	50	100

Source: Primary data

This table (4) shows the effect of COVID-19 on retail business. We can see that 92% of people agreed with that COVID-19 has affected their retail business.

Table 5

Classification based on the availability of raw materials

Sl. No	Category	No. of respondents	Percentage
1	Total disrupted supply	5	10
2	Supply shortages	37	74
3	Supply barely maintain products	4	8
4	Satisfactory supply	2	4
5	Normal supply	2	4
	Total	50	100

Source: - Primary data

The table 5 shows the classification based on the availability of raw materials. In this diagram we can see that the supply shortage was in high with the percentage of 74%. So

there is no supply done with this period of COVID-19.

Table 6

Distribution based on adoption of additional marketing facilities

SI.No	Options	No. of respondents	Percentage
1	Yes	30	60%
2	No	20	40%
	Total	50	100%

Source: Primary data

The table shows that out of the 50 respondents 60% are in opinion that it is necessary to adopt additional marketing facilities during the covid19 to increase the sales. And 40% of retailers are satisfied with the existing marketing methods.

Table 7

Classification based on government intervention during the period of covid19

SI.No	Category	No. of respondents	Percentage
1	Yes	36	72%
2	No	14	28%
	Total	50	100%

Source: Primary data

This table shows that out of the 50 respondents 72% of retailers expected the intervention of government in the problems of retailers during the period of covid19 and lockdown.

Table 8

Distribution based on the Government approach to retail business

SI.No	Govt. approach	No. of respondents	Percentage
1	Supportive	37	74%
2	Non supportive	13	26%
	Total	50	100%

Source: Primary data

Out of the 50 respondents 74% of retailers have the opinion that the government approach towards retailers during the covid19 is really supportive and 26% are against the existing government approach towards retail business.

Table 9

Classification based on the basis of economic status

SI.No	Category	No. of respondents	Percentage
1	APL	30	60
2	BPL	20	40
	Total	50	100

Source: Primary data

The above table shows the social and economic status of respondents. The sample found that 60% of people belonging to APL category.

Table 10

Status of retail business before COVID-19 and lockdown

Sl.No	Status of retail Business	No. of respondents	Percentage
1	Excellent	-	-
2	Good	30	60
3	Average	8	16
4	Satisfactory	12	24
5	Poor	-	-
	Total	50	100

Source: Primary data

From the above table it is clear that 60% of respondents have good business opportunities before the advent of COVID-19. This is because of free flow of materials and men facilitate the business to flourish.

Table 11

Classification based on the marketing facilities to improve sales during Pandemic

Sl. No	Promotional facilities	No. of respondents	Percentage
1	Home delivery	20	40
2	Discount sale	28	56
3	Coupons	2	4
	Total	50	100

Source: Primary data

Out of the 50 respondents 56% adopted discount sale, 40% adopted home delivery and only 4% adopted coupons to increase their sales volume. There is a good blend of promotional measures adopted by the retailers in the study unit.

Table 12

Distribution based on the suggestions to improve the current status of retailers

Sl. No	Suggestions	No. of respondents	Percentage
1	Loan	5	10
2	More assistance from government	15	30
3	Provide exemption from labour fee, tax, current bill, etc.	30	60
	Total	50	100

Source: Primary data

Out of 50 respondents about 10% suggested loans from financial institutions to overcome this problem and about 30% suggested government support and 60% suggested exemptions from labour fee, tax, current bill, etc.

Findings of the study

1. Most of the respondents business related to other than stationery and ordinary shops.
2. The study reveals that there were huge problems faced by retailers during the period of COVID like cash flow shortages, increased stress and worry, etc.
3. Most of the retailers were agreed with the adoption of home delivery during

this situation.

4. Majority of the retail shops faced the problem of COVID-19.
5. Shortage on supply of raw materials was the main problem faced by the retailers.
6. Majority of the respondents expected government intervention during that period.
7. It is clear that an additional marketing facility is necessary for promoting sales on their business.
8. Government has taken initiative efforts for supporting retail business.
9. Majority of the respondents are APL
10. The study reveals that most of the retail businesses were going on good before COVID- 19
11. Majority of the retailers faced the problem of damage of stock during COVID-19 period
12. Discount sale was one of the major techniques used by retailers during the pandemic

Suggestions

From the above mentioned findings of the study the researchers recommended the following suggestions.

- ❖ The study area has been shaken by the COVID-19 pandemic, with nearly every life and industry affected. Government has been working to keep their citizens safe while Economists are struggling to stay stable. In order to Increase sales after the COVID-19 pandemic, the following may be suggested:
 - Reevaluate offering
 - Communication with customers
 - Start planning ahead
 - Adjust your marketing strategy
 - Improve poor store performance in

the COVID-19 era

- ❖ In order to improve poor store performance in the COVID-19 period, retailers can increase their sales in the COVID-19 era
 - Increase remote and in-person store visits
 - Foster a sense of community among stores to empower, motivate and increase productivity
 - Use more channels to increase online selling of goods
 - Offer longer customer services

Conclusion

To conclude, it has been found from the analysis that the outbreak of the pandemic and implementation of lockdown have resulted in unprecedented loss of GSDP and employment in all sections of the country. The lockdown implemented by the government to prevent the spread of COVID-19 has greatly affected the retail business. Most stores, except stores selling essential food and grocery have been shut across the country. Garments, sarees, electronics, mobile shops, furnitures, hardware, etc. almost all stores had been closed.

Based on the primary survey conducted in Sulthan Batheri Municipality in Wayanad, the study has called for more intervention from government to help the retail sector especially during lockdown and also the government should take necessary steps to solve the financial crisis of retailers.

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