

**IMPACT OF COVID -19 INDUCED LOCKDOWN ON RETAIL SECTOR:
A STUDY WITH SPECIAL REFERENCE TO NILAMBUR
MUNICIPALITY**

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DOI: 10.46609/IJSSER.2022.v07i11.013 URL: <https://doi.org/10.46609/IJSSER.2022.v07i11.013>

Received: 18 November 2022 / Accepted: 28 November 2022 / Published: 30 November 2022

ABSTRACT

This study analyses the impact of Covid -19 induced lockdown on retail sector based on the information collected through convenience sampling from Nilambur Municipality in Kerala. This study looks at the condition of retailers and retail workers in the pre and post lockdown period and also looks at how much government intervention has benefited to retailers during the lockdown period. The sample evidence shows that the sudden pandemic and subsequent lockdown caused huge losses to retailers in Nilambur municipality who had to close their shops for months. It was also revealed that the intervention of the government and KVVES in the retail sector during the lockdown was not satisfactory.

Keywords: Covid-19, Lockdown, Retailers, Retail Workers, Nilambur Municipality

1. Introduction

The world Health Organization (WHO) has declared the corona virus disease 2019 (Covid-19) a pandemic. The first case was reported on 2019 December 31 in the city of Wuhan, in China. In January 2020, a previously unknown new virus was identified and subsequently named as the “2019 novel corona virus”. The lockdown caused by covid-19 caused retail shops around the world to close. Many of these closures may be permanent because of the inability to pay on-going expenses and to survive the shutdown. Some shops closed completely and some partially during lockdown, while demand for essential goods increased and other goods declined during the period. The impact on retail shop around the world is likely to be severe. Retail sector plays a

vital role in the economy and employment at Nilambur as well as whole in Kerala. There was a great impact of unpredictable COVID-19 at Nilambur on retail sector. Retailors also faced so many problems in last few years. Like the impact of demonetization, GST, flood and online market also created ruptures in the easy to doing business. The floods of 2018 and 2019 are two calamities which took away heavy loss in Nilambur. Covid-19 and related lockdowns have hit a group of retailers who are on the verge of shutdown. The lockdown policy was beyond the reach of loss-making retailers due to less mobility and the mass reliance on online shopping from the very beginning of the pandemic. The lockdown which lasted for few months wiped out the retailers sales revenue and reduced the number of customers. And some of the lockdown policy or rules like Sunday lockdown and limited entry to customers badly affected on retail sector.

2. Objectives of the Study

- a. To analyze the impact of COVID-19 -induced lockdown on the retail sector in the study area.
- b. To analyse the effectiveness of government intervention in retail sector during lockdown.

3. Methodology

The data was collected from Nilambur Municipality in Kerala by means of convenience sampling technique. Primary and secondary data were used to analyse the problem. Primary data was collected from a sample of 50 retail owners and 50 workers who are employed in the retail sector. The survey was conducted through a questionnaire and interview method. The data is analysed through tabulation. Various charts, graphs and diagrammatic presentation of the collected data is used for data analysis.

4. Review of Literature

The following section deals in various reviews related to covid 19 pandemic and its resultant impact.

Abriham Ebabu Engidaw (2022) conducted study on small businesses and their challenges during COVID-19 pandemic in developing countries in the case of Ethiopia. This study is aimed at demonstrating the challenges of small businesses during the corona virus pandemic in developing countries, specifically in Ethiopia. This study showed that doing business in this COVID-19 pandemic time is very challenging and has a dangerous impact on small businesses, worker life as well as the country's overall economy.

PK Sujathan and Azad Parambangal (2020) conducted a study on Social Impact of Lockdown in Kerala. This study seeks to examine the social impact of lockdown based on the information

collected through convenience sampling in the district of Palghat in Kerala. This paper has also sought to examine and evaluate the state policy response to the crisis. The study finds that most of the respondents strictly followed the precaution of “stay at home”. Lockdown, more or less, reduced income, expenditure and the happiness of the households. Compared to other categories, the adverse impact is lower among the salaried households due to regular source of income.

B A Prakash (2020) made a preliminary assessment on the impact of covid-19 on Kerala’s economy. This report used different data of state and central governments, international organization, media reports etc. The assessment also made with the help of discussion with number of persons, experts and organization of public health, trade, industry, construction, IT, agriculture etc. The report finds that covid-19 has resulted in unpredicted loss of GSDP and employment in all sectors of state economy.

Kant (2020) held that the stimulus packages were likely to have a boom in retail credit among households resulting in larger share of income tempting to overhaul their budget after the pandemic subsided. Livermore and Dezan (2020) held that in China, the four sectors which languished a lot are food and beverage, retail, real estate, and travel.

Desai and Pramanik (2020) reported that in the national capital income of around 85 percent of households abated due to the onslaught of Covid 19. The strict social distancing, use of mask and sanitizer resulted in infrequent visit to health centres.

Zhang (2020) reported that Small and Medium Enterprises struggled a lot and even found themselves on the cusp of bankruptcy as a result of the pernicious impact of Covid 19. Dev (2020) subscribed to the view that the lockdown begot economic crisis, misery, job losses and food insecurity among people.

5. Data analysis

This section deals in the statistical analysis of data using percentage method.

Table 1: Monthly turn over before and during the Lockdown

Monthly turnover	Before the lockdown	Percentage	During the Pandemic	Percentage
Below 50000	20	40%	25	50%
50000- 1 lakh	9	18%	10	20%
1 lakh – 2.5 lakh	9	18%	8	16%
2.5 lakh – 5 lakh	3	6%	5	10%
5 lakh – 10 lakh	6	12%	2	4%
Above 10 lakh	3	6%	0	0

TOTAL	50	100	50	100
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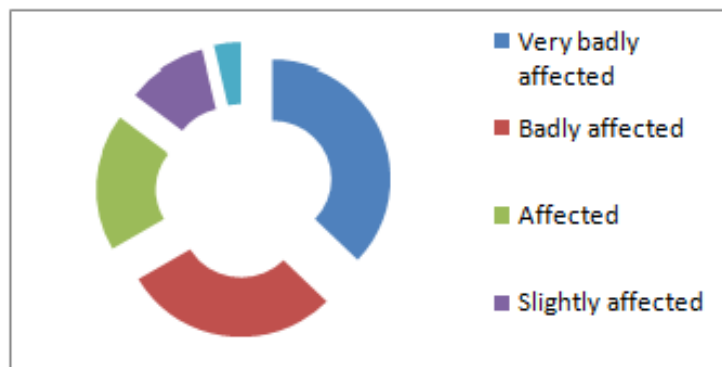
Source: Primary data

Table 2: Loss due to Lockdown

Loss	Frequency	Percentage
Below 1 lakh	16	32%
1 lakh – 2 lakh	8	16%
2 lakh-5 lakh	14	28%
Above 5 lakh	12	24%
TOTAL	50	100

Source: Primary data

Chart 1: Lockdown effect on loan repayment



Source: Primary data

Table 3: Effect of lockdown on daily life

Effect	Frequency	percentage
Very badly affected	24	48%
Badly affected	9	18%
Affected	10	20%
Slightly affected	5	10%
Not affected	2	04%
TOTAL	50	100

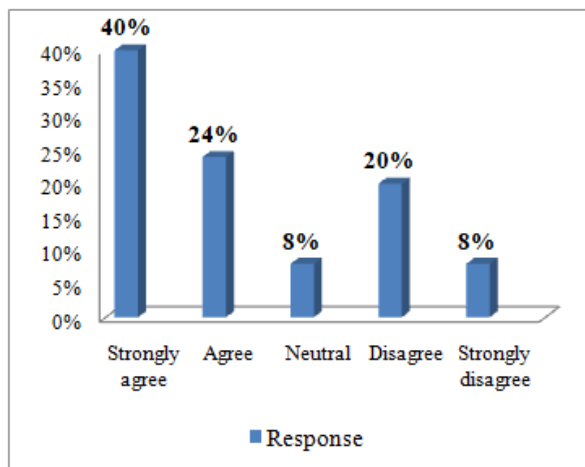
Source: Primary data

Table 4: Help from government for covering loss

Help from government	Frequency	Percentage
Yes	10	20%
No	40	90%
TOTAL	50	100

Source: primary data

Chart 2: Effect on customer's turnout



Source: Primary data

Chart 3:

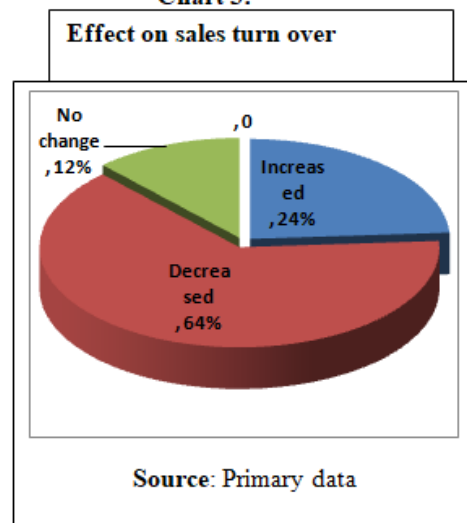


Table 5: Effect of government regulations

Rule	Sunday lockdown	%	Limited entry of customer's	%	Specific days to operation	%	Reduction of existing employees	%	Social distancing	%
Badly Affected	28	56%	31	62%	38	76%	18	36%	27	54%
Not affected	22	44%	19	38%	12	24%	32	64%	23	46%
TOTAL	50	100	50	100	50	100	50	100	50	100

Source: Primary data

Table 6: Support from the side of KVVES

Support from KVVES	Frequency	Percentage.
Yes	13	26%
No	37	74%
Total	40	100

Source: Primary data

Table 7: Tax concession

Tax concession	Frequency	Percentage
Yes	5	10%
No	45	90%
TOTAL	50	100

Source: Primary data

Table 8: Effect on wages

Salary	Before lockdown	Percentage	During lockdown	Percentage	After lockdown	Percentage
Below 300 p/d	4	8%	12	24%	2	4%
300-400 p/d	8	16%	15	30%	11	22%
400-600 p/d	11	22%	13	26%	16	32%
600- 800 p/d	12	24%	7	14%	7	14%
800- 1000 p/d	6	12%	0	0%	7	14%
Above 1000 p/d	9	18%	3	6%	7	14%
TOTAL	50	100	50	100	50	100

Source: Primary data

Table 9: Ability of workers to cover expense

Ability	Before lockdown	Percentage	During lockdown	Percentage
Yes	41	82%	11	22%
No	9	18%	39	78%
TOTAL	50	100	50	100

Source: Primary data

Chart 5: Ability to repay loan during lockdown

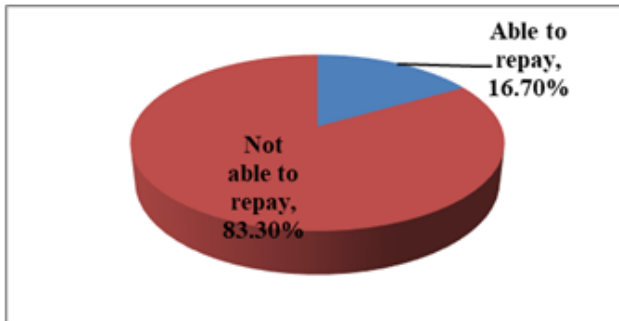
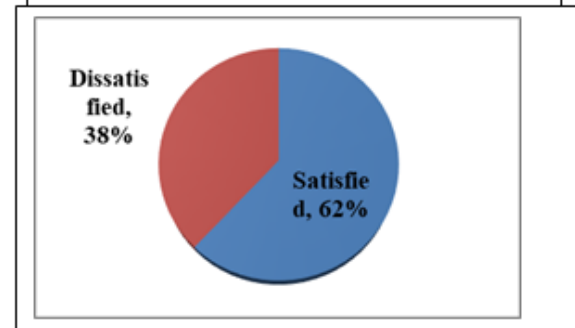


Chart: 4 Satisfaction on Government intervention during lockdown



6. Results and Discussions

The present study ‘Impact of Covid -19 induced lockdown on Retail sector: A study with special reference to Nilambur Municipality’ was intended to ascertain the impact of COVID19 - induced lockdown on the retail sector and to find out and analyse the effectiveness of government intervention in retail sector during lockdown. Overall 100 respondents are selected for the study from sample of 50 retail owners and 50 workers who are employed in the retail sector. There was a deleterious impact of unpredictable COVID-19 -induced lockdown at Nilambur on retail sector. Retail sector plays a vital role in the economy and employment at Nilambur.

The result of the study includes that during the lockdown period, the monthly turnover of most retailers is significantly reduced. About 6% of retailers had a monthly turnover of Rs 10 lakh before the lockdown. However, not even one retailer had a monthly turnover of over Rs 10 lakh during the lockdown. Majority of the shop owners faced high level of loss due to the lockdown. About 52% shop owners had loss above 2 lakh and 32% had loss below 1 lakh. The study also found out that lockdown very badly affected the loan repayment of most of the retailers. The study also pointed out that 90% retailers did not get any help from government and only a few retailers agreed that they got a help from government to cover the loss and 90% of retail shops did not get any tax concession from government after and during the lockdown. The government rules badly affected retailers.

The study also found that wages of most workers decreased during and after the lockdown compared to the pre- lockdown period. In the pre-lockdown period, there were only 8% of workers who had a salary below 300 per day. Comparatively at the time of lockdown, the number of workers increased to 24 % having salary below 300 p/d during lockdown. This shows the change in wages of retail workers due to lockdown. The study revealed that 82% of workers

were able to cover their expense before the lockdown, but only 22% of workers were able to meet expense during lockdown. The study also found out that 62% of workers were satisfied with the intervention of the government during the lockdown period. Both retailers and retail workers alike have been affected by the lockdown. It is high time that Government should step in and declare bail - out package to revive and repair retail sector.

7. Conclusion

COVID-19 is one of the largest and most formidable problems the development community has ever faced.COVID-19 made a huge impact on different sectors of the economy. The lockdown caused by covid-19 caused retail shops around the world to close. Retail sector plays a vital role in the development of the economy as a whole. The sudden pandemic and subsequent lockdown caused huge losses to retailers in Nilambur municipality who had to close their shops for months. Nilambur municipality, which already faced two major floods in 2018 and 2019, were not comfortable with a facing a pandemic too. Many retailers shutdown their shops and unexpectedly left the market. Retailors in Nilambur municipality faced various challenges due to lockdown. For many , sales have become a mere means of paying off existing debt, while for others, sales revenue became insufficient even to meet their day-to-day expense. Many retailers are more affected by the post-lockdown period than the lockdown period. This is especially the case with mobile and computer shops. The lockdown period also hit retail workers hard and many lost their jobs during the lockdown period and their source of income was disrupted. The lockdown period witnessed a huge reduction in the daily wages of many workers.

The study shows that the intervention of the government and KVVES in the retail sector during the lockdown was far from satisfactory. Many retailers have little knowledge of government policies. If the government and KVVES provide more financial support to the retailers, they would be benefitted much to restart their business again. Effective execution of schemes are the only timely solution to address the issues of the retailers and bring them back to business to sustain their livelihood.

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