TITLE PAGE

ASSESSMENT OF ECONOMIC IMPACT OF THE DEVELOPMENT   
 OF SHOPPING MALL   
 BUSINESS IN ENUGU METROPOLIS. A CASE

STUDY OF SHOPRITE, ENUGU STATE.

A PROJECT PRESENTED TO THE FACULTY OF   
 MANAGEMENT AND SOCIAL SCIENCE, DEPARTMENT OF   
 ECONOMICS

IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE   
 AWARD OF BACHELOR OF SCIENCE IN ECONOMICS (B.SC   
 ECONOMICS)

BY

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***ABSTRACT***

*The study aims at ascertaining the economic impact of the development of   
shopping mall on the existing retail business in Enugu metropolis. The survey   
research design was adopted and a sample size of* 67 *was gotten using Taro   
Yamani formula out of the population of a total of* (255) *residents. 67   
questionnaires were administered to the respondents and* 64 *was returned, which   
was used for the data. The data for the study was gathered with a five point likert   
scale questionnaire. Analyses were made using the latest version of statistical   
package for social sciences (SPSS) a well known software for the statistically data   
analysis,* so *that effective conclusion can be drawn. The data for the study were   
gathered with a four point likert scale model. Data was analyzed using SPSs. The   
study discovered amongst others that The existence of Shoprite Enugu affects   
negatively on the existing small retail business in various dimension such as   
prices, profits, and business prospect. The existence of Shop rite has posed serious   
economic challenge and strong competitor on the existing retail business within   
the region.. The study concludes that the entrance of Shoprite Enugu posed serious   
challenge to the existing retail business in the region, from the result, the entrance   
of Shoprite Enugu reduce business prospect, price, profits and marginal sales   
drops considerably. The recommendations are that the relevant government   
authorities and agencies should take proper look on the development of these   
multinational cooperation/industries to avoid sending our young establishment to   
its early grave. and The activities of these industries should be checked,* so *as to   
encourage our local infant retail business to thrive in the midst of this strong   
competitor. Finally the researcher suggested other topics for further research.*

**CHAPTER ONE**

**INTRODUCTION**

**1.1 BACKGROUND OF STUDY**

Retail in Nigeria was once confined to traditional open markets and small local storekeepers loosely referred to as the informal retail sector of the Nigerian economy which serviced communities. Between 1960 and the early 1980s, there were standard retail malls which operated chain stores across the country; their number reduced because of the harsh business environment and the decline in business in that era, leaving the country without standard malls for retail business.

This gap led to the growth of the informal or traditional retail market, which traditionally constitutes a formidable part of the retail structure in Nigeria.

Today, Nigeria is experiencing a tremendous shift to a more sophisticated structure as formal or organizedretail continues to gain ascendency. The distribution chain and the organization of outlets continue to reflect those of a rapidly evolving economy as standards of living improve and as the population continues to snowball. In the past eight years, Nigeria’s population has grown from 150 million, as established by the population census conducted in 2006, to a country with an estimated population of 171 million people by 2013. In the midst of this, the middle class continues to expand even as 51 percent of the country’s population now lives in cities.

The rise of organized retail has been rapid in Nigeria in the last two decades. NBS data shows that between 2001 and 2004, the wholesale and retail sector grew by 10 percent per annum. By 2006, its contribution was 16 percent. In the first halves of 2011, 2012 and 2013, it contributed 15.58 percent, 17.05 percent and 18.44 percent of GDP respectively. The old or traditional retail system which is adjudged to account for almost 90 percent of retail activity in Nigeria has continued to decline because of government’s policy, changes in the composition of Nigeria’s population, rising income level and increasing sophistication of the Nigerian consumer. In the last decade, the stable political environment, consistently high oil prices, and rise in GDP have had positive impact on per capita income, which has in turn moved more Nigerians into the middle class. Today, more families shop together and organized facilities which meet their need are attracting more shoppers. Therefore, the old or traditional structure of retail continues to give way to the new.

More than ever, the Nigerian consumer is interested in a decent shopping environment, neatly-arranged and labeled commodities and the experience that goes with buying at an organized outlet.

Opportunities in wholesale and retail stem from the fact that demand has continued to rise. NBS data shows that based on the structure and level of development of the economy, the average Nigerian household spends as much as 80 percent of its income on consumables like food and drinks, clothing, transportation, shelter, education, electronics and power supply. The average amount devoted to consumption has played a major role in elevating Nigeria to the status of a 171 million-populated retail powerhouse on the African continent.

Nigeria has evolved from being a country with 150 million population with no real mega retail store in 2006 to one with 171 million people who have about 20 mega retail stores in less than 10 years. The country has the capacity to support even more malls across its major cities.

**1.2 STATEMENT OF PROBLEM**

In shopping centers for instance, the rent paid by a tenant bears relation to the ability of that tenant to trade profitably from that location. This has always been a salient criterion but as competition has forced retailers to accept lower margins for their profit levels, the impact of ‘cost’ on the profit equation has become more important. Retailers of Shopping Centers havebeen forced to look at the cost equation in terms of their space requirement. They are therefore less willing to accept the level of rents in the market and may consider relocating if they feel that current rentals are too high for their cost requirement. This should mean that the market will adjust to ensure that value in exchange (rental value) and value in use (worth to the retailer) converge (French, 2000). Hence Sirmans and Guidry (1992) noted that understanding the determinants of shopping center rents is important to the Estate Surveyors and Valuers who are involved in market analysis and site selection of such properties.

Nevertheless valuers fail to account for variation between retail function and the impact of individual property factors on rental value. This potentially leads to misguided valuations. In determining the rental value of a subject property, inappropriate evidence may be undervalued to determine a unit value even though in the market place the subject and comparableproperties belong to distinct tiers (that is the occupier of the subject property would not be expected to make a bid for the comparable property). Also, valuersinterpretations of evidence may lead to over or under estimations of rents as the perceived impact of a factormay have a positive impact on trade and hence rental bid for one type of retailer and a negative impact for another. Hence Hager and Lord (1985) stated that “the success of a valuation relies extensively on personal knowledge, expertise and interpretation of manyvariables which exist”.

However, the complexity of the property price formation process requires an analytical approach which makes it possible to settle the cross-influences between the numerous dimensions affecting property values (for shopping centers) and to assess the marginal contribution of each attribute underlying property buying decisions (Des Rosier et al., 1996).Much work has been done in the determination of property values (residential and shopping centers) in the United Kingdom, United States and Australia (Trott, 1980; Fraser, 1988; Kihore, 1996). In Nigeria, very little effort has been made. The few that exist only looked at the determinants of residential and office property values (Bello, 2000; Oladapo, 2000).

**1.3**​**Objectives of the Study**

As a central objective, this study seeks to assess the economic impact of the development of shopping mall on the existing retail business in Enugu metropolis. The specific objectives are to:

1. To determine if increase in the development of shopping mall will lead to extinction of retail business in Enugu metropolis.

2. To examine the correlation between the development of shopping mall and performance of retail businesses in Enugu metropolis.

3. To assess the economic contribution of the development of shopping mall on the retail prices.

**1.4**​**Research Questions**

From the aforementioned research objectives, the following research questions were formulated

1. To what extent will the development of shopping mall leads to extinction of retail business in Enugu metropolis?

2. What is the correlation between the development of shopping mall and performance of retail business in Enugu metropolis?

3. What is the economic contribution of the development of shopping mall on the retail prices?

**1.5**​**Research Hypotheses**

Based on the above research questions, the following hypothesis were formulated

**Ho:** Shoprite has no significant impact on specific dimension of the local retailers   business in Enugu state.

**H1:** Shoprite has no significant impact on specific dimension of the local retailers   business in Enugu state.

**1.6**​**Significance of the Study**

This study is significant in that it attempts to pinpoint some of challenges facing owners of retail business because of the increase in the development of shopping mall in Enugu metropolis. It has both theoretical and practical significance. Theoretically, the finding of the study will be useful to both students and scholars who wish to advance their knowledge on economic impact of the development of shopping mall on the existing retail business in Enugu. On the other hand, the findings will be of practical significance to the management of retail business operators and other medium scale business organizations, employees and the government, as it will help them to improve the challenges facing retail business operators in Enugu metropolis.

Significantly, the findings are expected to make the sole proprietor to see the need to improve staff strength through employment and development of skilled manpower. This will help them to plan adequately and suggest the need to organize seminars to the general public on the danger of the aforementioned challenges, adding to the above, it will specifically create awareness on how the challenges facing retail business operators can be managed.

**1.7**​**Scope of the Study**

The research work covered the assessment of the economic impact of the development of shopping mall on the existing retail business in Enugu metropolisNevertheless; it focused generally on enumerating the challenges and tested ways of averting/managing it.

**1.8**​**Limitations of the Study**

The study was limited by the fact that it relied solely on one enterprise and some of the personnel did not volunteer the necessary information. Finally, time available for me was limited when compared to other activities I need to engage myself in the school.

**1.9**​**Definition of operational terms**

**Shopping Centre/Mall:** ICSC (1999) defined a shopping centre as a group of commercial establishment, planned, developed, owned and managed as a unit related in location, size and types of shops to the trade area the unit serves. It provides on-site parking in a definite relationship to the types andsizes of shops.

**Real estate:** According to Wikipedia definition, real estate refers to land plus anything permanently fixed to it, including buildings, sheds and other items attached to the structure. Real estate can also refer to the rights and interest inherent in ownership of real property.

**Residential property:** Realtors Commercial Alliance(2005) defines Single- or multifamily housing units that are used, serve, or are designed as a place ofresidence

**Real estate or property market:** CEM (2006) defined real property market as the interaction of individuals who exchange real property rights or interests for other assets such as money. The function of the real estate property market is to establish a pattern of price so that given sufficient time, land resources are allocated according to their most profitable (highest and best use) relative to other land resources.

**CHAPTER TWO**

**LITERATURE REVIEW**

**2.2**​**Theoretical Framework**

​Ajit and Anu (2012) define retailing as the purchase of different products in bulk quantities from different sources and the sale in bits to the final consumers for consumption. Retail and wholesale trade is considered the largest subsector of the industry and the second largest sector of the Nigerian economy in terms of size. According to the report by the Nigerian financial markets outlook (2013), wholesale and retail trade in 2012 contributed about 20 percent of the Nigerian gross domestic product (GDP) and 6.4 percent growth in GDP within the third quarter of 2012 is attributed to the sector.

In Nigeria, informal retail business currently exist side by side with the formal retail businesses, however, the informal retail business still remain dominant over the formal retail business within the service sector. Owing to changes in demographic and lifestyle and increasing consumer preferences for wide range of conveniences, processed and packaged as well as nutrition foods, foreign formal retail business have started becoming known and are being attracted into the country (uche, 2011). The entrance of the big retail businesses has associated cost and benefits to the community. It brings about increase in the productivity, innovation, lower cost, varieties of goods and increase in the property tax revenue (carl, 2008). The author also noted the costs to include growth in traffic congestion, increase tax incentive and net job loss. The entrance of big foreign retail shops in a community posses challenges to the existing ones especially the small retail businesses, which lead to some firm to change their strategies as mechanism to survive in the industry, such as changing or improving services quality, improving marketing strategies and improving the information management network (Sean, Noel, Ratikanta, David and Eric 2006). The entrance effect of these big retail businesses can ne direct by offering the consumers with lower price and indirect effect by causing the traditional supermarket or other retail businesses to also lower the price due to competitions.

The existence of formal retail shops brings both cost and benefits to the host communities as well which are shared disproportionately among the employee, consumers, other retail shops and government (Elena and Jill, 2007). The implication of this is that, entrance of the big retail shops in a particular community has different effects on different individuals, while some will benefits, some will not and both the benefit and loss are unequal across individuals. How each individual is being affected depends on the ability to compete favorably with the foreign ones.

**Historical development of modern shopping mall in Nigeria**

The idea of shopping in Nigeria was nothing other than common scenario of our traditional markets until the intrusion of the white man’s idea into our traditional values. The influence was so great that it completely changed our thought patterns as regards to our tradition. As seen today our traditional market system is still preserved with little or no modifications but moving with the trend of advancement in this century there is a need to improve our system from what it used to be.

Earlier in Nigeria market activities were scheduled periodically in a market days and the days differ from one culture to the other. Over time this system faded because there was need for a day to day business. This is evident in our local markets as seen today. The foreigners who brought civilization into our commercial activities influenced our market system tremendously. This gradual trend led to the emergence of shops, stalls, supermarkets and departmental stores.

**Mega retail business and small or unorganized retail business**

It is noted that retail business have the capacity of offering goods and services at cheaper rate compared to the small retail because they have both the economies of scale and scope over the small one, it is still being criticized Jedidiah (2007). One of the reasons adduced to such criticism is that the increase in the market share of the big retail business which have direct negative consequences on the small ones. Ron ,Krizan and John (2009) noted that even with the benefits and other productivity gain derivable from the big retail shop, it is still being criticized owing to the fact that they displace small business.

Ligthelm (2008) noted that there exist benefits derivable from the growth of these formal retail businesses usually lead to a net reduction in the market share of the small businesses. He further noted that the survival mechanism usually adopted by small businesses credit sales which are very difficult or rather impossible in the formal retail businesses.

**Market Places in Nigeria**

Markets have been in existence from the beginning of time, and form an integral part of any Nigerian town or village. Markets as an economic institution play a vital role in the economies of the nation as a whole. The relevance of the market is not only for its role in the economic life of rural and urban communities, but also as a social entity. Through the years, markets have acquired this distinctive social-cultural value (Vagale, 1974). The Nigerian economy is a developing one, as such small-scale retail trades, forms the bulk of the economic activity for the majority of the populace. Therefore, markets are very important, essential and indispensable. The present development plan of Nigerian government is geared towards industrialization with emphasis on rural area industrial development. The developing nations intend to develop in a sustainable manner and sustainable development is defined as the development that meets the needs of the present without compromising the ability of future generations to meet their own needs (BrundlandReport, 1987). In line with this, planned and orderly development of the old market places with some kind of permanent structure with a fixed location are now taking over the old places (Uzuegbunam, 1990).

**Traditional Market and Modern Shopping Mall in Nigeria**

Internationally, in both developed and developing countries, traditional markets continue to co-exist with the modern shopping malls. Each offers its own unique proposition to the consumer. In any emerging market around 10-20% of the retail business is accounted for by the organised sector, while in Nigeria the organisedsector is just emerging. The absence of modern shopping malls has been hampering the growth of the organised sector, and it is this need that Persianaspropose to meet by developing the infrastructure required. The banks in Nigeria have also recognisedthe emergence of the organised retail sector and are aggressively supporting the development of more shopping malls. In the last couple of years, quite a few retailers have tasted success. This has shown them the power of organised retailing, and they have been putting in place systems and funds to expand across Nigeria. The recent turmoil in the international financial sector has however dampened the real estate sector in Nigeria but expects the situation to improve in the near future.

**Empirical Literature**

(Oladapo, 2000), conducted a study on the impact of shopping mall development in Nigeria employing Ordinary Least Square (OLS) technique to estimate the multiple regression models. The findings revealed that the development of shopping malls has a positive and significant influence on Nigeria economic growth. The study recommended that the government encourage the development of shopping malls and other retail business in the form land provision.

Brown (2013) evaluated the effect of retail business financing on economic growth in Nigeria between 1980 and 2010 the study employed Ordinary Least Square (OLS) method to estimate the multiple regression models. The estimated model results revealed that retail businesses output proxy by wholesale and retail trade output as a component of gross domestic product exert positive and significant impact on economic development proxy real gross domestic product.

Uzuegbunam, (2013) investigated the impact of retail and wholesale enterprises output growth in Nigeria, covering the period1986 to 2011. An augmented growth model was estimated using the ordinary least square (OLS) techniques. The result of the study revealed that retail and wholesale enterpriseshas a long-run relationship with sectoral output growth in Nigeria.

While appraising the growth effect of retail businesses financing in Nigeria, Bello (2013) employed the OLS method in estimating the multiple regression model. The results indicated that retail business output have positive influence on real GDP, a proxy for economic growth. As a result, the study suggested that the government should create conducive environment for retail businesses development in Nigeria.

Biba (2011), in his paper, explored the relationship between retail business development and economic growth in Nigeria. On that ground, he assessed financing options available to retail business in Nigeria and the contribution to economic growth via investment level. The Spearman’s Rho correlation test was adopted to find out the relationship between retail business development and investment level. A significant Rho value of 0.643 at 10% was reported at the end of the analysis. This indicated the existence of significant positive relationship between retail business development and economic growth in Nigeria by means of investment level. Descriptive statistics were also employed in the appraisal of certain developmentindicators. The paper later proposed that accessibility to low interest rate finances should be provided to retail businesses in other to enhance the growth of Nigerian economy.

In a research conducted by Baker, (2013) on the impact of retail enterprises on the economic growth in Nigeria, for a period of 30 years from 1980 to 2010,using simple OLS method. He found out that retail enterprises and economic growth are positively related.

Analyzing empirical assessment of wholesale and retail enterprises on domestic investment in Nigeria, Ayegusi, (2015) adopted multiple regressions with the use of (OLS) techniques. His empirical result indicates that wholesale and retail enterprises have a positivefunctional relationship with domestic investment.

In a research conducted by Anikeeff, (2014) on Retail enterprises on economic growth in Nigeria, using OLS techniques. He found out that retailenterprises has a positive relationship with economic growth but caution that the overall effect of retailenterprises on economic growth may be significant with respect to Nigeria economic environment, on his analysis he stopped at 2014 while mine has increased to the current year 2016.

Fraser (2015), an empirical analysis between retail enterprises on economic growth of Nigeria, using a bivariate VAR modeling technique. He found evidence of a positive small and medium scale enterprises led growth in Nigeria. He used bivariate VAR modeling techniques in regression analysis while I used OLS techniques that has best statistical attractive properties.

**CHAPTER THREE**

**RESEARCH METHOD**

**Introduction**

This chapter presents the methods and procedures that were applied in this study. It was organized under the following sub-heading: design for the study, area of study, population of the study, sample and sampling techniques, instrument for data collection, validation of the instrument, method data collection, and method of data analysis.

**Design for the Study**

The descriptive survey method was used to gather data on the imoact of the development of shopping mall on the existing retail business in Enugu Metropolis ( Acase study of shoprite Enugu).

The use of survey was appropriate to this study because it provided accurate information (Kerlinger2014).This design was used to collect descriptions of the economic impact of the development of shopping mall on the existing retail business in Enugu metropolis.

**Area of the Study**

The study is carried out in Shoprite shopping mall, Enugu, Enugu North L.G.A in Enugu state because that is the only reputable shopping mall in Enugu state, meanwhile I have worked there on part time basis, hence, which enhanced my access to data.

**Population of the Study**

The population of this research comprises all the working staff in the shoprite shopping mall. The total number of registered working staff in the mall is two hundred fifty five (255), source, from the department of statistics, shoprite Mega plaza.

**Sample and Sampling Techniques**

To get the sample size of the study, the researcher used Taro Yamane’s principles of arriving at a sample size which is given as

n =

where

n= desired sample size

N= the entire population

e = level of significance of limit of tolerable error assumed to be 5% or 0.05

1= unit constant figure

Therefore

n =

n =

n =

n = 155.7 = 156

**Instrument for data collection**

The questionnaire was the instrument used to gather information from the respondents. The questionnaire was designed to identify the economic impact of the development of shopping mall on the existing retail business in Enugu metropolis. The questionnaire consisted of items which were of the closed ended type used in eliciting responses from the respondents. Items were grouped under the various ending that were to be investigated. The instrument is divided into sections. Section A represented respondents’ bio-graphic data and section B is on the items to be studied.

Out of one hundred and fifty six (156) questionnaires distributed, one hundred and forty (140) were correctly filled and returned. However given the figures obtained in percentage model, it will appear as follows

Total of questionnaire distributed = 156

Total of questionnaire returned = 140

Percentage of returned questionnaires out of the total questionnaires distributed is 89.7%.

**Validation of instrument**

The instrument was first validated by two experts in economics department and an expert in measurement and evaluation, after critical evaluation of all the items of the questionnaire. They examined the items and gave necessary corrections. Their comments and constructive criticisms guided the researcher towards reconstructing a standardized instrument for the study.

**Method of data collection**

The researcher visited the sampled mall (shoprite)under study to administer the questionnaire to the respondent and collect it immediately.

**Method of data analyses**

in order to examine the direct impact of shoprite on the existing retailer, the study will make extensive use of tables for the table presentation and analysis of data. The percentage will be used for the analysis of demographic data and questionnaire analysis while paired t-test will be applied in testing the hypotheses

**Paired sample t-test and the hypothesis of test**

A paired-sampled t-test (also referred to as repeated measures) is mostly used when you have only one group you collect data from them on two different periods or under two different conditions. It is noted that paired-sample t-test indicate whether the difference between the two different periods is statistical significant but does not tell us the extent of their differences, normally called the effect size or strength of the association. To calculate the effect size, we used the eta squared values for t-test given below

Eta squared =

Where squared of the t-calculated and n=number of observation

**CHAPTER FOUR**

**4.1**​**DATA PRESENTATION AND ANALYSIS OF THE RESULT**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Are you the owner of the business?** | | | | | |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | yes | 77 | 55.0 | 55.0 | 55.0 |
|  | no | 63 | 45.0 | 45.0 | 100.0 |
|  | Total | 140 | 100.0 | 100.0 |  |

The above table shows the respondents opinion on if they are the owner of the business, from the result, 77(55%) affirmed yes whereas 63(45%) affirmed no, hence we conclude that majority of the respondents are the owner of the business.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Are you aware of the development shoprite mall in Enugu?** | | | | | |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | yes | 103 | 73.6 | 73.6 | 73.6 |
|  | No | 37 | 26.4 | 26.4 | 100.0 |
|  | Total | 140 | 100.0 | 100.0 |  |

The table above which is a descriptive statistics on the awareness of the respondents on the development of shoprite mall in Enugu, from the result 103(73.6%) affirmed yes whereas 37(26.4%) affirmed no, hence we firmly conclude that majority of the respondents are aware of the development of shoprite mall in Enugu.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **How do you consider the impact of shoprite on your business prospect** | | | | | |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Increase to great extent | 28 | 20.0 | 20.0 | 20.0 |
|  | increased | 22 | 15.7 | 15.7 | 35.7 |
|  | no effect | 24 | 17.1 | 17.1 | 52.9 |
|  | decreased | 18 | 12.9 | 12.9 | 65.7 |
|  | decreased to great extent | 48 | 34.3 | 34.3 | 100.0 |
|  | Total | 140 | 100.0 | 100.0 |  |

The table above shows the respondents opinion on the impact of shoprite on your business prospect, 28(20%) affirmed increased to great extent, 22(15.7%) affirmed increased, 24(17.1%) affirmed no effect, 18(12.9) affirmed decreased whereas 48(34.3) affirmed decreased to great extent, hence from the result we can firmly conclude that shoprite decreased to great extent business prospect in Enugu.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Paired Samples Statistics** | | | | | |
|  | | Mean | N | Std. Deviation | Std. Error Mean |
| Pair 1 | on average, how much is your business monthly profit before | 45780 | 140 | .49928 | .04220 |
|  | on average, how much is your business monthly profit after | 37965 | 140 | .44254 | .03740 |

From the table of values above, it shows that before the development of shoprite in Enugu, the respondents makes average monthly income of #45780, but after the development of the shoprite, respondents makes an average monthly income of 37965, hence we firmly conclude from the result that the respondents makes higher income before the development of the shoprite.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **How do you consider the impact of the shoprite on the profitability of your business** | | | | | |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Increase to great extent | 32 | 22.9 | 22.9 | 22.9 |
|  | increased | 18 | 12.9 | 12.9 | 35.7 |
|  | no effect | 24 | 17.1 | 17.1 | 52.9 |
|  | decreased | 15 | 10.7 | 10.7 | 63.6 |
|  | decreased to great extent | 51 | 36.4 | 36.4 | 100.0 |
|  | Total | 140 | 100.0 | 100.0 |  |

The table descriptive statistics above shows that 32(22.9%) of the respondents affirmed increased to great extent, 18(12.9%) affirmed increased, 24(17.1%) affirmed no effect, 15(10.7%) affirmed decreased and 51(36.4%) affirmed decreased to great extent, hence we conclude that majority of the respondents believed that development of shoprite decreased their business profitability to great extent.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **How do you consider the impact of shoprite on the sustainability of your business?** | | | | | |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Increase to great extent | 34 | 24.3 | 24.3 | 24.3 |
|  | increased | 16 | 11.4 | 11.4 | 35.7 |
|  | no effect | 21 | 15.0 | 15.0 | 50.7 |
|  | decreased | 18 | 12.9 | 12.9 | 63.6 |
|  | decreased to great extent | 51 | 36.4 | 36.4 | 100.0 |
|  | Total | 140 | 100.0 | 100.0 |  |

The table above shows the respondents opinion on how they consider the impact of shoprite on the sustainability of their business, 34(24.3) affirmed increased to great extent, 16(11.4%) affirmed increase, 21(15%) affirmed no effect, 18(12.9%) affirmed decreased and 51(36.4%) affirmed decreased to great extent, hence we firmly conclude from the result that the sustainability of the business of the respondents decreased to great extent.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **How do you consider the impact of shoprite on the prices of products of your business?** | | | | | |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Increase to great extent | 41 | 29.3 | 29.3 | 29.3 |
|  | increased | 9 | 6.4 | 6.4 | 35.7 |
|  | no effect | 21 | 15.0 | 15.0 | 50.7 |
|  | decreased | 15 | 10.7 | 10.7 | 61.4 |
|  | decreased to great extent | 54 | 38.6 | 38.6 | 100.0 |
|  | Total | 140 | 100.0 | 100.0 |  |

The above shows the respondents opinion on the prices of product of their business, 41(29.3%) affirmed increased to great extent, 9(6.4%) affirmed increased, 21(15%) affirmed no effect, 15(10.7%) affirmed decreased and 54(38.6%) affirmed decreased to great extent, from the result we can firmly conclude that the prices of the product of the respondents decreased to great extent because of the development of shoprite in Enugu.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **How do you consider the impact of shoprite on the number of customer that you have?** | | | | | |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Increase to great extent | 44 | 31.4 | 31.4 | 31.4 |
|  | increased | 6 | 4.3 | 4.3 | 35.7 |
|  | no effect | 21 | 15.0 | 15.0 | 50.7 |
|  | decreased | 12 | 8.6 | 8.6 | 59.3 |
|  | decreased to great extent | 57 | 40.7 | 40.7 | 100.0 |
|  | Total | 140 | 100.0 | 100.0 |  |

The table of values above shows the respondents opinion on the impact of shoprite on the number of customer that they have, 44(31.4%) affirmed increased to great extent, 6(4.3%) affirmed increased, 21(15%) affirmed no effect, 12(8.6%) affirmed decreased and 57(40.7%) affirmed decrease to great extent. Hence we conclude from the result that the number customer that the respondents have decrease to great extent because of the development of shoprite in Enugu.

**Test of Hypotheses**

**Ho:** Shoprite has no significant impact on specific dimension of the local retailers   business in Enugu state.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **One-Sample Test** | | | | | | |
|  | Test Value = 0 | | | | | |
|  | t | df | Sig. (2-tailed) | Mean Difference | 95% Confidence Interval of the Difference | |
|  |  |  |  |  | Lower | Upper |
| Shoprite has no significant impact on specific dimension of the local retailers   business in Enugu state. | 34.363 | 139 | .041 | 1.45000 | 1.3666 | 1.5334 |

The decision to accept the null hypothesis rest on the condition that the probability value must be greater than 5% (0.05) level of significance, if not null (Ho) is reject, from the result of one sample t-test above, the probability value (0.041) is less than the 5% level of significance, hence we accept H1 and conclude that Shoprite has significant impact on specific dimension of the local retailers business in Enugu state.

**CHAPTER FIVE**

**5.1 SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION**

**5.1.1**​**SUMMARY OF FINDINGS**

This study accessed the economic impacts of the development of shopping mall on the existing retail business in Enugu Metropolis using Shoprite as a case study, the following results were established.

1. The existence of Shoprite Enugu affects negatively on the existing small retail business in various dimension such as prices, profits, and business prospect.

2. The existence of Shoprite has posed serious economic challenge and strong competitor on the existing retail business within the region.

**5.2**​**Conclusion**

This work is on the impact of Shoprite Enugu on the retail business in Enugu, from the result in the frequency table, it shows that the entrance of Shoprite Enugu posed serious challenge to the existing retail business in the region, from the result, the entrance of Shoprite Enugu reduce business prospect, price, profits and marginal sales drops considerably.

**5.3**​**Recommendation**

The result from this study indicates that the respondents are not happy with the entrance of the mall in the region which has affected their price, sales and profit, hence the researcher recommends that

1. Relevant government authorities and agencies should take proper look on the development of these multinational coperations/industries to avoid sending our young establishment to its early grave.

2. The activities of this industries should be checked, so as to encourage our local infant retail business to thrive in the midst of this strong competitor.

3. Based on reckoning, Enugu state government should grant loan advances to potential retailers to enable them stand compete favourably to this strong foreign competitor.

**5.4**​**Areas for further studies**

This research work is restricted to the impact of Shoprite on the existing retail business in Enugu. However, there are other areas in which its impact are yet to be ascertained. Its impacts on households and on consumption behaviours still remain relevant area of study.

Appendix

Department of Economics

Godfrey Okoye University

Ugwuomu-Nike

Enugu

Dear Respondents

**ASSESSMENT OF THE ECONOMIC IMPACT OF THE DEVELOPMENT OF SHOPPING MALL ON THE EXISTING RETAIL BUSINESS IN ENUGU METROPOLIS (A CASE STUDY OF SHOPRITE ENUGU)**

Good day Sir/Madam. My name is Asika David a student of Godfrey Okoye University. I am currently conducting a survey for my project work on the topic above and would like your business to be part of it. May you please spare a few minutes to answer some questions for me. All the information provided will be used only for this work and will not in any case be leaked to the government nor attached to your identity.

Q.1 Are you the owner of the business?

​Yes [   ]

​No [   ]

Q.2​What is the nature of your business? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Q.3​what is your highest level of education? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Q.4​For how long have you been in the business? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Q.5​Are you aware of the development shopritemall in Enugu?

​Yes [    ]

​No [     ]

Q.6​How do you consider the impact of shoprite on your business prospect?

1) Increase to great extent [  ]

2) Increased [   ]

3) No effect [   ]

4) Decreased [   ]

5) Decreased to a great extent [   ]

Q.7 on average, how much is your business monthly profit?

1) Before [  ]

2) After [   ]

Q.8 How do you consider the impact of the shoprite on the profitability of your business?

1) Increased to a great extent [   ]

2) Increased [   ]

3) No effect [   ]

4) Decreased [   ]

5) Decreased to a great extent [   ]

Q.9 How do you consider the impact of shoprite on the sustainability of your business?

1) Increased to a great extent [  ]

2) Increased [   ]

3) No effect [   ]

4) Decreased [   ]

5) Decreased to a great extent [   ]

5) Decreased to a great extent [   ]

Q.10 How do you consider the impact of shoprite on the prices of products of your business?

1) Increased to a great extent [  ]

2) Increased [   ]

3) No effect [   ]

4) Decreased [   ]

5) Decreased to a great extent [   ]

Q.11 How do you consider the impact of shoprite on the prices of product of your business?

1) Increased to a great extent [  ]

2) Increased [   ]

3) No effect [   ]

4) Decreased [   ]

5) Decreased to a great extent [   ]

Q.13 what is the business’s operating hours?

1) Before [  ]

2) After [   ]

Q.14 How do you consider the impact of shoprite on the number of customer that you have?

1) Increased to a great extent [  ]

2) Increased [   ]

3) No effect [   ]

4) Decreased [   ]

5) Decreased to a great extent [   ]

Q. 15 What is the number of employees in your business

1) Before [   ]

2) After [    ]