IJRAR.ORG E-ISSN: 2348-1269, P-ISSN: 2349-5138

INTERNATIONAL JOURNAL OF RESEARCH AND ANALYTICAL REVIEWS (IJRAR) | IJRAR.ORG

An International Open Access, Peer-reviewed, Refereed Journal

THE IMPACT OF WEEKLY MARKETS ON RETAIL SHOPS: A CASE STUDY OF SATURDAY WEEKLY MARKET, DOIMUKH, ARUNACHAL PRADESH

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Abstract

Weekly markets are essential to rural and semi-urban economies, offering affordable goods and livelihoods to vendors without permanent infrastructure. However, their rapid growth has sparked concerns among established retail shops regarding revenue loss and customer migration. Using an empirical approach involving structured questionnaires and interviews with 200 shopkeepers, the study found that 72.5% of retailers reported negative impacts, with over 95% of respondents experiencing revenue drops, often exceeding 60% revenue drops on market days. The most affected sectors include vegetables, household items, and clothing. Furthermore, a comparative analysis revealed a substantial shift of businesses into lower-income tiers post-market establishment. Despite these challenges, retailers showed minimal strategic response, with no pricing changes or discounts offered and only 20% altering inventory. The findings underscore the need for regulatory intervention and adaptive business strategies to ensure equitable coexistence between traditional weekly markets and permanent retail establishments.

Keywords: Weekly market, retail shops, economic impact, consumer migration, revenue, Arunachal Pradesh, Doimukh.

1. Introduction

Weekly markets are markets that operate on a specific day of the week, where sellers and buyers come together for a single day. These markets are predominantly found in rural and semi-urban areas. Weekly markets play a pivotal role in shaping the economic, social, and cultural development of rural and semi-urban communities(Dagade et al., 2021). They are instrumental in improving the socio-economic conditions of rural farmers, small peasants, and vendors by allowing them to sell their products without the need for permanent commercial spaces or licenses (Anand et al., n.d.). Permanent commercial spaces and licenses increase the cost of operations for financially weaker rural farmers, peasants, and vendors. Therefore, weekly markets are an ideal option for selling their products. The economic impact of weekly markets is significant and has been observed since time immemorial(Anand et al., n.d.). However, the weekly markets in the Papum Pare district of Arunachal Pradesh began only recently, after 2015.

Retail shops in India form the backbone of the country's consumer market, playing a crucial role in the distribution of goods to end-users. The retail market contributes 10% of the country's GDP(Kalita, 2017). The Indian retail sector is predominantly unorganised, consisting largely of small, family-run shops such as kirana (grocery) stores, general stores, and roadside vendors. These traditional retail formats account for over 85% of the total retail market, catering primarily to local neighbourhoods and semi-urban or rural areas. In recent years, however, there has been significant growth in the organised retail sector, which includes supermarkets, departmental stores, and online retail platforms, driven by changing consumer preferences, urbanisation, and infrastructure improvements (IBEF, 2023).

The town of Doimukh, located in the Papum Pare district, offers a unique setting for analysing the interactions between traditional weekly markets and modern retail shops. Doimukh town is situated near the Harmoti, Assam. It functions as a transit point between Itanagar (the state capital) and many other districts of Arunachal Pradesh, making it both a commercial and logistical hub. Over the past decade, the town has witnessed rapid growth in its retail sector, with the establishment of numerous permanent shops, mini-marts, and hardware stores. Simultaneously, an increasing numbers of weekly markets have also been established. Leading to complex economic dynamics between itinerant vendors and fixed retail establishments.

The expansion of weekly markets in Doimukh has as many as six active Weekly Market or haats, these are: Saturday Weekly Market near River Dikrong, Monday weekly market opposite side of Flamingo Petrol Pump, Huto Village, Wednesday weekly market near NEEPCO office Rono, Thursday Weekly Market at Emchi, Friday weekly market at Mani, Tuesday weekly markets is situated just crossing the Dikrong bridge, this market comes under the jurisdiction of Nirjuli, but the distance of the market is merely 500 meters from Doimukh, therefore it is certain to impact the economic activity of commercial retail shops. These weekly markets have triggered significant discussion and concern among local retailers, municipal authorities, and civil society. Local shopkeepers allege that these markets erode their customer base by offering similar products at lower prices, often without adherence to the same tax, rent, or hygiene regulations. Retailers also argue that weekly markets, by drawing crowds and creating traffic bottlenecks, diminish the overall shopping experience for consumers and strain urban infrastructure. Additionally, the influx of non-local vendors, particularly from neighbouring states like Assam, has further complicated the situation by introducing new layers of competition and cultural friction. These concerns are not unique to Doimukh but mirror broader trends seen in other parts of Northeast India and beyond, where informal markets and formal retail increasingly vie for space and consumers.

Recognising the need to address these emerging tensions, the Papum Pare district administration convened multiple meetings in 2023 to explore the viability and regulation of weekly markets in Doimukh. Among the key concerns raised were public safety, sanitation, and the protection of local livelihoods. One of the landmark decisions taken was the imposition of a one-month ‘rest period’ beginning in November 2023, however, it was implemented in April 2024, during which only local vendors were permitted to operate. This move was aimed at reducing alleged illegal activities, controlling environmental degradation, and ensuring that the economic benefits of the weekly markets remained within the community. These administrative interventions, while welcomed by some, have also sparked debates on inclusivity, regulation, and the balance between traditional and modern commerce. Therefore, the present study is to find out the impact of Saturday weekly market on commercial retail shops. The Saturday weekly has been chosen for this study is because, it was the pioneering weekly market in the Doimukh area and it has the largest market area as compared to other weekly markets.

2. Research Problem/Gap

Since the establishment of Saturday Weekly Market, the permanent commercial retail shops have constantly complained to the district administration about the alleged public safety, environmental problems and sanitation. The main concern of the retail shops was the economic impact, as their customers had shifted from the retail shops to weekly markets. Hence, in this study, an attempt has been made to evaluate the economic impact of retail shops due to Saturday Market.

3. Significance of the study

This study is empirical in nature and will be largely helpful for the permanent retail shops to counter the competition from weekly markets. Arunachal Pradesh, being a developing state there has many more weekly markets that are likely to set up at other places. This study will be helpful to the administrative authority to frame rules and regulations for the upcoming weekly market across the state. Further, this study will be helpful to any other researchers, that may be academic or business houses.

4. Objectives of the study

I. To study the economic impacts on retail shops due to the weekly market.
II. To examine the perceptions of retail shopkeepers on the weekly market.
III. To suggest the regulatory framework on market functioning.

5. Literature review

Sunildro L.S. Akoijam, "*Economic Implication Of Weekly Market Participation: A Case Study Of Farmers Cum Sellers In Garo Hills Of Meghalaya*", 2021. The purpose of this paper is to examine the economic impacts of the weekly market participation by farmers cum sellers in their livelihood. Data were collected from farmers cum sellers who participated in the weekly markets located in Garo Hills region of Meghalaya state in India. ANOVA and Chi Square test were used to analyse the data. Findings indicate that farmers participating in the weekly markets by selling their agricultural products; are able to earn a sustainable income for their livelihood. With their continuous participation in the weekly markets, their economic status of their family is also improved.

Anand U, *"Role of Weekly Market in Indian Economy", E: ISSN NO.: 2455-0817, VOL-2* ISSUE-1* April – 2017, http://www.socialresearchfoundation.com:* Weekly markets, also known as Haat or Bazaar, represent the oldest marketing channel in India and continue to play a vital role in the Indian Economy. Organized periodically at fixed sites, they provide goods and services primarily to rural settlements and are characterized as informal markets. These markets offer essential opportunities for both buyers and sellers. There are approximately 43,000 weekly markets generating Rs 50,000 crore in annual sales, with almost 98% of villagers regularly visiting them. They function as centres of economic activities, crucial for development, employment, and infrastructure in rural areas. Weekly markets act as basic building blocks adequate to the economic structure of the Indian economy. The markets' dynamics are influenced by factors affecting both supply and demand. Supply is shaped by the number of sellers, transport cost, literacy level, and travelling patterns. Demand is influenced by the number of buyers, price of related goods, income levels, tastes and preferences, literacy level, and travelling patterns. Overall, the weekly market is considered dynamic and a tool for development.

Dagade M. Vilas & Rahul P. Patil, *"A Study of Weekly Market in Khanadala Taluka Of Maharashtra", Journal of Emerging Technologies and Innovative Research, ISSN: 2349-5162, 2021*, The paper studies the weekly market in Khandala Taluka, Maharashtra. A weekly market is held on a particular day and place each week, serving as an important public place for buying and selling agricultural produce (like vegetables), livestock, and non-agricultural goods. These markets cater to the daily needs of the public and play a vital role in the development of economic affairs in India, achieving sustainable growth through the transformation of goods and services in rural areas. In Khandala Taluka, the weekly market is held on Sunday in an open space. It contributes to employment and upliftment of the standard of living, particularly for workers in the unorganised sector. The market features various vendors, including full-time traders (49.33%), part-time traders (20%), and seasonal vegetable traders (18.4%). Vegetables are the predominant product category, involving 56.13% of traders. The market is known for having low cost of goods and fluctuating prices based on imports and exports. While important for the local economy, the Khandala market faces issues like a lack of dedicated vendor space and facing traffic problems.

T. Dey et.al, *"Geospatial Analysis of Rural Weekly Markets: A Case Study of Bemetara District of Chhattisgarh, India", IOSR Journal Of Humanities And Social Science, Volume 22, Issue 5, Ver. II (May 2017) PP 45-53 e-ISSN: 2279-0837, p-ISSN: 2279-0845.*The paper examines the spatial characteristics and distribution of weekly markets in the Bemetara district of Chhattisgarh. Weekly markets are considered vital for rural socio-economic and regional development, acting as farmers' first contact points and nerve centres of rural life. The study focused on the 108 rural weekly markets in the Bemetara district, which serve 700 villages and a rural population of 721,192. Utilizing geospatial technologies like GIS and GPS, the research analysed their spatial distribution and pattern. Findings indicate that the spatial pattern of markets in the district deviates from random. Temporally, Thursday is the peak day for market meetings, and most markets function once a week, with 15 operating bi-weekly. The distribution is uneven across blocks, influenced by factors like accessibility. A key finding is the identification of served (2664.18 sq. km) and un-served (198 sq. km) areas, which the paper highlights as crucial for future planning and proposing new markets to reduce the service gap. Markets are typically located centrally in villages or along access roads, facilitating the distribution of agricultural and other goods.

6. Research Methodology

This study employs a qualitative approach as well as a quantitative approach, analysing administrative reports, stakeholder statements, and comparative studies. The weekly market is also one form of retail market. In this study, retail shops refer to those shops having a permanent structure, such as a building. Whereas the weekly market does not have a permanent structure, it only has a temporary structure.

The primary data were collected from the retail shop with those having permanent buildings or shops in Doimukh township. The total sample population is more than 1000, but only 200 primary samples have been collected in the present study with closed-ended questionnaires and interviews. The interview method was used to collect the primary data for those who are not literate. The primary data was collected by using non-probability and convenience sampling methods.

Since Doimukh is a small town, therefore their revenue generation is also small in numbers. Hence, researchers have categorised the retail shops into three categories, Low-income tiers, middle-income tiers and high-income tiers. Those shops whose revenue is below Rs 5000 per day are assumed to be low-income tiers. The revenue ranges from Rs 5000 to Rs 20000 is categorised under middle-income tiers, and revenue above Rs 20000 per day is placed in high-income tiers.

The Microsoft Excel software was used to generate the tables and figures of primary data.

7. Results and Discussion

The retail industry in India contributes significantly to the GDP and employment generation, with unorganised retail historically constituting the dominant sector(Shaikh & Bheda, 2022). Among the oldest forms of unorganised retail are weekly markets, also known by various names such as Haats or periodic markets. These markets are an inherent part of the social fabric across India, found in villages, slum areas, small towns, and metropolitan cities(Akoijam, 2021). Many were established long before India gained independence. Even in the contemporary era of modern retail and online shopping, weekly markets continue to exist, especially in rural regions. The weekly markets are also one form of retail market, the present study is focused on the impact of permanent retail shops due to weekly markets. The permanent retail shops in this study mean that the retail shop with a permanent building.

The outcome of the field survey has been discussed as follows:

7.1 Business Impact Analysis

The Saturday Weekly market affects the retail shops in various sections in sales, revenue, customer behaviour and competition. Almost 72.5% of the respondents from the field survey reported the negative impacts on their shops due to the Saturday weekly market.

There is a significant decline in revenue of the retail shops on Saturday, because of Saturday Weekly market. Over 95% of the respondents from the field survey reported to have decline in revenue, with a more than 60% drop in revenue on Saturday.

The most affected business on retail shops was the vegetables and fruits business at 47.5%, followed by household items, comprising 20%, clothing at 15%, Grocery stood at 12.5% and the least affected business is the electronic segment accounted for only 5%. Most of the consumers went to the Saturday market for vegetables and household shopping. Nearly 80% of retail shops have acknowledged that, there is customer migration to the weekly market, particularly on Saturday. The Saturday weekly market reduces customer visits to local shops, corroborating the revenue drop for retail shops.

These are shown in Tables No. 1, 2, 3 and 4. Figures 1, 2, 3 and 4 as follows:

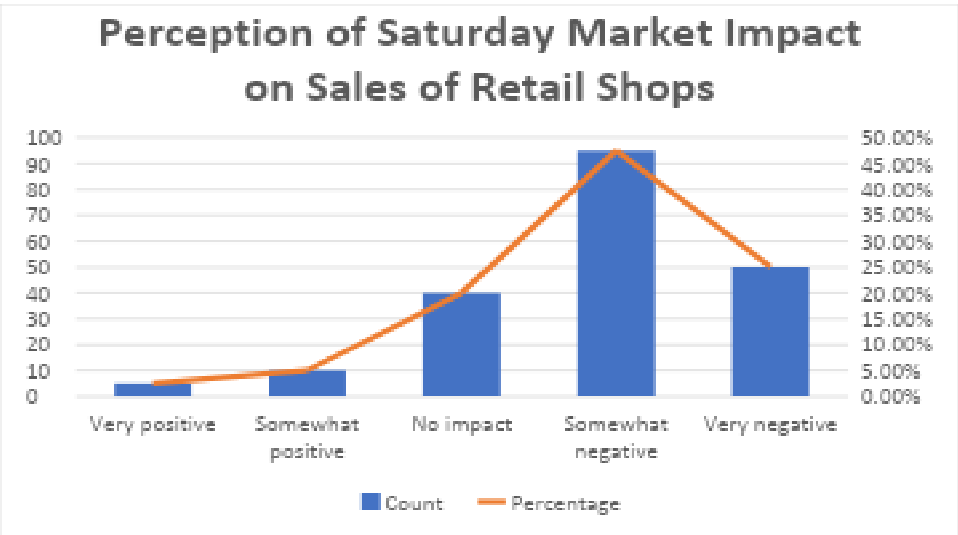
Table No. 1

Perception of Saturday Market Impact on Sales of Retail Shops

Perceptions	Count	Percentage
Very positive	5	2.5%
Somewhat positive	10	5%
No impact	40	20%
Somewhat negative	95	47.5%
Very negative	50	25%

Source: Field Survey

Figure No.1



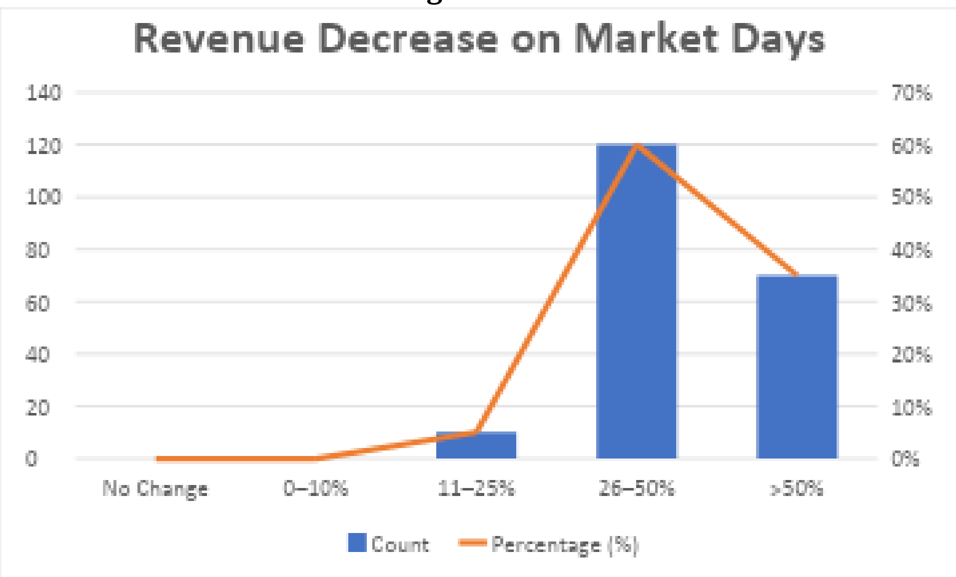
From the above Table No. 1 and Figure No. 1, the perceptions of retail shops on their sales are largely affected by the Saturday Weekly Market. The total count of 145 respondents had a negative impact on their sales due to the Saturday Weekly market.

Table No. 2
Revenue Decrease on Market Days

Revenue Drop	Count	Percentage (%)
No Change	0	0%
0–10%	0	0%
11–25%	10	5%
26–50%	120	60%
>50%	70	35%

Source: Survey Data

Figure No.2



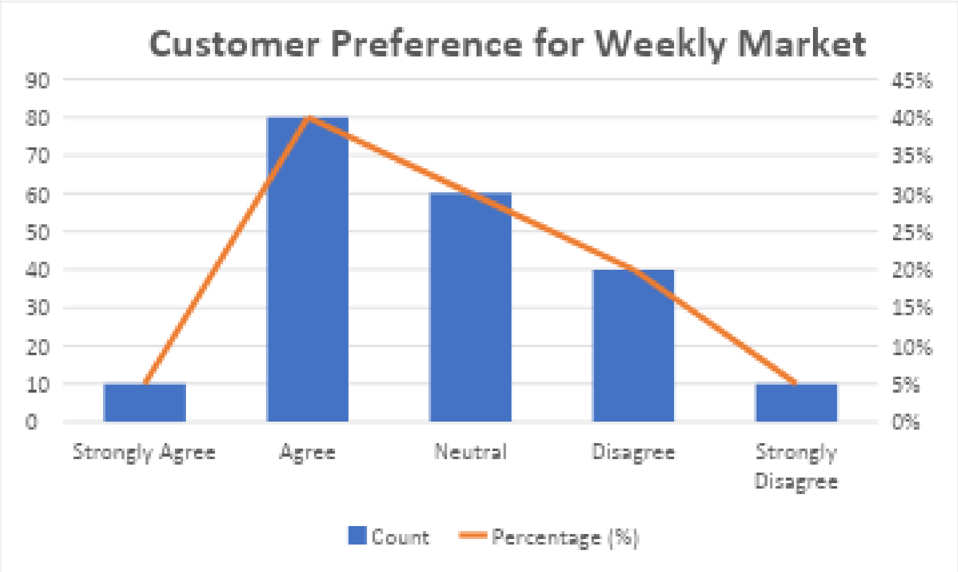
Since there is a drop in sales due to the Saturday Weekly Market as per Table No. 1, there is a certain dip in revenue as depicted in Table No.2. There is a 90% drop in revenue on Market days as revealed in the survey.

Table No. 3
Customer Preference for Weekly Market

Preference	Count	Percentage (%)
Strongly Agree	10	5%
Agree	80	40%
Neutral	60	30%
Disagree	40	20%
Strongly Disagree	10	5%

Source: Field Survey

Figure no. 3



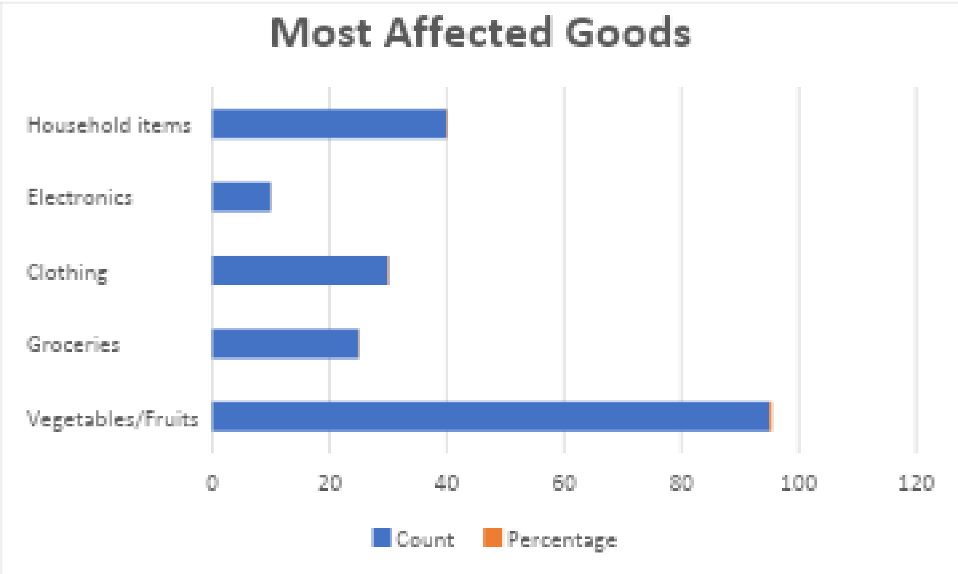
As per the survey, consumers also prefer to visit the Weekly market over traditional or permanent structured retail shops on day of Saturdays.

Table no. 4
Most Affected Goods

Product Category	Count	Percentage
Vegetables/Fruits	95	47.5%
Groceries	25	12.5%
Clothing	30	15%
Electronics	10	5%
Household items	40	20%

Sources: Field Survey

Figure No. 4



From Table No. 4, it can be seen that the most affected goods are vegetables and fruits, with 95 counts and 47.5% of the total respondents. The household items, with 40 counts and 20% of the total respondents, are next. There are some impacts on clothing and groceries, and the least affected goods are electronics.

7.2 Income Comparison (Before Saturday Market Establishment vs After Saturday Market Establishment.

The Saturday Weekly Market impacted retail shops' daily income, comparing pre- and post-market scenarios. The primary data reveals significant shifts in income distribution, highlighting more businesses fell into the lower income bracket after the Saturday market was established. This is due to revenue drops pushing mid-income into lower tiers. The data reveal that the most dramatic decline was in the middle-tier businesses were hardest hit. The high-income businesses saw moderate losses, possibly due to loyal customer bases.
The Saturday market reduced daily income for 72.5% of businesses, with mid-income enterprises (₹10,000–20,000) suffering the most (-69%). The surge in low-income businesses suggests economic downward mobility, while high-income businesses showed relative resilience. This is shown in Table No. 5 and Figure No.5.

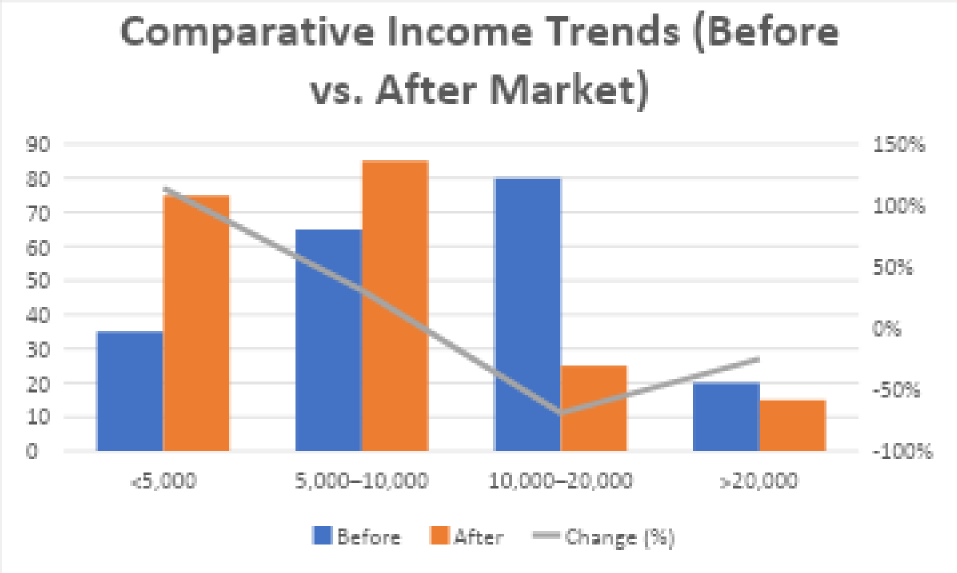
Table No. 5

Comparative Income Trends (Before vs. After Market)

Income Range (₹)	Before	After	Change (%)
<5,000	35	75	+114%
5,000–10,000	65	85	+31%
10,000–20,000	80	25	-69%
>20,000	20	15	-25%

Source: Field Survey

Figure No. 5



The income comparison of pre- and post-weekly market can be traced from Table No. 5, where there were very good number of middle-income tiers in pre-market time. the counts from survey reports depict that 65 numbers were in the income range of 5000 to 10000 per day and 80 counts in the income range of 10000 to 20000. The total counts for middle-income tiers are 140 numbers. But there is a significant drop in the middle-income tiers at the post-weekly market, the number counts as per the survey are 110 counts (combining both the income ranges). It has been found from the survey that the low-income tiers have increased significantly because of falling numbers from middle-income to low-income. There are fewer or minimal changes in high-income tiers.

7.3 Business Strategy adopted to counter competition

The researchers' aim is to know the retail business adaptation in a competitive scenario, Therefore, three questions were raised in this part to collect the data: were there any changes in price, any discount given to consumers to retain them and any changes in inventory to counter the competition from the Saturday Weekly Market.

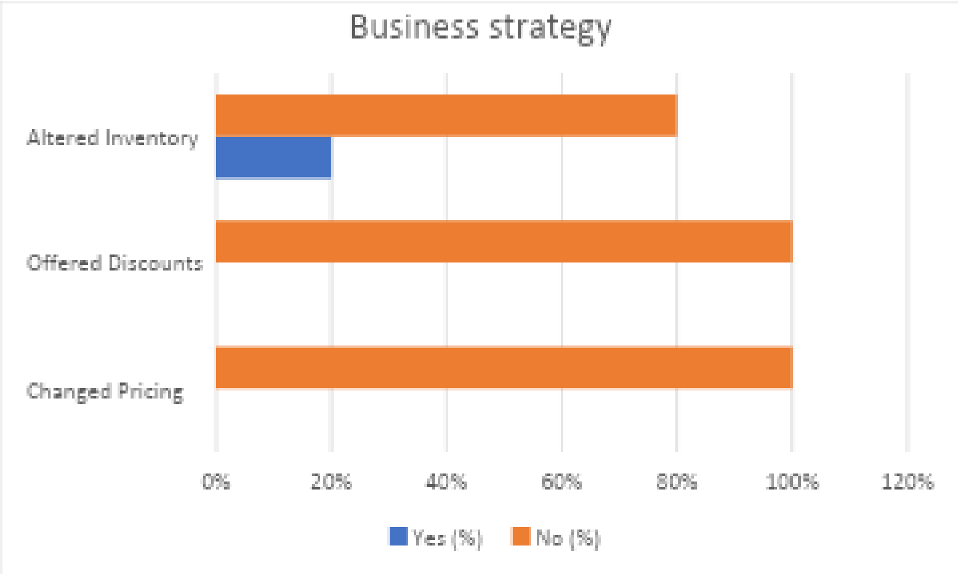
It was found that the retail shops were not adapting to the competition posed by the Saturday Weekly Market, based on the survey data. The findings reveal critical gaps in competitive strategies that have exacerbated revenue losses to retail shops. Though retail shops were losing customers on Saturday but they never offered discounts or price changes to consumers. As per survey data, 40 numbers of retail shops have altered their inventory based on competition. These are shown in the table No. 6 and Figure No.6.

Table no. 6
Business Strategic Responses

Strategy	Yes (%)	No (%)
Changed Pricing	0%	100%
Offered Discounts	0%	100%
Altered Inventory	20%	80%

Source: Field Survey

Figure No. 6



The Saturday weekly market immensely affected the revenue loss of Retail Shops, yet it has been found that no business strategy is adopted by retail shops to counter the competition from the Saturday market. Table No. 6 clearly depicts that 100% of retail shops did not change any prices in their goods, nor did they offer any discounts to their customers. While having an interview with some vendors, it was found that there is an addition of new inventory in their existing inventory.

8. Conclusion

The study highlights the significant impact of the Saturday Weekly Market on permanent structured retail shops. The findings reveal that these traditional markets, deeply rooted in India's socio-economic fabric, continue to thrive despite the growth of modern retail and e-commerce(Dey et al., 2017). However, their presence poses substantial challenges to permanent retail shops, especially in terms of sales, revenue, and customer retention.

Key findings indicate that 72.5% of retailers experience negative effects due to the weekly market, with over 95% reporting a revenue decline, and more than 60% of revenue occurring on market days. The most affected sectors include vegetables and fruits (47.5%), followed by household items (20%), clothing (15%), and groceries (12.5%). Electronics remain the least impacted (5%). Additionally, 80% of retailers observed customer migration to the weekly market, further intensifying competition.

A comparative income analysis shows a sharp decline in middle-income businesses (₹10,000–20,000 daily) by 69%, while low-income retail shops (<₹5,000) surged by 114%. Despite these challenges, retailers have not adopted competitive strategies, nor adjusted pricing or offered discounts, and only 20% of retail shops have altered their inventory.

The study underscores the need for strategic adaptations by permanent retailers, such as dynamic pricing, discount offerings to retain customer loyalty, and diversified product offerings, to mitigate losses and sustain competitiveness with the weekly market. Future research could explore consumer preferences in greater depth and assess the long-term viability of weekly markets versus organised retail in evolving urban and rural landscapes.

Overall, while weekly markets remain an integral part of India's retail ecosystem, permanent retailers must innovate to coexist and thrive in this competitive environment.

9. Reference

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