This thesis focuses on problems related to unregulated construction of shopping malls in the city centres. Shopping malls are often built considering their negative effects on small merchants, urban environment etc. This particular problem was analyzed in two cities (Pardubice and Liberec) using elements of Retail Impact Assessment study and counterfactual impact evaluation method. Results showed that placing the shopping malls to the city centre changes the structure of retail units in its vicinity. Since customers prefer larger shopping facilities, their shopping behaviour changes, and small merchants are forced to adapt and compete with „all under one roof“ shopping centers. Some of them cannot compete with these centers and are forced to close. Contribution of this research focuses on application of unique methods which indicated a need to regulate and coordinate building of large shopping centers within Czech cities.

**Key words:** retail impact assessment, city centre, vitality, shopping mall