CHAPTER 6
FINIDINGS

6.1 Findings on Unorganised Retailers

6.1.1 Findings related to the demographics of ‘Unorganised retailers’

1. Majority of the respondents (68%) were among the age of 21 to 50 indicates that there is a scope for many youngsters to take up this business as entrepreneurial opportunity. This demographic attribute can play an important to modernize unorganised retail sector.

2. All the 384 respondents were male. Small retail shops are single owner manned merchandise shops where male is predominantly the care taker of the shop and its overall operations and performance. Only in rare cases there were female person owned and operated such shops.

3. Predominantly 71% of the respondents were either uneducated or school educated. Though it was a relatively a tough task to make understand the respondents who were illiterate, as most of them shied away in recording their responses for lack of education, surprisingly a few of such respondents from villages found greater enthusiasm and gave enough time, patience and effort to get their responses recorded.

4. A majority of the respondents were married (83%). Married respondents were inclined to spend more time and patience to record their responses than the unmarried and young respondents. This indicated that married respondents had more concern for taking forward their business and perform well in their business to make their bread for the family since their responsibility to earn more has increased as they were married too.

5. 77% of unorganised retail shops income was within Rs.10000 a month. Especially shops
located in cities and metro-city had higher income compared to those located in villages and towns. Given the cost of operating a shop and overhead expenses along with living costs, this result only indicated that such shops are in a tight rope walk and their income was less since many faced stiff competition from rapidly growing organised retail stores.

6. A majority of such retailers are in this business since long years per se almost 55% of them were in this arena for 11 to 20 years span. Typically many of the shops in metro-city and cities and even in towns have got transformed to organised retail stores mostly as convenient stores with the hands on experience they had over many number of years in retailing.

7. Majority of the shops operated in within 20 square meters retail space as only a few were operating in the area size above 20 square meters. Most of the shops in the villages and towns were smaller in area size and were operated in the same old traditional manner using manual weighing machines though some shops used electronic weighing machines and had fridge and display shelves. This demographic attribute is also an economic indicator of the shop that brings out two different facets of unorganised retailers.

8. A majority (70%) of unorganised retailers operated on rental or leased premises. Shops in villages which operated on their own premises had little problems in meeting out their overhead expenses like electricity charges (which is very exorbitant these days) and also did not have the burden of paying rental and thus they could sustain their business even with low income. Shops, those located in cities and metro-city which operated on rental premises faced greater challenges in meeting out heavy burden of overhead expenses since the cost of rent and lease amount was very high.

9. 65% of unorganised retailers surveyed were located in urban area out of which 49.5% shops were located in metro-city and other cities. Shops located in villages/towns did not have
much exposure towards modernisation process whereas those located in urban areas was changing upgrading faster to meet out the changing life style and buying behaviour of consumers as most of the consumers in cities preferred modernised shops.

10. Predominantly 98.7% of respondents have opined that FDI in retail should not be allowed in Tamil Nadu. Only 1.3% of respondents have said that FDI in retail can be allowed in Tamil Nadu. Emphatically, opinion among respondents was mostly driven by two important factors; one is the political influence and next is the present socio-economic order of small retailers. Respondents in the metro-city and city region had better knowledge about FDI in retail and were more explicit of their present day socio-economic issues/problems.

11. 59.9% of respondents have opined that FDI in retail should be allowed to develop back-end retail infrastructure and 40.1% of respondents have said that FDI in retail should not be allowed even if it is for development of back-end retail infrastructure. Surprisingly, the supportive opinion among respondents was driven by two important factors one is the farmers issue such as lack of sufficient storage system that causes waste of thousands of tons of vegetables and fruits that farmers produce every year and the other is the lack of money to build a robust and effective technology driven logistics and supply chain system.

12. 76.6% kirana shops were members in more than one registered traders/retailers association, and 18.2% kiranas were members in one of the traders/retailers associations. Only 5.2% kiranas were not members in any traders/retailers association. Most of the kiranas are members in one or other trader or retailer association. There are different factions within the same retailer association and these factions operate as rival associations to each other where Kiranas are enticed or forced to become members of different factions of the same association.
13. 63% of respondents have said that there are organised retailers present nearby or within the vicinity or with 1km radius from their shop and 37% of respondents have said that there are no organised retailers present nearby or within vicinity or within 1km radius from their shop. Most of the unorganised who were from urban geography faced stiff challenges from organised retailers irrespective of their presence nearby or far as they had problems with regard to procurement and availability of supplies.

14. 98.8% of respondents have said that their sales volume has gone down due to organised retailers present nearby or within the vicinity or with 1km radius from their shop and only 1.2% of respondents have said that there their volume of sales has not gone down due to organised retailers present nearby or within vicinity or within 1km radius from their shop.

15. 94.3% of respondents have opined that want to continue their retailing business and are ready to compete in the given market while only 5.7% of respondents have said that they want to quit from their business as they are unable to compete for survival. Many of them have been in this business for long time and have been their traditional business which they see as matter of pride and prestige doing this business.

16. 77% of the respondents did say that there should be an exclusive regulatory framework to monitor and control the retail sector. The primary concern among them was to control organised retailers from unethical business practices like predatory pricing which is one important factor may induce a very strong negative impact on the business prospects of unorganised retailers.

6.1.2 Findings related to Awareness about important features of FDI in multi-brand retail policy

6.1.2.1 Findings from Hypotheses Analysis on Awareness
17. Awareness about the important features of FDI in multi-brand retail policy differed between various age groups. Respondents above 60 years were aware more than any other age groups as they were more vocal and had more insights about retailing which was also due to their experience.

18. Married respondents had more awareness about the important features of FDI policy which is also the outcome of their commitment to be more responsible in taking forward their business.

19. Respondents with higher income had more interest in knowing about the changes or newer happenings at least in the businesses that they were involved.

20. Higher the number of years of experience in retail higher was the awareness of respondents about the new things such as FDI and related things concerning their businesses.

21. Respondents who were from Metro-city had more awareness about FDI and related issues concerning their businesses than respondents from any other locations. A majority of the respondents’ knowledge about FDI in retail was very general and they were only aware that government had decided to allow foreign players into retail sector and that it is dangerous for their future business prospects. Even this general awareness among respondents was mostly due to influence of massive opposition from various trader/retailers associations, political parties and public forums.

6.1.2.2 Findings from Multiple regression analysis

22. Respondents who had their retail businesses in cities and metro-city had more awareness about FDI in multi-brand retail policy and similarly those who had retail shops with larger operating space had more concern and awareness about FDI policy. Such retailers had greater responsibility towards sustaining their businesses amidst tough competition and huge operating costs.

6.1.3 Findings related to opinion about impact on FDI in MBR among unorganised retailers
23. Predominantly 98.7% of respondents have opined that FDI in retail should not be allowed in Tamil Nadu. Emphatically, opinion among respondents was mostly driven by two important factors; one is the political influence and next is the present socio-economic order of small retailers. Most of the respondents especially in rural areas revealed that whatever that they know with regard to FDI in retail is mostly due to the voice of various political parties.

24. Majority of respondents who supported permitting FDI in retail revealed that foreign retailers will viewed that foreign retailers with their vast experience of having served customers across many countries will set benchmarks which while operates in a country’s retail sector and thus will induce positive impacts on domestic retailers especially in the following retail related functional domains.

25. A majority of respondents who opposed permitting FDI in retail revealed that foreign retailers are known for displacing small retailers and points out to many recorded evidences across the world that they are capable of capturing the power in the domestic market.

26. Though majority of unorganised retailers opposed FDI in multi-brand retail, still 59.9% of them wanted FDI to develop back-end retail infrastructure. Surprisingly, the supportive opinion among respondents was driven by two important factors one is the farmers issue such as lack of sufficient storage system that causes waste of thousands of tons of vegetables and fruits that farmers produce every year and the other is the lack of money to build a robust and effective technology driven logistics and supply chain system with which farmers, small retailers and small scale suppliers can be integrated for movement and procurement of goods.

27. Majority of respondents who wanted FDI to development of back-end retail infrastructure have suggested that FDI is required in the key areas like ‘Processing’ ‘Cold Storage’ ‘Manufacturing’ ‘Logistics’ ‘Warehouse’.
28. A majority (94.3%) of the small retailers want to continue their business amidst the growing touch competition in the business. Though they had concerns about the growing difficulties in running their business they were confident to face the challenges posed by entry of large format retailers.

29. 63% of small retailers were doing their retail business amidst the presence of organised retailers present nearby. Most of the unorganised retailers who were from urban geography faced stiff challenges from organised retailers irrespective of their presence nearby or far as they had problems with regard to procurement and availability of supplies. Organised retail is more of an urban phenomenon and thus small retailers in rural areas did not have much to say about direct competition generated by organised retailers.

30. Predominantly 98.8% of unorganised retailers are affected as their sales volume has gone down due to organised retailers present nearby. Most of the unorganised from urban geography who were retailing merchandise categories similar to that of what organised retailer sold were the ones whose sales volume was hit badly.

6.1.3.1 Findings from Hypotheses Analysis on Opinion about FDI in multi-brand retail

31. Respondents who supported FDI in multi-brand retail opined that FDI in retail would certainly bring improvement in quality of products and services offered to customers. There are benefits to customers such as variety as quality of goods and services.

32. Majority of respondents who opposed FDI in multi-brand retail opined that FDI in retail will certainly induce predatory pricing technique to attract customers in the beginning and thereby create cut-throat competition. There are cases of Wal-Mart having eliminated small scale retailers even in the countries like USA.
33. Respondents who supported FDI in back-end retail infrastructure viewed that FDI will be helpful in food processing and cold storage which are much needed especially to save 100s of tonnes of food (agricultural products such as fruits/vegetables/cereal/poultry/dairy and diary based products) being produced in this country.

34. A majority of respondents viewed that it was necessary to safeguard small retailers businesses from unethical competition emanating from large format retailers. They wanted the government to extend them with financial support. Most of them wanted the middlemen in the supply chain to be removed.

6.1.4 Findings related to unorganised retailers association with retailers/traders association

Findings from Hypotheses analysis on retailers’ relationship with associations

35. Considering the overall opinion of all the age group respondents, it can be inferred that majority of the respondents in the age group of 21 to 30 had membership in one or other traders/retailers association. Most of the unorganised retailers were members in more than one registered traders/retailers association. Many respondents expressed that being a member in traders/retailers association is necessary in today’s socio-economic and socio-political order else raising voice against any sort of disturbance that may happen to their business will become unviable.

36. Irrespective of marital status majority of the respondents had membership in one or other traders/retailers association, though, it is observed that 87.7% of respondents those who are single yet were members in more than one retailers association. A few expressed that they were members in such associations only due to social compulsions and they reap no benefit.

37. Most of the respondents who have their retail shops in Metro-city and other cities were members in more than one associations since many retail associations which are very active in such locations induced retailers to be part of their associations.
38. Most of unorganised retailers wanted to be members in traders/retailers association because they felt that such associations helped them to raise their voice against any critical issues such as FDI in multi-brand issue.

6.2 Findings on Organised Retailers

6.2.1 Findings related the demographics of Organised Retailers

1. 82% of the respondents who responded on behalf of organised retailers were in the age of 21 to 50. Most of these respondents were employees of the stores which meant organised retail has the potential to generate more jobs in the course of its growth.

2. A majority of respondents were male and only 7.7% respondents were female. Though female respondents were less it only indicated to the researcher that organised retail provides employment opportunities for women also take part in its development.

3. Almost 61% of respondents were qualified with either a degree or post graduate degree and this demographic attribute of respondents helped the researcher to persuade them to seek their responses with regard to the research study. This demographic attribute also indicated that organised retail is one of the important economic engines to generate more employment opportunities.

4. A majority of respondents were employees of the organised retailers and only 13% of them were either proprietors or partners of the stores. This finding indicated two things; one their interest to know what this study is all about and second, they too had responsibilities to work for the stores development directly.

5. Almost 56% of the stores had monthly income 30,000 to 60000 and only 11.2% stores had monthly income above 120000. Most of the retail stores located in the metro-city had greater revenue and so was their income but surprisingly a few of the retail stores located in towns and cities had income much higher than stores located in
the metro-city since they were well established stores existing with their own brand names for years together which was the reason why their sales revenue was very high.

6. 33.2% retail stores were operating since last 5 years. Stores that operate since longer years had their name and brand image in the market place and enjoyed the greater amount of customer loyalty. Such stores especially located in towns were very vocal about the impact of FDI in retail and they expressed their apprehensions towards the undue competition that may arise out if FDI in retail is permitted.

7. A majority of retail stores were located in metro city and other cities. Though organised retail is more of urban phenomenon, retail stores located in towns did not face stiff competition unlike the retail stores located in cities and metro city that faced stiff competition from the chain of retail stores operated by established corporate like Reliance, More, Nilgris etc. Most of the retail stores located in metro-city was operated on rented premises.

8. 65% of retail stores considered for this study were convenience stores and specialty stores. Specialty stores were the highest in percentage and the highest number out of the total sample size 196 retail stores indicated that the penetration and growth of organised retail is this more in this format with different merchandise categories.

9. 74% of the organised stores considered for this study operated in less than 200 sq.meters of retail space. Only 13.3% stores operated on much larger retail space. Larger area size retail stores had upgraded interior and ambience. Most of the corporate retail chain of stores located in cities and metro-city were larger in area size, and these stores had standard facilities likes point of sale system, well segregated display shelves, storage systems, and power back up for lighting facility in case of power cut, all the products sold including the packed food and grocery items were bar coded.
10. Only 13% retail stores had wide range of merchandise categories. Most of specialty stores sold Apparel/clothing or Watches/fancy items or footwear or furniture or home appliances. Most of the Departmental stores located in metro-city were very large in size and sold major merchandise categories like electronic/electrical home appliances, furniture, kitchen vessels/utensils, apparels/clothing, Watches/fancy items, footwear, sports/fitness items and grocery items.

11. A majority of retail stores were individual stores and 15.3% were unit of chain of stores either run by corporate or other retail entities. Maximum number of individual retail stores indicated the growth of organised retail sector where other than the corporate chains which are pushing faster their retail outlets of various formats at various locations, there are many individual first generation investors and transforming kiranas which also set up their retail stores of various formats at different locations. There are differences in the operations and overall functioning of retail stores of the corporate chain and individually run retail stores.

12. A majority of retail stores adopted a combination of pricing strategies. Most of the retail stores unit of corporate chain located in metro-cities and cities sold items at discounted price which are close to their date of expiry. Typically most of the retail stores run by individuals especially those located in towns and cities did sell their items on discounted price to attract customers and most of these shops used the label ‘margin free store’ to inform customers that they sell products less than their maximum retail price only.

13. A majority of retail stores had the basic required facilities within the shop premises though many of them did not have required parking space for customers. Majority of the retail stores which were unit of chain of stores located in metro-city and cities mostly possessed Computerized Point-of-Sale System, Customer Friendly Interiors, Ambience and power back-up facility, Transparent Pricing and Display of First-point Price, Promotional
Programs/Customer awareness programs, Integrated Supply Chain for hassle-free supply, Inventory Management Software and Trolleys/Toilet/Drinking Water Facilities.

14. A majority of respondents who were ‘owner/partner’ of retail stores had more apprehensions about the impact of FDI in retail on their business and expressed concern about safeguarding their business from undue competition arising out due to FDI in retail. They were more vocal and had insight about the happenings or infusion of any major new changes in the retail markets at least with regard to the issues concerning domestic retailers.

15. Most of the respondents from rural geography irrespective their age had expressed that FDI in retail will drastically impact the business prospects of small retailers whereas the younger respondents from cities and metro city still felt that FDI in retail will bring some developments in organised retail even though respondents from higher age group expressed that FDI in retail will impact heavily on the livelihood of small retailers in many ways.

6.2.2 Findings from Hypotheses related to Awareness about important features of FDI in multi-brand retail policy among organised retailers

16. Respondents in cities and metro-cities had relatively better awareness about FDI policy than the ones in villages and towns. The dynamic business markets in cities and metro-city and their robust connectivity with the various communication channels enabled the retailers in such locations to acquainting knowledge about whatever new things or changes that happen related to their business and this reason is one important factor for retailers in cities and metro-city to be more aware of FDI in retail policies.

6.2.3 Findings related to the opinion about Impact of FDI in multi-brand retail on Organised Retailers

17. Predominantly 86.2% of respondents opposed FDI in multi-brand retail in Tamil Nadu.
Respondents in the metro-city and city region had better knowledge about FDI in retail and the present day socio-economic order of domestic retailers and their problems.

18. A majority of respondents on behalf of organised retail stores who supported FDI in multi-brand retail revealed that foreign retailers will help domestic retailers to improve the quality of products and in-store services offered to customers and expressed that FDI in retail is required for the overall benefit of economy and largely for the benefit to customers.

19. A majority of respondents on behalf of retail store who opposed permitting FDI in retail revealed that foreign retailers will escalate real estate and rental cost that in turn will affect domestic retailers. These respondents deeply feared they are capable of capturing the power in the domestic market.

20. Though majority of respondents did not want foreign retailers to operate in the domestic market, 69.4% of them have wanted FDI to develop back-end retail infrastructure. Most of the respondents especially in cities and metro-city revealed that FDI would be required to build/develop some of the important back-end retail infrastructure such as storage/warehouse including cold storage to reduce the waste of thousands of tons of vegetables and fruits that farmers produce every year, and to develop efficient logistics and supply chain system with which domestic retailers can be integrated for procurement of goods.

Most of the respondents of organised retail stores who wanted FDI in retail to develop back-end retail infrastructure viewed illiteracy at farm level and outdated means of production and lack of adequate back-end retail infrastructure has also contributed to shorter shelf life of the product and increased wastages. They believe global retailers can bring in advanced technology; know-how and years of experience which should go a long way in addressing these inconsistencies.
21. Most of respondents of organised retailers expressed that it will be very difficult and complex to monitor and control predatory pricing strategies of foreign retailers. Respondents also feared that allowing 51% FDI in multi brand retail will enable foreign retailers to occupy the overall retail business market in India in the long run.

22. Irrespective of the opinion about permitting FDI in multi-brand retail majority of them viewed that foreign retailers will bring chances especially in the key retail areas such as ‘Vendor management for sourcing’ ‘Shop Floor Management’ ‘Merchandise management’ ‘Cost Effective Inventory Management’ ‘Modernization of front end retail activities’ and ‘Customer Relationship Management’.

23. A majority of respondents had clear insights of how to sustain their business among the still competition as Most of the respondents have believed offering goods in conformity to quality standards and at better price to customers is the fundamental principle to keep their business move forward.

24. A majority of respondents wanted the government to bring stronger safeguard measures such as controlling unlawful business practices and removing too many intermediaries between producers and sellers to improve margins.

25. 86.2% of the respondents felt that an exclusive retail regulatory framework similar to that of IRDA is required to monitor and control the retail sector. However unpredictably, those who opposed establishment of such regulatory framework feared that such a move will only complicate the government regulations which are already in place and thus it will only affect their development

6.2.3.1. Findings from Hypotheses analysis on opinion about the impact of FDI

26. Respondents within the age group ’51 to 60’ were more vocal and had insight about the measures that were considered to safeguard domestic retailers. Most of these respondents
viewed that FDI in retail has the power to decimate their businesses and felt that government should necessitate measures to safeguard them.

27. Respondents who were not educated had the highest apprehensions about the impact of FDI in retail and thus they opined that government must take stronger measures to safeguard their businesses from the FDI impact.

28. Respondents who were owner/partner of retail shops had stronger views about safeguarding their businesses as they felt that their businesses will be wiped away by the impact of FDI in longer run and thus safeguarding their businesses against the odds that FDI impact may bring in is inevitable.

29. Highest number of respondents from Metro-city opined that FDI is required to develop backend retail infrastructure and surprisingly majority of the respondents irrespective of their location expressed that FDI is required to develop backend retail infrastructure. Organised retailers have broader understanding about backend retail infrastructure and what is needs to develop it.

30. Surprisingly, majority of the respondents who opposed the move to permit FDI in multi-brand retail still have inclined and opined that FDI is required to develop backend retail infrastructure. This kind of position among organized retailers is due to their sufficient knowledge and broader understanding about backend retail infrastructure and its need in the country today.

31. Out of the respondents who supported FDI in multi-brand retail, most of them felt that FDI in retail will enable bringing improved quality of goods and services to customers. One cannot deny that larger retail stores emphasis on selling more packed and labeled products which will have inscriptions about the date of manufacturing or packing and their durability within which they have to be used etc which are very important aspects for customers.
32. Majority of the organized retailers who opposed FDI in retail viewed that permitting FDI in multi-brand retail will only pave ways to escalation of real estate and rental costs and thereby increase the operating costs of retail stores which in many ways will become problem for them and in longer run they may not be able to sustain their businesses.

33. Respondents those who favoured FDI in back end infrastructure opined that FDI in required especially in the processing and cold storage segments, since, in India tonnes of agricultural produce are going waste every year due lack of adequate processing and cold storage system which in many ways causes huge loses to farmers in specific and to country’s economy in general.

34. Organised retailers opined that offering quality goods and services to customers confining to set standards is most important factor to sustain their retail businesses even through stiff competition and also viewed that organized retailers must be very cautious in not selling adulterated goods at any cost.

6.2.3.2 Findings from Multiple regression analysis

35. Various age groups and educational qualification of respondents have greater affinity to extract the views about the impact of important features of FDI in multi-brand retail policy. Higher the educational qualification of respondents higher was their clarity of views about the impact of FDI in retail and higher the age of the respondents higher was their clarity on the views about impact of FDI.

6.3 Findings from the Analyses of Customers

6.3.1 Findings related to the demographics of Customers

1. 23.4% respondents are female and 76.6% were male customers. Maximum number of respondents are male in gender indicates that still male in the family play a major role in going out for buying things for family needs and especially this was very vivid in the survey
done in rural and semi urban areas.

2. 68% of the customers were below the age of 45. This demographic attribute indicated that the potential buying decisions of the family are made by youngsters and thus to go out for buying things are also mostly their responsibility. The buying behaviour and purchasing power of people under this age are predominantly the deciding factors for organized retail stores to develop their business strategies.

3. A majority of customers who participated in this study were married. This indicated that married respondents had more concern for shopping for their family requirements.

4. 55% of customers were salaried and 18.3% belonged to others category either retired or housewife or unemployed or just in the process of seeking job. The Salaried and others category (housewives, retired people) respondents showed more shopping preferences and were interested in going out for shopping for family needs.

5. A majority of customers who responded to this study were from urban area and 23% of them were from villages. Customers from metro city and cities had greater exposure toward shopping and had diverse preferences too.

6. 55% of customer had average monthly family income less than 25000. Respondents from urban area had more family income than the ones from rural areas. This is one of the important demographic attribute for organised retailers to spin their business only around urban geography.

7. Almost 70% of customers spent in the range of less than 10,000 rupees toward buying family’s regular requirements like groceries, personal/home care items etc. Respondents with higher family expenditure revealed that they spent more time and money for shopping.
6.3.2 Findings related to Awareness about important features of FDI in multi-brand retail policy

8. It is found that male customers had better awareness than female customers with regard to important features of FDI in multi-brand retail policy. Male respondents have greater role in moving out for shopping especially the home needs than the female customers and this is predominant in rural and semi-urban locations. This particular reason drives male customers to be more aware of the market scenario and also about the factors impacting the markets.

9. Irrespective of the marital status customers are aware about FDI in retail policy since they want to be more aware of what is happening in the field that is more concerned for them such as retailing which they involve in for buying their day to day life needs.

10. Respondents among the age group 26 to 35 had more awareness and that may be due to that they are in their important stage of life as such getting married, gaining new carrier positions, increasing their income, attaining newer social status etc which in turn makes them more responsible to understand more about what is happening atleast in the field like retail which they involve themselves to buy their day to day needs/wants.

11. Similarly, the awareness about FDI in retail policy is more among the salaried respondents than other category of respondents and that may be due to their interest and availability of time, opportunity to interact with colleagues or work in a team of people etc which enables them to know/learn about new things happening around them.

12. Respondents from Metro-city had more awareness about FDI in retail policy since the attributes of metro-city and the diversity of the people living in this location are the two major factors influencing people and their life style which in turn drives them for active participation and knowing about things happening in their daily life.

13. Respondents with lesser average monthly income also had better awareness about the said retail policy. Amidst striving for earning more for sustenance, they have more concerns to
know the new happenings and that too in the field such as retail which they involve in for their day to day purchases.

6.3.3 Findings related to the opinion about impact of FDI in multi-brand retail from Customers

14. 70.3% have do not want FDI in multi-brand retail in Tamil Nadu. Predominantly, this opinion among respondents was driven by two important factors; one is the influence of political and traders/retailers association voices against FDI in retail and next is their concern for present socio-economic order of small retailers in Tamil Nadu.

15. A majority of customer who wanted FDI in multi-brand retail in Tamil Nadu revealed that foreign retailers offer improved quality of products and in-store services to customers with larger variety of merchandise categories in display. Customers want to be sold on more than just attributes; they want to be "entertained, stimulated, emotionally affected and creatively challenged" (Schmitt 1999, p. 29). There are problems like long waiting at payment counters, poor crowd management, poor facilities of drinking water, toilets etc.

16. Customers who opposed FDI in multi-brand retail in Tamil Nadu had feared that foreign retailers will diminish the business opportunities of millions of small retailers in the course of time and hence will pave ways to eliminate their jobs

17. It is found that the highest number of customers who opposed FDI in multi-brand retail was from villages. And the lowest number of customers who opposed permitting FDI in retail was from cities. The demographic characteristics and traditional life style of people in rural areas have a greater influence on the people’s opinion and thus the respondents in villages though had limited information about FDI in retail opposed the move to permit FDI in retail.

18. It is found that 72% of the customers wanted a regulatory framework similar to that of IRDA to monitor and control the retail sector is very necessary. Respondents who supported such a move expressed that retail sector in India is still uncontrolled at large and precisely for this
reason there are many retailers whose business conduct is unfair as many retailers sell adulterated food and grocery items.

6.3.3.1 Findings from Hypotheses analysis on opinion about FDI in retail

19. Compared to male respondents, a majority of female respondents were against permitting FDI in multi-brand retail and that their position as such was more on due to their emotional perspective that was driven by the sensational views spread by local people and various political voices.

20. Respondents among the age group of 26 to 35 were the most who opposed FDI in retail since these are the people who are strongly exposed to the views across important sections of society which they are connected with for various purposes.

21. Majority of the respondents other than students, salaried and self-employed have opposed FDI in retail. Irrespective of the occupational status, predominant number of respondents have opposed FDI in retail and that is due the phenomenal apprehension that FDI in retail will wipe away the present lively opportunities for small retailers.

22. Respondents from villages and towns were more vocal against FDI in retail than the ones from cities. Their position against FDI in retail was more driven by the influential factors such as political oppositions and general public views that are spread through mass media and community conversations.

23. Respondents who supported FDI in retail favoured it since they viewed that FDI will bring improved goods and services to customers as a most important and favourable factor.

24. Respondents those who opposed FDI in retail viewed that FDI will diminish the business opportunities of millions of small retailers as a most importantly adverse factor.
6.3.4 Findings related to Customers’ Shopping Preferences

25. A majority of customers preferred to do shopping only in stores which offer branded quality products based on the stores name and popularity. Though retail stores rush-up to cater branded products to customers, still majority of customers especially from rural and semi-urban geography depend only the traditional format shops to buy their family needs such as sugar, dhal, grocery to clothing and readymade dresses.

26. A majority of customers still preferred Kiranas/convenience stores and supermarkets to buy their regular grocery and other family needs. Other than the immediate or regular requirements, customers from rural areas still preferred to travel to larger towns/cities and even to metro city ‘Chennai’ to buy high value purchases irrespective of the merchandise categories.

27. It is found that the shopping preferences of salaried respondents were wider as they were cognitive of the effective methods of buying of things for family due to their high influence in purchasing the family needs. Especially salaried respondents in the metro-city and other cities were highly focused about customer centric expectations from domestic retailers and mostly their expectations were driven by their overall shopping experience.

6.3.4.1 Findings from Hypotheses analysis on shopping preferences of customers

28. Male customers had better shopping preferences in terms of shop selection, shop location, merchandise category selection, brand choices and products’ quality aspects etc.

29. Married customers had more concern in buying family requirements such as goods (groceries or other essentials including households. It is natural that humans have the tendency to carry more responsibility once they have dependents through marriage and thus married customers had higher preferences towards shopping for their family.

30. Respondents among the age group 26 to 35 had more preferences towards shopping for the
family requirements. Most of the respondents in this age group have higher preferences towards shopping since they are at the position of newer attaining social status such as entering into a higher carrier profession, marriage contract, bearing family like having or growing children etc.

31. Respondents with salaried back ground derive purchasing power through their regular income and thus have higher preferences towards shopping for buying their requirements(for self or family)

32. Respondents still with lower income had higher shopping preferences since they had to manage their family and self-expenses within what they earn as salary.

33. Customers those who spent more money towards buying family requirements had higher shopping preferences since by the virtue of buying more for family they develop the tendency towards doing more shopping and thus have higher preferences for shopping.

6.3.5 Findings related to Customers’ expectations from domestic retailers

34. It is found that customers have a very broad line of expectations from the domestic retailers and majority of customers wanted the organised retailers to be completely against selling adulterated goods of any kind and even educate customers about the ill effects of adulterated products and offer goods in conformity to quality standards. Coming up of well organised retail and effectively regulated players will help in reducing it and keeping check on the food standards. Awareness among customers will increase thus will help control ill practices in market regarding adulteration and black marketing.

6.3.5.1 Findings from Hypotheses analysis on Customers’ expectations

35. Male customers had more expectations such as quality of goods, discounts on items purchased, variety of merchandise categories, home delivery etc from retailers

36. Married customers had more expectations from retailers because they had more responsibility
in home making and fulfilling family needs thus engage themselves in shopping and thus it is natural to develop more of expectations.

37. Customers in the age group of 26 to 35 had more expectations from retailers since this is the age band where anyone develops more responsibility as they get newer positions in life such as carrier progression or profession or enter into newly married life or in the making of family and thus in the course of caring for themselves or their family they tend to develop more expectations from retailers to fulfill their purchasing requirements.

38. Expectations among the salaried respondents were higher than others since salaried ones had consistent/regular income with which they had to fulfill their family needs/wants such as buying essentials, groceries etc required and thus their expectations towards retailers from whom they buy also are higher.

39. Respondents still with lower income had higher expectations from retailers since they had the compulsion to fulfill their family wants/needs in terms of essential goods and groceries and other household items which they had to do within the limited income they had.

40. Similarly, respondents those who spent the highest for family needs/wants such as groceries or household items had higher expectations which are natural by virtue of buying more for fulfilling family or personal requirements.

6.3.5.2 Findings from Correlation Analysis

41. Higher the shopping preferences of respondents higher are their expectations from the retailers and similarly higher the expectations from retailers higher are their awareness about FDI in multi-brand retail policy and important features.

6.3.5.3 Findings from Multiple regression analysis

42. Respondents with higher shopping preferences and more awareness about important features of FDI in multi-brand retail policy had higher expectations from retailers.
6.4 **Major Findings from the comparative analysis of results of various stakeholders considered in this study**

- It was found from the opinion among different stakeholders with regard to permitting FDI in multi-brand retail in Tamil Nadu, the highest percentage who opposed FDI in multi-brand retail was unorganised retailers i.e. 98.7% whereas the highest percentage who favoured FDI in multi-brand retail is customers i.e. 29.7%. This degree of negative opinion among the unorganised retailers showed their real fear about the impact of FDI in multi-brand retail.

- It was found that the opinion among the total number of all the different stakeholders put together with regard to permitting FDI in multi-brand retail in Tamil Nadu, overwhelmingly 82.4% of the overall stakeholders opposed FDI in multi-brand retail whereas only 17.6% of them favoured FDI in multi-brand retail. This result indicates the mindset of people in Tamil Nadu not in favour of allowing FDI in multi-brand retail in Tamil Nadu.

6.5 **Major Findings from the responses received on Government of India Discussion Paper on FDI in Multi-Brand Retail**

6.5.1 **Support for FDI in multi-brand retail and the Discussion Paper**

- All the foreign respondents opined in support of FDI in multi-brand and viewed that this discussion paper is timely.

- Only 25% of all the of four major categories Traders, Individuals, Academia and Private sector including foreign respondents (overall 164 respondents) who contributed to this discussion paper, supported the move and expressed concerns for FDI in multi-brand retail.

- Most of the respondents who supported the move touched upon the issues facing wastage in public distribution system and the need for investing more into the system.

- Respondents who supported the move felt that this discussion paper provided relevant international experiences as reference which formed basis of their opinion.
Only 10% of traders’ community from across the country supported the move and majority of them were from Haryana and Punjab states

Respondents from academia, private and foreign category expressed that the ICRIER report, base for the discussion paper, provides much needed clarity of issues related to retail sector in India and thus many appreciated the reference to the report.

6.5.2 Opposition for FDI in multi-brand retail and Discussion Paper

- 90% of the traders’ community across the country opposed FDI in multi-brand retail and expressed that the discussion paper overemphasises on ICRIER report.
- Most of the respondents expresses that the discussion paper is in English only and thus limits broader participation.
- Many who opposed the move said the discussion paper overemphasises on benefits to consumers and farmers so as being simplistic but ignored the power relationships in supply chains which is the real issue.
- Most of the respondents who opposed have also expressed that the paper is essentially narrow in focus, i.e. opined that discussion paper forces on FDI as the solution to many problems, including inflation.
- Many respondents who opposed the move to permit FDI in multi-brand retail have expressed that the discussion paper lacks alternate or supporting recommendations, i.e. industry status for retail, increasing access to credit and long term financing for small retailers, improvements in skills training, acknowledgement and plan for dealing with displaced jobs.

6.5.3 Other Important Issues which impacts the acceptance of the discussion paper

- Some respondents argue that retail between food and non-food items need to be differentiated as the responses will change depending on focus.
Many highlight inherent contradictions in the discussion paper, asking for job reservation for rural youth, yet also suggesting that multi-brand retail be restricted to urban cities.

Most respondents have not attempted to respond to questions relating to international trade negotiations, i.e. TRIMS; and have also generally avoided answering question on whether there should be an exclusive regulatory mechanism and if the penalties should be civil or criminal or both.

6.5.4 Key Insights from the Responses to Discussion Paper

- Respondents have asked for Retail to be recognized as a formal industry, with a centralized Regulatory Authority to establish guidelines and reduce bureaucracy.
- Many have thrust upon the need for long-term financing especially in the back-end retail infrastructure facilities development.
- Many respondents highlighted the inability of domestic retail industry to establish effective retail infrastructure and lack of FDI in cold-chains, even though 100% FDI allowed through direct route for the same.
- All the respondents (64, all traders) from Tamil Nadu have voted against allowing FDI in MBR and surprisingly all the respondents from the state were traders who naturally feel that their role in the retail business will be slowly faded away if FDI in MBR is permitted.