SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

Retailers and Customers in Chennai were selected for the study. Perception of Retailers and Customers are studied and their factors are also identified and discussed in the previous chapter. Data collected through two questionnaires, one for retailers and another for customers were recorded and the recorded responses were examined and analyzed in the previous chapter. In this chapter key findings and conclusion of this research are explored. Based on these findings, suggestions have been proposed to improve the FDI on retail sector.

5.1 SUMMARY OF FINDINGS

5.1.1 Profile of the retailers

- It is observed that 45.90% of the respondents are running small size organization, while 42.40% of the respondents are running medium sized organization and 11.70% of the respondents are running large scale organization.

- It is noted that 45.50% of the respondents are running their organization for 5-10 years, while 24.20% of the respondents are running their organizations for less than 5 years, wherein 15.20% of the respondent’s organization exists for 11-15 years and another 15.20% of the respondents running their firm for a period of more than 15 years.

- It is noted that 37.20% of the respondents are making a turnover of 5-10 lakh, 30.30% of the respondents are making a turnover of below 5 lakh, whereas 17.30% of the respondents makes a turnover of more than 15 lakh per annum and 15.20% of the respondents shows a turnover of 10-15 lakh per year in the retail sector.
➢ It is clear that 70.10% of the respondents are running sole proprietorship firm, while 16.50% of the respondents are running partnership firm, wherein 8.20% of the respondents are running franchisee and 5.20% of the respondents are running limited company.

➢ 42.00% of the respondents are running their business at market places, 28.10% of the respondents are running their firms in residential colony, whereas 19% of the respondent’s firms are located at bus stops, and 10.80% of the respondents are running their firm in shopping mall.

➢ 49.60% of the respondents own petty shops, 22.70% of the respondents are running super market, whereas 19.50% of the respondents are running chain stores and 8.20% of the respondents are having hyper markets firms.

5.1.2 Perception of Retailer’s on impact of FDI on retail sector

5.1.2.1 Factors of Retailer’s perception towards impact of FDI on retail sector

Factors of Retailer’s perception towards impact of FDI on retail sector are identified as:

- Innovation
- Technology and infrastructure
- Market share
- General policy
- Resource utilization
- Drawbacks
- Effectiveness
- Profit share
- Employment opportunities
➢ It is evident that FDI will lead to innovation in Packaging, Grading etc which in turn will help in Competency and Capacity building. It is also clear that FDI will bring about change in the management and Innovations in Retail market.

➢ It is noted that FDI will result in technological development and will improve our back-end infrastructure. It is also clear from the respondent’s opinion that Central and State Governments should avoid double standard in FDI retail policy so as to enhance the Technology and Infrastructure towards the FDI on retail sector.

➢ It is observed from the mean responses given by the respondents that foreign firms will obtain more than 50% of market share and dominate our economy and that will lead to greater supply chain, will creates an improved competition in Indian market. Services need to be improved because it is the primary motive of foreign companies.

➢ It is clear that developed nations instrumental in implementing FDI in retail sector in India. It is understood that Central Government and State Government should have a consensus while framing over all FDI policy and Government must set National level retail Commission to protect interest of Consumers and retailers.

➢ It is clear that FDI will force behavioral change amongst Retailers and fullest utilization of resources will be made possible only with inflow of FDI. It is also noted that there is a possibility of improving backward areas through CSR activities if FDI in retail is allowed.

➢ It is an ardent fact that FDI will pave way of elimination of all middlemen and big players like Wal-Mart will dump goods to get competition out of way. Meanwhile, FDI will result in forcing our retailers to put their shutters down.
and this creates an ambiguity for the existence of firms like Tesco will force domestic retailers to change their business models like Size, structure of trade etc.

- It is clear that FDI provides chance to domestic retailers to gain through observed learning and will result in increased professionalism in retail sector. It is also clear that FDI will bring efficiency in our local retailers and giants like Wal-Mart are not a threat to domestic retailers.

- It is understood that the profit margin of our domestic retailers will reduce immensely due to presence of FDI and will lead to change in financing patterns of our retail sector. It is also clear that FDI will result in creation of long term liquidity of cash and ease in capital requirement of existing retailers due to joint ventures.

- It is clear that availability of labour force a major determinant of FDI whereas the employees of the country which is open to FDI get acquaint with globally valued skills. It is also evident that FDI will not affect the employment opportunities of our Indian market.

5.1.2.2 Influence of retailer variables on Innovation

- Significant influence of type of organization on innovation is observed. Respondents running large organizations have greater impact on innovation towards the FDI on retail sector and the respondents running small organizations have lesser impact on innovation towards the FDI on retail sector.

- Significant influence of annual turnover on innovation is observed. Respondents earning below Rs.5 lakh as annual turnover are more satisfied with the innovation and the respondents earning between Rs.10 - 15 lakh as annual turnover are less satisfied with the innovation in FDI on retail sector.
Significant influence of nature of retail business on innovation is observed. Respondents running Partnership firms are more pleased with innovation and the respondents running limited company are less pleased with innovation towards FDI on retail sector.

Significant influence of location of firm on innovation is observed. Respondents running their firm in shopping mall are pleased with the innovation and the respondents running their shop in residential areas are less pleased with the innovation of FDI on retail sector.

Significant influence of years in existence and type of firm on innovation towards the FDI on retail sector is not observed.

5.1.2.3 Influence of retailer variables on Technology and Infrastructure

Significant influence of type of organization on technology and infrastructure is observed. Respondents running large organizations are more satisfied with the technology and infrastructure and the respondents running small organizations are less satisfied with the technology and infrastructure of FDI on retail sector.

Significant influence of annual turnover on technology and infrastructure is observed. Respondents making annual turnover of more than Rs.15 lakh are more satisfied with the technology and infrastructure and the respondents making turnover of Rs.10-15 lakh are less satisfied with the technology and infrastructure of FDI on retail sector.

Significant influence of nature of retail business on technology and infrastructure is observed. Respondents running Partnership firms are more satisfied with the technology and infrastructure and the respondents running limited company are less satisfied with the technology and infrastructure of FDI on retail sector.
Significant influence of location of firm on technology and infrastructure is observed. Respondents running their firm in shopping mall are more comfortable with the technology and infrastructure and the respondents running their firm in residential colony are less pleased with the technology and infrastructure of FDI on retail sector.

Significant influence of number of years in existence and type of firm on technology and infrastructure towards the FDI on retail sector is not observed.

### 5.1.2.4 Influence of retailer variables on Market share

Significant influence of type of organization on market share is observed. Respondents running large organization are happier about market share and the respondents running small type of organization are less pleased with the market share.

Significant influence of number of years in existence on market share towards the FDI on retail sector is not observed.

Significant influence of annual turnover on market share is observed. Respondents making Rs.5-10 lakh are more satisfied with the market share and the respondents making annual turnover of Rs.10-15 lakh are less satisfied with the market share.

Significant influence of nature of retail business on market share is observed. Respondents running partnership firm are more pleased with the market share and the respondents running limited company are less pleased with the market share.

Significant influence of location of firm on market share towards the FDI on retail sector is not observed.
Significant influence of type of firm on market share towards the FDI on retail sector is not observed.

5.1.2.5 Influence of retailer variables on General policy

- Significant influence of type of organization on general policy is observed. Respondents running large scale organization are more satisfied with the general policy and the respondents running small organization are less satisfied with the general policy of FDI on retail sector.

- Significant influence of number of years in existence on general policy is observed. Respondents running their organization for 11-15 years are more satisfied with the general policy and the respondents running their organization for more than 15 years are less satisfied with the general policy.

- Significant influence of annual turnover on general policy is observed. Respondents making a turnover of less than Rs.5 lakh are more pleased with general policy and the respondents making annual turnover of Rs.10-15 lakh are less pleased with general policy.

- Significant influence of nature of retail business on general policy is observed. Respondents running partnership firms are more pleased with the general policy and the respondents running limited company are less pleased with the general policy of FDI on retail sector.

- Significant influence of location of firm on general policy towards the FDI on retail sector is not observed.

- Significant influence of type of firm on general policy towards the FDI on retail sector is not observed.
5.1.2.6 Influence of retailer variables on Resource utilization

- Significant influence of type of organization on resource utilization is observed. Respondents running large organization are more satisfied on resource utilization and the respondents running small type of organization are less satisfied on resource utilization towards FDI on retail sector.

- Significant influence of number of years in existence on resource utilization is observed. Respondent running their organization for more than 15 years are more satisfied with the resource utilization and the respondents running their organization for less than 5 years are less satisfied with the resource utilization towards FDI on retail sector.

- Significant influence of annual turnover on resource utilization is observed. Respondents making annual turnover of above Rs.15 lakh are more satisfied with the resource utilization and the respondents making annual turnover of Rs.10-15 lakh are less satisfied with the resource utilization of FDI on retail sector.

- Significant influence of nature of retail business on resource utilization is observed. Respondents running partnership firms are more satisfied with the resource utilization and the respondents running sole proprietor firms are less satisfied with the resource utilization towards FDI on retail sector.

- Significant influence of location of firm on resource utilization is observed. Respondents running their firm in shopping mall are more satisfied with resource utilization and the respondents running their firm in market places are less satisfied with resource utilization of FDI on retail sector.

- Significant influence of type of firm on resource utilization towards the FDI on retail sector is not observed.
5.1.2.7 Influence of retailer variables on Drawbacks

- Significant influence of type of organization on drawbacks is observed. Respondents running medium sized organizations feel that more drawbacks are their towards FDI on retail sector and the respondents running small organization are feeling that drawbacks are less in FDI on retail sector.

- Significant influence of number of years in existence on drawbacks is observed. Respondents running their organization for 11-15 years feel that the drawbacks are more in FDI on retail sector and the respondents running organizations for less than 5 years feel that they have fewer drawbacks through FDI on retail sector.

- Significant influence of annual turnover on drawbacks is observed. Respondents making an annual turnover of Rs.5 lakh feel that they have more drawbacks and the respondents making an annual turnover of Rs.10-15 lakh feel that drawbacks are less through FDI on retail sector.

- Significant influence of nature of retail business, location of firm and type of firm on drawbacks towards the FDI on retail sector is not observed.

5.1.2.8 Influence of retailer variables on Effectiveness

- Significant influence of type of organization on effectiveness is observed. Respondents running medium sized organizations have feel that FDI on retail sector is more effective and the respondents running small organization feel that FDI on retail sector is less effective.

- Significant influence of nature of retail business on effectiveness towards the FDI on retail sector is observed. Respondents running partnership firms feel that FDI on retail sector is more effective and the respondents running limited company feel that FDI on retail sector is less effective.
Significant influence of type of firm on effectiveness is observed. Respondents running hyper market firms feel that FDI on retail sector are more effective and the respondents running chain stores feel that FDI on retail sector are less effective.

Significant influences of number of years in existence, annual turnover and location of firm on effectiveness towards the FDI on retail sector are not observed.

5.1.2.9 Influence of retailer variables on Profit share

Significant influence of type of organization on profit share is observed. Respondents running large organization are more satisfied with profit share and the respondents running small organization are less satisfied with profit share towards FDI on retail sector.

Significant influence of nature of retail business on profit share is observed. Respondents running partnership firms are more satisfied with profit share and the respondents running limited company are less satisfied with the profit share towards FDI on retail sector.

Significant influence of number of years in existence, annual turnover, location of firm and type of firm on profit share of FDI on retail sector are not observed.

5.1.2.10 Influence of retailer variables on Employment opportunities

Significant influence of type of organization on employment opportunities is observed. Respondents running large organization feel that more employment opportunities will arise and the respondents running small organization feel that employment opportunities will be reduced as the cause of FDI on retail sector.

Significant influence of number of years in existence on employment opportunities towards the FDI on retail sector is not observed.
Significant influence of annual turnover on employment opportunities towards the FDI on retail sector is observed. Respondents making annual turnover of less than Rs.5 lakh felt that the employment opportunities will be increased and the respondents making annual turnover of 10-15 lakh feel that the employment opportunities will be decreased due to FDI on retail sector.

Significant influence of nature of retail business on employment opportunities is observed. Respondents running partnership firms feel that employment opportunities will increased and the respondents running sole proprietor firm felt that employment opportunities will decrease due to FDI on retail sector.

Significant influence of location of firm on employment opportunities is observed. Respondents running their firm in shopping mall feel that the employment opportunities will be increased and the respondents running their firm in market places feel that the employment opportunities will be decreased due to FDI on retail sector.

Significant influence of type of firm on employment opportunities is observed. Respondents running hyper market firm feel that their employment opportunities will be increased and the respondents running super market feel that employment opportunities will be decreased due to FDI on retail sector.

5.1.2.11 Model for Retailer’s perception on Impact of FDI on Retail sector

A model is fit to ensure the perception of Retailers on impact of FDI on Retail sector. The model fit Chi-square $\chi^2 = 4.034$ and the model’s p-value is 0.114 which is insignificant at 5% level. The goodness of fit index (GFI) is 0.918 and its adjusted goodness of fit (AGFI) is 0.909 shows the model is of better fit.
5.1.3 Profile of the customers

- It is clear that 43.70% of the respondents are in the age group of less than 30 years, 37.70% of the respondents are in the age group of 31-40 years, 10.70% of the respondents fall in the category of 41-50 years and 7.90% of the respondents are above 50 years.

- It is observed that 43.10% of the respondents possess graduation as their educational qualification, while 33.00% of the respondents are post graduates, wherein 16.60% of the respondents have a professional degree for their qualification and 7.30% of the respondents have other education.

- It is noted that 41.10% of the respondents are working in the private sector, while 18.60% of the respondents are doing their own business, wherein 14.20% of the respondents work for public sectors, while 14% of the respondents are government employees and 12.10% of the respondents are working in various other areas.

- It is clear that 58.10% of the respondents are males and the remaining 41.90% of the respondents are females.

5.1.4 Perception of Customers on impact of FDI on retail sector

- 60.50% of the respondents acknowledged the fullest utilization of resources will be made possible only with inflow of FDI wherein the remaining 39.50% of the respondents opine that the fullest utilization of resources will be made possible not only with inflow of FDI.

- 64.00% of the respondents opine that FDI will bring exchange rate stability and the remaining 36.00% of the respondents feels that FDI will not be responsible for the exchange rate stability.
67.80% of the respondents feel that FDI will promote investment in key areas wherein the remaining 32.20% of the respondents disagree that FDI will promote investment in key areas.

56.70% of the respondents feels that there is not sufficient Corporate Governance and it plays a major obstacle for inflow of FDI. While the remaining 43.30% of the respondents opine that the Corporate Governance does not play as a major obstacle for inflow of FDI.

60.90% of the respondents says that FDI will pave way for bribery and the remaining 39.10% of the respondents disagrees that FDI will pave way for bribery.

54.70% of the respondents opine that the country’s taxation system acts as a major barrier to FDI and the remaining 45.30% of the respondents disagree with the statement that the country’s taxation system is a major barrier to FDI.

54.00% of the respondents disagrees that FDI will lead to lowering of food prices and the remaining 46.00% of the respondents agrees that the lowering of food prices will be lead by FDI.

57.50% of the respondents feel that rural infrastructure will be improved by the FDI whereas the remaining 42.50% of the respondents observe FDI in retail will not help in improving rural infrastructure.

57.50% of the respondents accept that FDI will neglect backward regions and the remaining 42.50% of the respondents disagrees that FDI will neglect backward regions.

56.10% of the respondents opine that the public distribution system will shows gradual improvement by the involvement of FDI wherein the remaining 43.90%
of the respondents disagree with the statement that the about FDI will improve our public distribution system.

5.1.4.1 Factors of Retailer’s perception towards impact of FDI on retail sector

Factors of Retailer’s perception towards impact of FDI on retail sector are identified as:

- Customer preferences
- Benefits
- Convenience
- Economic development
- Foreign exchange
- Impact of farmers
- Threats
- Prospects

➢ It is noted that FDI will favour our customers as customers will be in a better position to have easy access to various international brands since they can get A-Z products under one roof. It is also clear that FDI will bring about tremendous improvement in shopping.

➢ It is clear from the customer’s perspective that the FDI will bring changes in the lifestyle of people by improving their financial position. It is also understood that the customers accepted that the foreign firms should concentrate on providing excellent after sale service to their customers in order to stick on to the market.

➢ It is observed that FDI will lead to forced buying which in turn will lead to less saving by consumers by increasing consumer convenience in accessing
products. It is also evident that FDI will make customer relationship management a mandatory one and the bargaining power of our customers will improve very much.

➢ It is noted that the customers feel that the economy will be benefited by foreign player’s corporate social responsibility while Foreign Direct Investment will stimulate the economic growth. It is also clear that FDI should be given importance so as to help the backward areas.

➢ It is clear from the customer’s perspective that foreign direct investment will upset our balance of payment and will lead to increased foreign currency inflow into our country. It is also understood that foreign players will contribute heavily to pollution in Developing countries and FDI inflow will result in Trade deficit.

➢ It is observed that the customers agreed that the foreign giants will own the lands of farmers in the name of contract farming in the long run. It is also clear that Presence of FDI and foreign influence will have an ill effect on our ethical and cultural values; FDI provides better price for the farmers is doubtful and leads to a decrease of profit to the farmers.

➢ It is clear from the response given by the customers that the FDI acts as a threat for kirana shops and local shops, in turn it will make the Customers to lose their personal touch. It also an ardent fact that, FDI eradicates middlemen and the price of products become reasonable and it will improve the quality of goods, reduce the problem of adulteration, short weighing and substandard goods.

➢ It is noted from the responses given by the customers that the FDI will benefit the Government as they will provide higher taxes wherein there is an issue of trust deficit between the Indian community and foreign companies.
5.1.4.2 Influence of demographic variables on Customer preferences

- Significant influence of age on customer preferences is observed. Respondents in the age group of above 50 years are more satisfied on the customer preferences towards the FDI on retail sector and the respondents in the age group of 31-40 years are less satisfied on the customer preferences.

- Significant influence of education on customer preferences is observed. Respondents having other educational qualification are more satisfied on customer preferences on the retail sector towards FDI and the Graduate are less satisfied on customer preferences.

- Significant influence of occupation on customer preferences is observed. Respondents working in the private sector have more impact on the customer preferences and the business men have less impact on customer preferences towards the FDI on retail sector.

- Significant influence of gender on customer preferences towards the FDI on retail sector is observed.

5.1.4.3 Influence of demographic variables on Benefits

- Significant influence of age on benefits towards the FDI on retail sector is observed. Respondents in the age group of above 50 years age group are more satisfied on benefits by the FDI towards retail sector and the respondents in the age group of 31-40 years are less satisfied on benefits by the FDI towards retail sector.

- Significant influence of occupation on benefits is observed. Respondents working in the Government sector feel that they get more benefits by the FDI towards retail sector and the private sector employees feel that less benefits are possible by the FDI towards retail sector.
➢ Significant influence of education and gender on benefits towards the FDI on retail sector is not observed.

5.1.4.4 Influence of demographic variables on Convenience

➢ Significant influence of age on benefits is observed. Respondents in below 30 years of age group feel more convenient towards the FDI on retail sector and the respondents in the age group of 41-50 years are feeling less convenient about the FDI on retail sector.

➢ Significant influence of education on convenience towards the FDI on retail sector is not observed.

➢ Significant influence of occupation on convenience is observed. Respondents working in various other fields are more convenient about FDI on retail sector and the respondents running own business are not that much convenient by the FDI towards retail sector.

➢ Significant influence of gender on convenience is observed. Women feel more satisfied with the convenience of FDI towards retail sector than men.

5.1.4.5 Influence of demographic variables on Economic development

➢ Significant influence of age on economic development is observed. Respondents in the age group of above 50 years are more pleased with the economic development and the respondents with less than 30 years of age are less satisfied with the economic development.

➢ Significant influence of education on economic development is observed. Respondents having other education qualification are more satisfied with the economic development and the Graduates are less pleased with the economic development.
- Significant influence of occupation on economic development is observed. Government employees are more satisfied with economic development and the respondents running own business are less satisfied with the economic development towards FDI on retail sector.

- Significant influence of gender on economic development is observed. Men are more satisfied towards economic development than women.

5.1.4.6 Influence of demographic variables on Foreign exchange

- Significant influence of age, education and gender on foreign exchange towards the FDI on retail sector is not observed.

- Significant influence of occupation on foreign exchange is observed. Respondents working in public sector have more impact on foreign exchange and the respondents doing business have less impact on foreign exchange.

5.1.4.7 Influence of demographic variables on Impact of farmers

- Significant influence of age on impact of farmers is observed. Respondents of above 50 years of age have feel that impact on farmers is more due to FDI on retail sector and the respondents in the age group of 31-40 years feel that the impact on farmers is less due to FDI on retail sector.

- Significant influence of education and occupation on impact of farmers towards the FDI on retail sector is not observed.

- Significant influence of gender on impact of farmers is not observed. Men feel that FDI on retail sector will have more impact on farmers than women.

5.1.4.8 Influence of demographic variables on Threats

- Significant influence of age on threats is observed. Respondents in the age group of above 50 years feel that threats are more in FDI on retail sector and the
respondents in the age group of 41-50 years are feeling that threats are less in FDI on retail sector.

- Significant influence of education threats towards the FDI on retail sector is not observed.
- Significant influence of occupation on threats is observed. Government sector employees are feeling that threats are more in FDI on retail sector and the respondents working in other fields feel that threats are less in FDI on retail sector.
- Significant influence of gender on threats is observed. Men feel that threats are more in FDI on retail sector than women.

5.1.4.9 Influence of demographic variables on Prospects

- Significant influence of age on prospects is observed. Respondents of above 50 years age group are feeling that they have great impact on prospects by the FDI towards retail sector and the respondents in the age group of 41-50 years feel lesser impact on prospects by the FDI towards retail sector.
- Significant influence of education, occupation and gender on prospects towards the FDI on retail sector is not observed.

5.1.4.10 Model for Customer’s perception on Impact of FDI on Retail sector

A model is fit to ensure the perception of customers on impact of FDI on Retail sector. The model fit Chi-square $\chi^2 = 3.891$ and the model’s p-value is 0.103 which is insignificant at 5% level. The goodness of fit index (GFI) is 0.918 and its adjusted goodness of fit (AGFI) is 0.909 shows the model fit is good.
5.2 SUGGESTIONS

➢ The government must take into consideration the factors like cumbersome procedures for carrying out business, politicians having unregulated discretionary powers and lack of proper transparency in governance rules etc in order to eliminate corruption.

➢ The state government must appoint a monitoring committee to keep a watch on various operations of foreign firms. This committee must ensure that these foreign firms make investment only in those areas where their need is much needed.

➢ Setting up of a high level commission at the national level is needed to study the various pros and cons of allowing FDI in retail sector, also to provide their valuable suggestions in framing FDI policy by the government.

➢ Central Government and State Government should have a consensus while framing over all FDI policy.

➢ Government should institute a proper monitoring mechanism to ensure that big players like Wal-Mart do not dump goods in order to get competition away.

➢ The government should promote those policies through which, the process of development from within through absorptive and productive capacity.

➢ The policy makers should ensure that the inflow of FDI doesn’t hinder the Make in India initiative.

➢ Due care should be taken in this regard that the introduction of FDI should not pave way for unorganised local retailers to put their shutters down.

➢ It is suggested that the government must protect the interest of the customers from being exploited by the giant retailers.
➢ The middlemen should be protected from being eliminated totally from the market, as it is the only source of their livelihood.

➢ Government must provide our organised retailers more incentives and loans, so that they can compete with the foreign firms operating in India.

➢ Policy makers must see to that the foreign firms do invest in the rural as well as less developed areas.

➢ The government must take measures to protect our environment from being polluted by the foreign players.

➢ The policy makers must make sure that the agricultural lands are not owned by the big giants in the name of contract farming.

➢ It is suggested that it is important to make sure that the inflow of FDI doesn’t upset our balance of payment.

➢ The government must frame policy in a manner that assures that the foreign firms provide enormous employment opportunity.

➢ The policy makers must allow the foreign players to enter into our markets gradually with social safeguard so as to minimize labour dislocation.

➢ Government must take special initiatives to develop the manufacturing sector.

➢ FDI in the retail sector should be allowed in a phased manner.

➢ The state government must allow inflow of FDI in less sensitive areas first.

➢ The preparation of regulatory and legal framework along with enforcement mechanism to ensure that the small unorganised retailers are not harmed by the big giants.

➢ Measures should be taken to improve infrastructure by permitting in tier II of our economy in the initial stage.
Effort must be made to make it mandatory to source more products from the local source.

The government must formulate a model central law for inflow of FDI in retail sector.

Organising conferences and seminars on FDI in retail should be carried out to educate our retailers.

Policy makers must fix a limit for number of retail players operating in a city.

One of the major suggestions given by Vikramaraja was that the government must promote domestic retailers by providing the required investment and storage facility than providing these to foreign giants.

Vikramaraja also suggested that FDI must not be allowed into Tamil Nadu at any cost.

5.3 CONCLUSION

The allowing of FDI in retail sector is the most debated topic in the recent past. The decision to allow FDI in single brand retail sector (100%) and Multi brand retail sector (51%) though approved by the Central Government is still being opposed by a number of state governments including Tamil Nadu. The unorganised retail sectors constitute a major portion of the economy compared to organised retailers. The policy makers argue that the allowing of FDI will result in bringing out a number of benefits like improved technology, excellent storage facility, better prices to farmers, excellent quality and after sales service to customers, increasing GDP of our nation and so. At the same time a number of unorganised retailers and trade unions are totally against the inflow of FDI. They opine that the foreign giants will have a number of ill effects like forcing our local retailers to put their shutters down, owning the lands of our farmers in
the name of contract farming, it upsetting our balance of payment and causing mass unemployment etc.

The trade unions and unorganised retailers strongly oppose the entry of FDI and strongly argue that the entry of foreign firms will widen the gap that exists between rich and the poor. But on the contrary, the current study has shown that there is a huge change in the mindset of both retailers and customers in the recent years. Those retailers who were totally against FDI have now started to accept that they will benefit them in the long run. The current study clearly shows that the customers are very much in favour of FDI as they perceive it to provide a number of benefits.

The policy makers must respect the sentiments of all those unorganised retailers and the trade unions, thereby framing a policy keeping in mind the various opinions and wishes of these stakeholders. The government must make arrangement for promoting manufacturing sector which will for sure provide the required employment opportunity. The researcher concludes that the inflow of FDI into our economy is a welcome sign provided the policy is framed keeping in mind the various requirements of retailers as well as customers. The government must consider allowing FDI into our state provided the unorganised local retailers and trade union come to a consensus with the policies of the concerned state government.

5.4 SCOPE FOR FURTHER RESEARCH

An interesting topic for the future study would be to carry out a Comparative study between FDI in retail in developed countries and developing countries. It would also be very pertinent to undertake a Comparative study between two major sectors’ effect of FDI inflow. Another interesting research avenue would be to carry out a Comprehensive study on the impact of FDI in retail sector in different states of India.