CHAPTER – V

FINDINGS, SUGGESTIONS AND CONCLUSION

3.1. FINDINGS

The findings of this study support the impact of FDI in Indian retailing towards customers, organized retailers and unorganized retailers. The findings are based on the analysis of primary data. The findings of the present study are formed on the basis of objectives and hypothesis stated earlier and they are given below.

A. Socio-Economic Status of Customers, Organized and Unorganized Retailers

a) Percentage Analysis

i) Customers

Based on the frequencies, it is identified that majority (55%) of the customers are male, majority (38%) of the respondents’ age group is between 26 and 35 years, majority (38%) of the customers are under graduates, majority (33%) of the customers are professionals, majority (67%) of the customers are married, majority (50%) of the customer’s family consists of 4 to 6 members, majority (45%) of the customers have two earning members, majority (32%) of the customers have monthly income between Rs. 40,001 and Rs. 60,000, majority (35%) of the customers are spending Rs. 5,001 to Rs. 10,000 towards shopping per month, majority (46%) of the customers are visiting and shopping twice in a month.

ii) Organized Retailers

Based on the frequencies, it is founded that majority (74%) of the organized retailers are male, majority (32%) of the respondent’s age group is between 26 and 35 years, majority (44%) of the organized retailers are under graduates, majority (54%) of the organized retailers have started their retail business with the support of bank loan, majority (40%) of the organized retailers have below 5 years of experience in retail business, (36%) of the organized retailers’ annual turnover is between 1 and 2 crores, majority (40%) of the
organized retailers have employed more than hundred trained manpower in their retail shop, majority (40%) of the organized retailers’ have 1000 - 2000 square meters retail space area.

iii) Unorganized Retailers

Based on the frequencies, it is deciphered that majority (56%) of the unorganized retailers are male, majority (38%) of the respondents’ age group is between 26 and 35 years, majority (42%) of the unorganized retailers are under graduates, majority (68%) of the unorganized retailers have started their retail business with the support of bank loan, majority (46%) of the unorganized retailers possess 5 and 10 years of experience in retail business, majority (36%) of the unorganized retailer’s annual turnover is less than Rs. 5 lakhs, majority (48%) of the unorganized retailers have less than 10 employees, 26% of the retailers have 10 - 20 manpower, majority (62%) of the unorganized retailers have less than 500 square meters retail space area.

B. Level of Perception of Customers, Organized and Unorganized Retailers towards Global Retailers

b) Descriptive Analysis

i) Customers

Based on the mean value, changing life style (1.96) is considered to be the most significant reason in changing needs and preferences of customers. Based on the mean value, the statement “Environmental friendly (3.66)” is considered to be the significant statement in customers’ perception towards global retailers. Based on the mean value, the statement “I prefer organized retail outlet to unorganized one to purchase food and grocery items (3.59)” is considered to be the most significant statement in customers’ preference and buying behaviour towards global retailers. Based on the mean value, the statement “FDI resort’s to predatory pricing (3.54)” is considered as a significant statement with respect to challenges faced by customers towards global retailers.
ii) Organized Retailers

Based on the mean value, the statement “FDI has greater impact over Indian retailing (3.74)” is considered to be the significant statement in organized retailers’ perception towards global retailers. Based on the mean value, the statement “Progressing with additional branded product lines (3.18)” is considered to be the significant statement in opportunities available for organized retailers due to emergence of FDI in Indian retailing. Based on mean value, the statements “Recession of local retail stores due to global retailers (3.86)” and “Dropping off loyal customer due to global retailers (3.86)” are considered to be the significant statements with respect to challenges faced by organized retailers due to FDI in Indian retailing.

iii) Unorganized Retailers

Based on the mean value, the statement “It increases liquidity through foreign exchange reserves (3.56)” is considered to be the significant statement in unorganized retailers’ perception towards global retailers. Based on the mean value, the statement “Upgrading their technology and renovating their stores according to global retailers (2.92)” is considered to be the significant statement in opportunities available for unorganized retailers due to emergence of FDI in Indian retailing. Based on mean value, the statements “Jobs in manufacture sector will be lost (3.54)” and “Dropping off loyal customer due to global retailers (3.54)” are considered to be the significant statements with respect to challenges faced by unorganized retailers due to FDI in Indian retailing.

C. Significant Difference in the Socio-Economic Status of the Customers, Organized and Unorganized Retailers

c) Customers (t test)

i) Gender of the Customers: There is a significant difference between male and female customers with respect to challenges faced by them towards global retailers. The mean level of female customers is better than male customers with respect to their perception, preference, buying behaviour and challenges faced by them towards global retailers.
ii) Marital Status of the Customers: There is no significant difference between married and unmarried customers with respect to their perception, preference, buying behaviour and challenges faced by them towards global retailers. The mean level of married customers is better than unmarried customers with respect to their preference, buying behaviour and the challenges faced by them towards global retailers.

d) Customers (ANOVA test)

i) Age of the Customers: There is a significant difference between age and the perception and challenges faced by the customers towards global retailers. Based on Duncan Multiple Range test, customers with the age group of more than 45 years (54.89b) (20.70b), between 36 and 45 years (55.67b) (21.09b) and 26 and 35 years (55.61b) (21.32b) of customers have strongly agreed with the positive perception and challenges faced by them towards global retailers than the customer with age group of 25 years or less (48.21a) (17.79a).

ii) Educational Qualification of the Customers: There is a significant difference between educational qualification and the perception, preference, buying behaviour and challenges faced by the customers towards global retailers. Based on Duncan Multiple Range test, the customers qualified with post graduation (57.67b) (61.78b) (22.10b) and under graduation degree (57.51b) (61.84b) (21.38b) have strongly agreed with the positive perception, preference, buying behaviour and challenges faced them towards global retailers than the customers qualified with diploma (48.43a) (53.59a) (18.23a) and higher secondary course or less (46.59a) (50.09a) (17.13a).

iii) Occupation of the Customers: There is a significant difference between occupation and the perception, preference, buying behaviour and challenges faced by the customers towards global retailers. Based on Duncan Multiple Range test, the customers under the category of business (60.46b) (66.41b) (23.20b), professionals (58.52b) (62.21b) (22.21b) and others (48.17b) (53.42b) (18.09b) have significantly and strongly agreed with the positive perception, preference, buying behaviour and challenges faced by them towards global retailers than the customers who are students (45.33a) (49.13a) (16.93a) and employees (46.25a) (49.67a) (17.23a).
iv) Family Size of the Customers: There is a significant difference between family size and the perception of customers towards global retailers. There is no significant difference between family size and the preference, buying behaviour and challenges faced by the customers towards global retailers. Based on Duncan Multiple Range test, the customers who have different family sizes are neutrally and below neutrally agreed with the positive perception (57.24a) (52.02a) (52.15a), preference and buying behaviour (61.12a) (56.43a) (57.21a) and challenges faced by them (21.00a) (20.09a) (19.82a) towards global retailers.

v) Earning Members of Customers’ Family: There is a significant difference between earning members and the perception, preference, buying behaviour and challenges faced by the customers towards global retailers. Based on Duncan Multiple Range test, the customers having four and above earning members (58.83b) (67.00b) (23.00b) have significantly and strongly agreed with the positive perception, preference, buying behaviour and challenges faced by them towards global retailers than the customers having only one earning member (48.81a) (53.38a) (18.54a) in his/her family.

vi) Monthly Income of Customers’ Family: There is a significant difference between monthly income of family and the perception, preference, buying behaviour and challenges faced by the customers towards global retailers. Based on Duncan Multiple Range test, the customers with family monthly income of more than Rs. 60,000 (63.85d) (72.21d) (25.71d) have significantly and strongly agreed with the positive perception, preference, buying behaviour and challenges faced by them towards global retailers than the customer whose family income which is equal to Rs. 20,000 or less (31.75a) (42.18a) (14.32a).

vii) Amount Spent towards Shopping by Customers: There is a significant difference between amount spent towards shopping and the perception, preference, buying behaviour and challenges faced by the customers towards global retailers. Based on Duncan Multiple Range test, the customers spending between Rs. 10,001 and Rs. 15,000 (58.06b) (22.30b) and more than Rs. 15,000 (58.04b) (21.71b) towards shopping have significantly and strongly
agreed with the positive perception and challenges faced by them towards global retailers than the customers spending between Rs. 5,001 and Rs. 10,000 (47.70\(^a\)) (18.08\(^a\)) and Rs. 5,000 or less (49.00\(^a\)) (18.46\(^a\)).

**viii) Frequency of Shopping per Month by Customers:** There is no significant difference between frequency shopping and the perception, preference, buying behaviour and challenges faced by the customers towards global retailers. Based on Duncan Multiple Range test, the customers who go shopping for more than thrice in a month (56.03\(^b\)) (60.70\(^b\)) (21.67\(^b\)) have significantly and strongly agreed with the positive perception, preference, buying behaviour and challenges faced by them towards global retailers than the customers preferring to go shopping once in a month (49.89\(^a\)) (53.61\(^a\)) (18.76\(^a\)).

**ix) Reason for Changing Customers’ Needs and Preferences:** There is a significant difference between reason for changing customers’ needs and preferences and the perception, preference, buying behaviour and challenges faced by them towards global retailers. Based on Duncan Multiple Range test, the customers have said that it is due to ‘Status (62.91\(^e\))’ there is a change in their needs and preferences, so they have significantly and strongly agreed with the positive perception towards global retailers than the customers who have said that it is due to ‘Nuclear family (34.42\(^a\))’.

**e) Organized Retailers (t test )**

**a) Gender of the Organized Retailers:** There is a significant difference between male and female organized retailers and the challenges faced by them towards global retailers and there is no significant difference between male and female organized retailers and their perception and the opportunities available due to FDI in Indian retailing. The mean level of male organized retailers is better than female organized retailers with respect to their perception, opportunities and challenges faced by them towards global retailers.

**f) Organized Retailers (ANOVA test)**

**i) Age of the Organized Retailers:** There is a significant difference between age and the perception and opportunities available to organized retailers due to FDI in Indian retailing and there is a significant difference between age and challenges faced by organized retailers
towards global retailers. Based on Duncan Multiple Range test, the organized retailers belonging to the age group 25 years or less (51.90b) have a strong and positive perception towards global retailers than the organised retailers with the age groups of more than 45 years (32.00a) and between 36 and 45 years (38.31a).

ii) Educational Qualification of the Organized Retailers: There is a significant difference between educational qualification and the perception and opportunities available to organized retailers due to FDI in Indian retailing and there is a significant difference between educational qualifications and the challenges faced by organized retailers towards global retailers. Based on Duncan Multiple Range test, the organized retailers with post graduation (44.89b) (27.67b) and under graduation qualification (45.14b) (30.05b) have strongly agreed with the positive perception and opportunities available towards global retailers than the organized retailers qualified with diploma (25.71a) (18.00a) and higher secondary or less (22.67a) (17.00a).

iii) Sources of Investment of the Organized Retailers: There is a significant difference between sources of investment and the perception, opportunities and challenges faced by the organized retailers towards global retailers. Based on Duncan Multiple Range test, the organized retailers who stated that they have started their retail business by getting loan from bank (46.48b) (30.44b) (41.04b) have significantly and strongly agreed with the positive perception, opportunities and challenges faced by the organized retailers towards global retailers than the organized retailers who started their retail business with their own investment (32.72a) (21.56a) (31.28a).

iv) Years of Experience of the Organized Retailers: There is a significant difference between years of experience and the perception, opportunities and challenges faced by the organized retailers towards global retailers. Based on Duncan Multiple Range test, the organized retailers having less than 5 years of experience in retail business (47.65b) (31.10b) (42.00b) have significantly and strongly agreed with the positive perception, opportunities
and challenges faced by them towards global retailers than the organized retailers having more than 10 years of experience in retail business (34.46\(^a\)) (22.46\(^a\)) (31.69\(^a\)).

v) Annual Turnover of the Organized Retailers: There is a significant difference between annual turnover and the perception and opportunities available to the organized retailers due to FDI in Indian retailing and there is a significant difference between annual turnover and the challenges faced by organized retailers towards global retailers. Based on Duncan Multiple Range test, the organized retailers whose annual turnover is less than 1 crore have significantly and strongly agreed with the positive perception (51.30\(^b\)) and challenges faced by them (43.30\(^b\)) due to global retailers than the organized retailers whose annual turnover is more than 3 crores (31.50\(^a\)) (31.10\(^a\)).

vi) Number of Trained Manpower of the Organized Retailers: There is a significant difference between the number of trained manpower and the perception and opportunities available to organized retailers due to FDI in Indian retailing and there is no significant difference between the number of trained manpower and the challenges faced by the organized retailers due to FDI in Indian retailing. Based on Duncan Multiple Range test, the organized retailer who employed less than 50 manpower (49.71\(^b\)) (32.07\(^b\)) have significantly and strongly agreed with the positive perception and opportunities available to them due to FDI in Indian retailing than the organized retailers who employed more than 100 manpower (36.45\(^a\)) (22.75\(^a\)).

vii) Area of Retail Space of the Organized Retailers: There is a significant difference between area of retail space and the opportunities available to the organized retailers due to FDI in Indian retailing and there is a significant difference between area of retail space and the perception and challenges faced by the organized retailers towards global retailers. Based on Duncan Multiple Range test, the organised retailers with less than 1000 sq. metres retail space area (47.31\(^b\)) have significantly and strongly agreed that they perceived positively towards global retailers than the organized retailers whose retail space area is more than 2000 sq. metres (34.47\(^a\)).
g) **Unorganized Retailers (t test)**

i) **Gender of the Unorganized Retailers:** There is a significant difference between male and female unorganized retailers and the challenges faced by them towards global retailers. The mean level of male unorganized retailers is better than female unorganized retailers with respect to their perception, opportunities and challenges faced by them towards global retailers.

ii) **Sources of Investment of the Unorganized Retailers:** There is no significant difference between sources of investment of unorganized retailers and the perception and opportunities available due to FDI in Indian retailing. There is a significant difference between sources of investment of unorganized retailers and the challenges faced due to FDI in Indian Retailing. The mean level of unorganized retailers who made their investment with the support of bank is better than the retailers who made their own investment with respect to their perception, opportunities and challenges faced by them towards global retailers.

h) **Unorganized Retailers (ANOVA test)**

i) **Age of the Unorganized Retailers:** There is a significant difference between age and the perception, opportunities and challenges faced by the unorganized retailers due to FDI in Indian retailing. Based on Duncan Multiple Range test, the unorganized retailers belonging to the age group 25 years or less (49.24\(^{b}\)) and between 26 and 35 years (45.26\(^{b}\)) have a strong and positive perception towards global retailers than the unorganized retailers with the age group of more than 45 years (25.29\(^{a}\)) and between 36 and 45 years (27.09\(^{a}\)).

ii) **Educational Qualification of the Unorganized Retailers:** There is a significant difference between educational qualification and the perception, opportunities and challenges faced by the unorganized retailers due to FDI in Indian retailing. Based on Duncan Multiple Range test, the unorganized retailers with post graduation (44.06\(^{b}\)) (30.88\(^{b}\)) and under graduation qualifications (43.67\(^{b}\)) (30.67\(^{b}\)) have strongly agreed with the positive perception
and opportunities available due to FDI in Indian retailing than the unorganized retailers qualified with diploma (28.29<sup>a</sup>) (19.71<sup>b</sup>) and higher secondary or less (22.20<sup>b</sup>) (17.00<sup>b</sup>).

iii) Years of Experience of the Unorganized Retailers: There is a significant difference between years of experience and the challenges faced by the unorganized retailers towards global retailers. There is no significant difference between years of experience and the perception and opportunities available to the unorganized retailers due to FDI in Indian retailing. Based on Duncan Multiple Range test, the unorganized retailers having less than 5 years of experience in retail business (42.62<sup>b</sup>) (31.39<sup>b</sup>) (34.08<sup>b</sup>) have significantly and strongly agreed with the positive perception, opportunities and challenges faced by them towards global retailers than the unorganized retailers who have more than 10 years of experience in retail business (33.65<sup>a</sup>) (24.00<sup>a</sup>) (26.86<sup>a</sup>).

iv) Annual Turnover of Unorganized Retailers: There is a significant difference between annual turnover and the perception and opportunities available to unorganized retailers due to FDI in Indian retailing and there is a significant difference between annual turnover and the challenges faced by the unorganized retailers due to FDI in Indian retailing. Based on Duncan Multiple Range test, the unorganized retailers whose annual turnover is Rs. 5 lakhs or less (45.72<sup>b</sup>) and between Rs. 6 lakhs and Rs. 10 lakhs (40.27<sup>b</sup>) have significantly and strongly agreed with the positive perception of global retailers than the unorganized retailers whose annual turnover is more than Rs. 15 lakhs (27.15<sup>a</sup>).

v) Number of Trained Manpower of the Unorganized Retailers: There is no significant difference between number of trained manpower and the perception and opportunities available to the unorganized retailers due to FDI in Indian retailing. Based on Duncan Multiple Range test, the unorganized retailers who employed less than 10 manpower (42.88<sup>b</sup>) (32.29<sup>b</sup>) (33.43<sup>b</sup>) and between 10 and 20 manpower (42.72<sup>b</sup>) (28.25<sup>b</sup>) (32.63<sup>b</sup>) have significantly and strongly agreed with the positive perception, opportunities and challenges
faced by them due to FDI in Indian retailing than the unorganized retailers who employed more than 30 manpower (30.00a) (24.67b) (24.33b).

vi) Area of Retail Space of the Unorganized Retailers: There is a significant difference between area of retail space and the perception towards global retailers, there is a significant difference between area of retail space and the opportunities available to the unorganized retailers due to FDI in Indian retailing and there is no significant difference between area of retail space and the challenges faced by unorganized retailers due to FDI in Indian retailing. Based on Duncan Multiple Range test, the unorganized retailers with less than 500 sq. metres (41.26b) (28.26b) (32.26b) and between 500 and 1000 sq. metres (42.54b) (30.24b) (31.62b) retail space area have significantly and strongly agreed with the perception, opportunities and challenges due to FDI in Indian retailing than the unorganized retailers whose retail space area is more than 1000 sq. metres (23.83a) (20.50a) (22.83a).

D. Association Between Socio-Economic Status and Customers’, Organized and Unorganized Retailers’ Perception, Preference, Buying Behaviour, Opportunities and Challenges towards Global Retailers

i) Customers (Chi – square test)

i) Gender of the customers: There is no association between gender and the level of perception, preference and buying behaviour and challenges faced by the customers towards global retailers.

ii) Age of the Customers: There is an association between age and the level of perception, preference and buying behaviour of customers towards global retailers. There is no association between age and the challenges faced by customers towards global retailers.

iii) Educational Qualification of the Customers: There is an association between educational qualification and the level of perception, preference and buying behaviour and challenges faced by customers towards global retailers.

iv) Occupation of Customers: There is an association between occupation and the level of perception and challenges faced by customers towards global retailers. There is no
association between occupation and the level of preference and buying behaviour of customers towards global retailers.

v) **Marital Status of the Customers:** There is no association between marital status and the level of perception, preference and buying behaviour and challenges faced by customers towards global retailers.

vi) **Family Size of the Customers:** There is an association between family size and the level of perception of customers towards global retailers. There is no association between family size and the level of preference and buying behaviour and challenges faced by customers towards global retailers.

vii) **Earning Members of Customers’ Family:** There is an association between number of earning members of family and the level of perception, preference and buying behaviour and challenges faced by customers towards global retailers.

viii) **Monthly Income of Customers’ Family:** There is an association between monthly income of family and the level of perception, preference and buying behaviour and challenges faced by customers towards global retailers.

ix) **Amount Spent towards Shopping by Customers:** There is an association between amount spent towards shopping and the level of perception, preference and buying behaviour and challenges faced by customers towards global retailers.

x) **Frequency of Shopping per Month by Customers:** There is an association between frequency of shopping in a month and the level of perception and challenges faced by customers towards global retailers. There is no association between frequency of shopping in a month and the level of preference and buying behaviour of customers towards global retailers.

j) **Organized Retailers (Chi – square test)**

i) **Gender of the Organized Retailers:** There is no association between gender and the level of perception and opportunities available to the organized retailers due to FDI in Indian
There is an association between gender and the level of challenges faced by organized retailers due to FDI in Indian retailing.

ii) **Age of the Organized Retailers:** There is an association between age and the level of perception, opportunities and challenges faced by the organized retailers due to FDI in Indian retailing.

iii) **Educational Qualification of the Organized Retailers:** There is an association between educational qualification and the level of perception, opportunities and challenges faced by the organized retailers due to FDI in Indian retailing.

iv) **Sources of Investment of the Organized Retailers:** There is an association between sources of investment and the level of perception, opportunities and challenges faced by the organized retailers due to FDI in Indian retailing.

v) **Years of Experience of the Organized Retailers:** There is an association between years of experience in retail business and the level of perception, opportunities and challenges faced by the organized retailers due to FDI in Indian retailing.

vi) **Annual Turnover of the Organized Retailers:** There is an association between annual turnover and the level of perception, opportunities and challenges faced by the organized retailers due to FDI in Indian retailing.

vii) **Number of Trained Manpower of the Organized Retailers:** There is an association between number of trained manpower and the level of perception and opportunities available to the organized retailers due to FDI in Indian retailing. There is no association between number of trained manpower and the level of challenges faced by the organized retailers due to FDI in Indian retailing.

viii) **Area of Retail Space of the Organized Retailers:** There is an association between area of retail space and the level of perception, opportunities and challenges faced by the organized retailers due to FDI in Indian retailing.
k) Unorganized Retailers (Chi-square test)

i) Gender of the Unorganized Retailers: There is no association between gender and the level of perception, opportunities and challenges faced by the unorganized retailers due to FDI in Indian retailing.

ii) Age of the Unorganized Retailers: There is an association between age and the level of perception, opportunities and challenges faced by the unorganized retailers due to FDI in Indian retailing.

iii) Educational Qualification of the Unorganized Retailers: There is an association between educational qualification and the level of perception, opportunities and the challenges faced by the unorganized retailers due to FDI in Indian retailing.

iv) Sources of Investment of the Unorganized Retailers: There is no association between sources of investment and the level of perception and opportunities available to the unorganized retailers due to FDI in Indian retailing. There is an association between sources of investment and the level of challenges faced by the unorganized retailers due to FDI in Indian retailing.

v) Years of Experience of the Unorganized Retailers: There is no association between years of experience in retail business and the level of perception and opportunities available to the unorganized retailers due to FDI in Indian retailing. There is an association between years of experience in retail business and the level of challenges faced by the unorganized retailers due to FDI in Indian retailing.

vi) Annual Turnover of the Unorganized Retailers: There is an association between annual turnover and the level of perception, opportunities and challenges faced by the unorganized retailers due to FDI in Indian retailing.

vii) Number of Trained Manpower of the Unorganized Retailers: There is no association between number of trained manpower and the level of perception, opportunities and challenges faced by the unorganized retailers due to FDI in Indian retailing.
viii) Area of Retail Space of the Unorganized Retailers: There is an association between area of retail space and the level of perception and challenges faced by the unorganized retailers due to FDI in Indian retailing. There is no association between area of retail space and the level of opportunities available to the unorganized retailers due to FDI in Indian retailing.

E. Significant Relationship Between Perception, Buying Behaviour, Opportunities and Challenges Faced by Customers, Organized and Unorganized Retailers due to FDI in Indian Retailing

l) Customers (Correlation Analysis)

It is found that customers’ perception towards global retailers had a strong and positive relationship with their preference and buying behaviour towards global retailers. It is also found that the customers’ perception towards global retailers had a strong and positive relationship with challenges faced by them towards global retailers.

m) Customers (Multiple Regression Analysis)

The regression value $R^2$ denotes that 65.1% of the observed variability in customers’ preference and buying behaviour towards global retailers can be significantly explained by the customers’ perception towards global retailers. The linear combination of customers’ perception towards global retailers is significantly related to their preference and buying behaviour towards global retailers ($F = 370.040$ and $P = <0.001^{**}$). The co-efficient of $X_1$ is 0.909 which represents a direct relationship between customers’ perception towards global retailers and customers’ preference and buying behaviour towards global retailers.

The regression value $R^2$ denotes that 61.7% of the observed variability in challenges faced by customers towards global retailers can be significantly explained by the customers’ perception towards global retailers. The linear combination of customers’ perception towards global retailers is significantly related to the challenges faced by them towards global retailers ($F = 319.301$ and $P = <0.001^{**}$). The co-efficient of $X_1$ is 0.353 which represents a
direct relationship between customers’ perception towards global retailers and challenges faced by them towards global retailers.

n) Organized Retailers (Correlation Analysis)

It is found that the perception of organized retailers towards global retailing had a strong and positive relationship with opportunities available to them due to FDI in Indian retailing. It is also found that the perception of organized retailers towards global retailing had a strong and positive relationship with challenges faced by them towards global retailers.

o) Organized Retailers (Multiple Regression Analysis)

The regression value $R^2$ denotes that 72.6% of the observed variability in challenges faced by the organized retailers due to FDI in Indian retailing can be significantly explained by the organized retailers’ perception towards global retailers. The linear combination of organized retailers’ perception towards global retailers is significantly related to challenges faced by them due to FDI in Indian retailing ($F = 127.363$ and $P = <0.001^{**}$). The co-efficient of X1 is -0.590 which represents an inverse relationship between organized retailers’ perception towards global retailers and challenges faced by them due to FDI in Indian retailing.

The regression value $R^2$ denotes that 61.5% of the observed variability in challenges faced by the organized retailers due to FDI in Indian retailing can be significantly explained by the opportunities available to them due to FDI in Indian retailing. The linear combination of opportunities available to organized retailers due to FDI in Indian retailing is significantly related to challenges faced by them due to FDI in Indian retailing ($F = 76.774$ and $P = <0.001^{**}$). The co-efficient of X1 is -0.894 which represents an inverse relationship between opportunities available to organized retailers due to FDI in Indian retailing and challenges faced by them due to FDI in Indian retailing.

p) Unorganized Retailers (Correlation Analysis)

It is found that the perception of unorganized retailers towards global retailing had a strong and positive relationship with opportunities available to them due to FDI in Indian retailing.
retailing. It is also found that the perception of unorganized retailers towards global retailing had a strong and positive relationship with challenges faced by them towards global retailers.

q) **Unorganized retailers (Multiple Regression Analysis)**

The regression value $R^2$ denotes that 73.4% of the observed variability in challenges faced by the unorganized retailers due to FDI in Indian retailing can be significantly explained by the unorganized retailers’ perception and opportunities towards global retailers. The linear combination of unorganized retailers’ perception and opportunities towards global retailers are significantly related to challenges faced by them due to FDI in Indian retailing (F = 64.879 and P = <0.001**). The co-efficient of X1 is -0.483 which represents an inverse relationship between unorganized retailers’ perception towards global retailers and challenges faced by them due to FDI in Indian retailing. The co-efficient of X2 is -0.204 which represents an inverse relationship between opportunities available to unorganized retailers due to FDI in Indian retailing and challenges faced by them due to FDI in Indian retailing.

**F. Major Variables Affecting Perception, Buying Behaviour, Opportunities and Challenges Faced by Customers, Organized and Unorganized Retailers due to FDI in Indian Retailing**

r) **Customers (Friedman test)**

There is a significant difference among the reasons for changing customers’ needs and preferences. There is a significant difference among the statements of customers’ preference and buying behaviour and challenges faced by them towards global retailers.

s) **Organized Retailers (Friedman test)**

There is a significant difference among the statements of organized retailers’ perception, opportunities and challenges faced by them towards global retailers.

t) **Unorganized Retailers (Friedman test)**

There is a significant difference among the statements of unorganized retailers’ perception, opportunities and challenges faced by them towards global retailers.
G. Customers, Organized and Unorganized Retailers (Sobel Test)

i) Customers

The effect of customers’ preference and buying behaviour towards global retailers on the challenges faced by them mediated by their perception towards global retailing is statistically significant.

i) Organized Retailers

The effect of organized retailers’ perception towards global retailers on the challenges faced by them due to FDI in Indian retailing mediated by the opportunities available to them due to FDI in Indian retailing is statistically significant.

ii) Unorganized Retailers

The effect of unorganized retailers’ perception towards global retailers on the challenges faced by them due to FDI in Indian retailing mediated by the opportunities available to them due to FDI in Indian retailing is statistically significant.

H. Customers, Organized Retailers and Unorganized Retailers (SEM)

i) Customers

Based on the model fit summary, the calculated value of Chi-square test is 22.324, which gives a P-value of 0.063 (greater than 0.05, Hair et al., 1998) and this model is an adequately fit model. The GFI (Goodness of Fit Index) value is 0.934 and AGFI (Adjusted Goodness of Fit Index) value is 0.904 which are greater than 0.9 which suggest that it is a good fit. The calculated CFI (Comparative Fit Index) value is 0.956 and is nearer to 1 which means that it is a perfectly fit and also it is found that RMR (Root Mean Square Residuals, 0.063) and RMSEA (Root Mean Square Error of Approximation, 0.027) are less than 0.08 which indicate that it is a perfectly fit model.

ii) Organized Retailers

Based on the model fit summary, the calculated value of Chi-square test is 1.420, which gives a P-value of 0.233 (greater than 0.05, Hair et al., 1998) and this model is an adequately fit model. The GFI (Goodness of Fit Index) value is 0.981 and AGFI (Adjusted
Goodness of Fit Index) value is 0.988 which are greater than 0.9 which suggest that it is a good fit. The calculated CFI (Comparative Fit Index) value is 0.997 and is nearer to 1 which means that it is a perfectly fit and also it is found that RMR (Root Mean Square Residuals, 0.079) and RMSEA (Root Mean Square Error of Approximation, 0.043) are less than 0.08 which indicate that it is a perfectly fit model.

iii) Unorganized Retailers

Based on the model fit summary, the calculated value of Chi-square test is 2.399, which gives a P-value of 0.121 (greater than 0.05, Hair et al., 1998) and this model is an adequately fit model. The GFI (Goodness of Fit Index) value is 0.969 and AGFI (Adjusted Goodness of Fit Index) value is 0.915 which are greater than 0.9 which suggest that it is a good fit. The calculated CFI (Comparative Fit Index) value is 0.969 and is nearer to 1 which means that it is a perfectly fit and also it is found that RMR (Root Mean Square Residuals, 0.077) and RMSEA (Root Mean Square Error of Approximation, 0.019) are less than 0.08 which indicate that it is a perfectly fit model.

3.2 SUGGESTIONS

Based on the findings, the following suggestions are provided to improve FDI in Indian retailing without affecting organized and unorganized retailers:

a) For the Customers

FDI in Indian retailing has a greater positive impact on customers. It provides quality products with innovative service in a hygienic environment. Customers can do family shopping in global retail outlets because of its safety, freshness of food and grocery items, all at one place strategy and promotional tools like gifts, discounts, coupons etc. There is also a change in the buying power and life styles of the customers i.e., they are moving towards modern living methods in the way of dressing, eating, spending towards shopping by saving less etc. This gives the way for FDI to emerge and succeed in the retail business. But FDI does not cover all types of customers in terms of its price and accessibility and this has to be modified soon. Because majority of Indian people fall under the category of lower middle
class and lower class customers. Global retailers can sell in all backward areas. This will also create employment opportunities for the people residing in backward areas.

b) For the Organized retailers

After the emergence of global players, the domestic organized retail sector continues to increase in number with their own selling strategies, customer loyalties etc. On the other hand, the organized retailers may not be able to compete with big global giants due to their minimal and discount price for some products, availability of all types of products for all types of customers, updated products, new technology in selling methods, excellent ambience etc. This is because of massive quantity of goods bought and sold by the global retailers all over the world and they pay less to get the products from manufacturers and pay less to distribute the products. If the existing organized retailers collaborate with the global biggies, they might have to give up their self competitive strength and profit. For some products like food and grocery items, clothes, electrical and electronics, they might not be competitive enough to tackle with them and might lose its market share. Based on the findings, even though they perceive the global retailers in a positive way, the interlinked sectors like manufacturing consumer goods and agriculture-based industries have got the opportunities to develop due to emergence of FDI in Indian retailing. Therefore the government should take necessary steps in providing strategic policies which should give way for the organized retailers to develop, sustain and compete with global retailers in a booming manner.

c) For the Unorganized retailers

The unorganized retailers are in no danger of extinction due to the emergence of FDI in Indian retailing. The very fact is that the local ‘Kirana’ stores are in right next door to customers which is a powerful advantage for them to succeed in their retail business. They develop strong networks with local customers through their informal system of selling methods like credit facility, door delivery, easy accessibility, friendly and kind approach, and flexibility in collection of dues from customers, giving product according to the
modifications said by the customers etc. These advantages are significant, though hard to quantify. Irrespective of global and organized retailers, to sustain in the economy more effectively and to improve their selling methods with updated technology, the government, banks and financial institutions should support them financially by offering loan for minimum interest rates.

**d) For the Government:** The government should modify the policy regarding retailing to favour organized retailers to compete with global retailers. It has to simplify licensing, relax in labour rules, provide uniform tax policy, support financially to develop infrastructure, and balance the dominance of global retailers. It must be cautious about the apprehensions raised by the critics and adequate safeguards must be taken so that the positive effects may outweigh the negative ones and the organized retailers coexist even if big foreign retailers enter the market.

To sum up, FDI in Indian retailing will bring various benefits like advancement of knowledge, skill, technology, exports, employment and management. But the government should have to take cautious steps while allowing different sectors like multi-brand retailing. Furthermore, the regulatory policies should be made favourable to the retailers and policymakers should avoid uncertainties for boosting FDI in India and ultimately to increase GDP, trade and foreign reserves. Retailers in India can fight against foreign retailers and survive in the competition due to their own merits like local market, low price, close customer relations, credit facility, intimacy with customer and personalized services.

**3.3 CONCLUSION**

In the era of globalization, the countries have become a big family, sharing their technologies and capital with other countries which is a win-win strategy for both the countries. Retailing is one of the pillars of Indian economy and accounts for about 12-15 percent of GDP. Our Indian economy is not enough to boost retailing i.e., investors and government do not have surplus capital to expand the retail sector and this can be met by
introducing FDI in Indian retailing. Moreover FDI in Indian retailing will also enhance Indian retailing system by integrating globally. The policies made up by the government for FDI in Indian retailing i.e., 100% entry in single brand retailing and 51% in multi-brand retailing benefit our economy in many ways, mainly the farmers and consumers. It removes monopolistic market system and due to this our India’s GDP growth rate is increasing. In addition to this, it boosts export competitiveness, employment generation and strengthening skills, transfer-diffusion-generation of technology, enhanced financial resources for development, improves infrastructure, provides updated technology in selling new products and services and enhances the service quality in terms of family shopping in a hygienic environment. Therefore FDI in Indian retailing majorly benefits our economy to develop. On the other hand, most of the people believe that International players won’t be able to make any profits in the next 5 to 10 years i.e., they would only see the losses considering the low purchasing power and transaction value, uncertainty in the Indian political scenario, unrealistic rental and real estate pricing and heterogeneous consumer consumption in south, north east and western states in India. However some Indian players lose substantially due to FDI in Indian retailing namely, small-scale industries, small traders and shopkeepers (Kirana stores). Besides this, it will drain out the country’s share of revenue for the benefit of foreign countries. The study offers valuable suggestions to improve the FDI in Indian retailing without affecting the domestic organized and unorganized retailers. It is concluded that FDI is one of the important sources of financing the development of Indian retailing sector but FDI alone is not a solution for improving transport facilities, warehousing facilities, logistics and distribution system of Indian retail sector. The government has to explore other possibilities too.
3.3.1 Scope for further study

a) The study covers impact of FDI towards customers, organized and unorganized retailers. It does not take into consideration the changes in the economic development and other sectors. Future studies need to be carried out by including various sectors and their impacts on economic development as a whole.

b) The study covers only customers, organized and unorganized retailers of Vellore district. Therefore, in future there is a scope to extend this research to other cities, states and countries to ascertain the different levels of perception of customers, organized and unorganized retailers due to emergence of FDI in Indian retailing.

c) Exclusive study is to be conducted under the title of “Impact of FDI in single brand retailing and its perception towards customers, organized and unorganized retailers”.

d) There is ample scope to conduct subsequent studies under the title like, “Impact of FDI in multi brand retailing and its perception towards stakeholders”.

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