

CHAPTER III

RESEARCH METHODOLOGY

3.1 Introduction and Methodology

This chapter deals with the analysis of the data collected from the survey and the resultant findings. Investment decisions of the NRIs are influenced by a number of factors like the demographic particulars of the NRI community, their educational levels, the place of employment or business, effectiveness of various saving schemes, place of origin, their standard of living, various investment problems encountered, etc. Hence the analyses of the variables detailed in this chapter are classified under eight heads, a profile of the respondents, investment pattern of the NRIs, effectiveness of saving schemes, impact of education on investment preferences, impact of the place of employment on investment pattern, impact of investment on the standard of living, impact of investment on employment generation and major investment problems encountered by the NRIs of Puducherry.

The study has been based on a descriptive and analytical method, and it is a blend of primary and secondary data. The secondary data were collected from the reports and records of various Government Institutions and Organisations like the IIC, RBI, Central and State Government Nodal Agencies for NRIs, and various Industrial Investment Corporations at the Centre and State levels.

To study the general awareness and the availing of the facilities, incentives and concessions by NRIs, the required details were collected directly from the NRIs using an interview schedule. For this purpose a detailed schedule was prepared covering most of the aspects of the investment opportunities, facilities, incentives and concessions presently available to NRIs in India. The purpose is also to study the investment pattern of NRIs and measuring the impact of the incentives and concessions on the NRI investments.

Both primary and secondary data were used to explain the status of non-resident Indians. Based on the review of literature the objectives were framed. Hypothesis were also framed, it is tested with the appropriate statistical tools. The interview schedule was administered on the selected sample respondents after having tested it for obtaining more realistic first-hand information from NRIs.

3.2 Statistical Tools Used for the Study

Details of information so collected were also analysed using appropriate statistical tools. Applicable tools are descriptive statistics, T-test, ANOVA, chi-square, correlation, regression and Henry Garrett ranking technique. We have tested the below mentioned statistical tools at 95 per cent confidence level.

3.3 Selection of Sample

The sample design of the study depends to a large extent on the nature of the problem of investigation. In this study the population consists of NRI investors. The study explicates the Non-Resident Indians with special reference to France. The data were gathered from French NRI's in Puducherry, Mahe, Yanam and Karaikal respectively. Around 465 French NRI's were included into the study with the approach of multilevel stratified purposive sampling. Data were analysed with help of MS Excel and SPSS software.

The quantitative research was conducted on this study about the French NRI's. The primary data was collected with help of structured questionnaire that pays attention toward the following aspects are investment decision, investment problems, influencing factors, employment generated, invested in building, use of internet for investment information. The measurement scale are both the dichotomous and the five point Likert scale were approached.

3.4 Sample size Formula approached for French NRI's

Around 20 lakhs of French NRI's visits Union Territory of Pondicherry (Puducherry, Mahe, Yanam and Karikal) per year. Based on the known population the sample size is determined based on the following formula.

$$N = \frac{(z^2 p q n_u)}{\{e^2 (n_u - 1) + z^2 p q\}}$$

$$N = \frac{1.96^2 \times (0.98) \times (0.02) \times 20,00,000}{\{(0.02)^2 \times (20,00,000 - 1) + (1.96)^2 \times (0.98) \times (0.02)\}}$$

$$N = 384.$$

It is stated that 384 sample is needed to represent the whole population of this study as mentioned by Krejcie and Morgan (1970). The data were collected for French NRI's (Puducherry, Mahe, Yanam and Karikal) around 465 samples were gathered for data analysis. The collected sample was analysed in SPSS software version 21.

3.5 Hypotheses Framed

Based on objectives of the study hypotheses were framed to test the relationship/ difference between the demographic variable and investment decision of French NRI's.

H₀₁: There is no association between demographic variable and investment decision of NRIs.

H_{01a}: There is no association between (age, gender, marital status, religion & educational qualification) variable and investment decision of NRIs.

H_{01b}: There is no association between (age, religion, educational qualification, income, native district, nature of job) variable and investment decision of NRIs.

H₀₂: There is no significant difference between demographic variable and effectiveness of saving schemes.

H₀₃: There is no relationship between bank deposit and effectiveness of saving schemes.

H₀₄: There is no relationship between LIC savings and effectiveness of saving schemes.

H₀₅: There is no relationship between mutual fund and effectiveness of saving schemes.

H₀₆: There is no relationship between post office savings and effectiveness of saving schemes.

H₀₇: There is no significant impact of bank deposit on Effectiveness of saving schemes.

H₀₈: There is no significant impact of LIC on Effectiveness of saving schemes.

H₀₉: There is no significant impact of Mutual funds on Effectiveness of saving schemes.

H₀₁₀: There is no significant impact of Post office saving schemes on Effectiveness of saving schemes.

H₀₁₁: There is no significant difference between demographic variable investment problems encountered by the NRIs.

The research has used independent sample T-test and ANOVA for find out the significant difference between the demographic variables and metrics, where correlation and regression were used to find out the relationship between the factors.

3.6 Reliability

Reliability of the data was verified in SPSS (Statistical package for Social Science) with the alpha value. The overall score should be more than .60 as stated by (Wee & Quazi, 2005; Sarode & Bhaskarwar, 2011). In this study effectiveness of saving schemes, investment problems and overall reliability was analysed. In that calculated values are range between 0.723 to 0.900 ensure that are reliable.

Table 4: Reliability Statistics

Reliability Statistics	Cronbach's Alpha	Number of Items
Effectiveness of saving schemes	.900	5
Investment problems	.737	5
Overall Reliability analysis	.724	11

3.7 Normality

The normality of data was also checked with the help of Skewness and Kurtosis values. According to Cameron 2014, stated that Skewness and kurtosis should fall in the range from +2 to -2 ensure that are normally distributed data (Cameron, 2014). From the below table minimum and maximum Skewness value falls between the range of -0.075 to 0.646 and Kurtosis value falls between -0.464 to 0.585 ensuring that are normally distributed. After confirmation of normal distribution i.e. parametric tools was executed.

Table 5: Normality Analysis

Normality test	Skewness	Kurtosis
Standard of living	-0.075	-0.464
LIC	0.300	0.394
Post Office saving	0.239	-0.789
Bank deposit	0.153	-1.138
Mutual Fund	0.166	-1.044
Chit Fund	-0.021	-1.034
Infrastructure	0.177	-0.797
Service	-0.264	-0.659
Trade work Culture	0.646	-0.153
Promoting NRI	0.030	0.079
Associations	-0.742	0.585