

ABSTRACT

Retailing is the interface between the producer and the consumer buying for personal consumption. Indian government liberalized its foreign direct investment (FDI) policy for multi-brand retail to attract foreign investors with an intention to bring more investment into the country and also to encourage the Indian retailers to create competitive advantage by leveraging the resources and capabilities of their supply chain partners. But the government's decision to permit 51% foreign direct investment (FDI) in multi-brand retailing has been a subject of debate for quite some time now as different stakeholders have different opinions based on their perception of the likely impact of the strategy. The present study is a small attempt in this direction which aims to identify the critical factors which are important from the perspective of FDI in multi brand retailing, second to check the effect of demographic variables such as age, gender, occupation and income level on critical factors obtained through factor analysis. And last one to identify the prospect and challenges on FDI in multi brand retailing. For measuring the response of consumers' towards FDI in multi-brand retailing in India, a structured questionnaire based on 32 statements on a one to five scale basis has been prepared. A number of statistical techniques such as Croanbach's alfa approach, KMO test, Crosstab, Factor analysis, ANOVA, t-test has been used to analyze the responses obtained through questionnaire and to reach at meaningful conclusions of this questionnaire. Croanbach's alfa approach is applied to test the reliability of questionnaire, KMO test is applied to test the adequacy of data, Crosstab has been used to understand the respondents of survey in much better way, With the help of factor analysis we have obtained 7 critical critical factors which are important to frame the perception of respondents in a good manner. These 7 factor has been named Factor 1- Improved Product Quality at Competitive Prices, Factor 2- Increased Consumer Convenience, Factor 3- Increased Capital Investment and Political Convergence ,Factor 4- Economic and Moral Risk ,Factor 5- Advantage to Indian Economy ,Factor 6- Reduced Profit Margins of Domestic Companies/ Consumers. After factor analysis, we have applied t test and ANOVA test to check the effect of demographic variables on factor obtained through factor analysis. The

overall results signifies that a majority of the population believes that FDI in multi-brand retailing in India will bring numerous benefits for consumers, farmers and help in generating employment opportunities. At the same time consumers' perceive several threats of multi-brand retailing including loss of business of small vendors. From the findings of the study, it is evident that majority of the educated respondents are in favour of FDI in multi-brand retailing and the education level of the consumers has an influence on their perceptions. Infact every variable has an influence on the attitudes and perceptions of consumers.

Keywords: Foreign Direct Investment (FDI), Multi-Brand Retailing, Perception, Consumers, Foreign Investors, Demographics.