

CHAPTER- 5

FINDING, SUGGESTIONS AND RECOMMENDATIONS

5.1 Findings of the Research

Our major Findings from the investigation are:

Our key findings of the learning out of the three objectives are as follows.

- 1) It will have positive impact on farmers and negative impact on small vendors. It will create a competitive environment which will put pressure on the domestic firms to improve their quality in order to survive in the market place. Consumers will be able to get a wide variety of good quality of products of different brands under one roof at competitive prices. It will be beneficial for government to increase its tax revenues.
- 2) The different group of demographic variables of respondent's doesn't have any effect on the perceptions of consumers regarding the present research.
- 3) The medium and way entrance of Global players must be handled with utmost precaution and pro active approach to the consequences it will have in the long term for the small medium sector enterprises and indigenious retailers. The whole concept of allowing the foreign MNCs to establish their base in India must be focused for developing back end infrastructure, like (improving supply chain management system, logistics, inventory management and bridging the gap between the local and urban class) enhancement in technology like (development of skill, computer savvies, implantation of cold storage technologies, reduction in waste of perishable goods/ farm goods, 24 *7

availability of goods and services, availability of global brands, improvement in the standards of living) establishing the connection between the domestic industries and foreign players for the overall development of industry by maintain linkages between them for the conducive and productive competitiveness in the market.

5.2 Recommendations

- A formulation of regulatory mechanism to check the implementation of the policy.
- To check the malpractices and unfair means adopted by the foreign player in establishing itself.
- Smooth functioning of policy and its implementation at grass root level to be monitored proactively.
- Providing clearance for foreign retailers through digital means and modalities to be taken care to provide them conducive environment for their business growth and development

5.3 Summary

The picture drawn from the present research i.e by allowing FDI in multi-brand retail will certainly improve the overall scenario in India's way of living how they consume different variety of products and ultimately enhancement on the standard of living vis a vie its positive impact on Economy and its contribution to the Gross domestic product. Framework of retail policy is designed in such a way that it will provide much needed boost to the Indian industry at large, creation of job opportunities for the skilled youth to reap out demographic dividends, the improvement in the machinery utilized in the rural infrastructure development, providing reasonable and competitive prices for the farm and diary produce obtained from the farmers and last but not the least is the upliftment of

small and medium scale industries and providing them opportunities for market space as these global players are restrained and had to take the thirty percent of their sourcing of raw materials from these enterprises. One other aspect is that the these policies will provide government assistance in bringing the inflation rate under control which is important factor in taking the enhanced consumption pattern of the Indian consumers at large.

There are critics who find lots of threats attached with such reforms measure. So, we have made an attempt in this study to collect the responses of consumers who are going to be affected the most by such a development. A structured questionnaire has been developed containing 32 statements covering various pros and cons of providing entrance doors to the global giants through FDI. The responses of respondents had been rated on a scale of one to five i.e. one for strongly disagree, two for disagree, three for indifferent, four for agree, and five for strongly agree. Factor analysis has been used to test the dependability and face strength of the questionnaire and to arrive at meaningful conclusion.

We found that our data is reliable with a “Cronbach’s Alpha” is of 0.860. Through factor analysis, we have categorized our statements into seven broad factors and their explained variation has also been recorded.

The factor analysis results prove the perception of consumers towards FDI in multi-brand retailing which indicates the business affected of the small and local shop owners will be marginal and coming of these multi brand giants will be useful for Indian economy. Consumer’s convenience would increase, by receiving all product brands under one roof at reliable prices. Consumers also think that because of FDI in multi-brand retail, inflation rate will be lower. The retail sector in India will be benefited at large providing better access and variety of services and goods to the Indian consumers in the long run as compared to the common speculation that it will negatively impact the different sector as

well as our own domestic industries in the long run. Existence of global retailers in India will further boost the economic activities, farmers, consumers, improvement in supply chain management systems and retail business as whole. The present government is very optimistic in its devising policy framework keeping in view of the challenges and its adverse impact on our economy and various stakeholders involved in the overall system. The terms and conditions it has laid down to protect indigenous industries and farmers and farm produce procurement is in constant monitor. Over the time government created a platform to debate, discuss and ponder over the repercussions of its policy and further allowing investment of foreign entity in various academic and research orientation programs to chalk out a well framed policy and updating required to check its implementation and its results from time to time.

2nd objective is to check the impact of demographic variables have on the perception of respondents on FDI in multi brand. To capture this impact we have applied t-test and ANOVA test findings of these both the test exhibits that there exists no significant differences among various groups of demographic entities on the perceptions of consumers and factors obtained through factor analysis.

The government confident in its approach of devising policy framework and legal modalities to make sure that global retail MNCs will not put out of place our own industries and small vendors by unjust means of doing business and keeping in view of the challenges and its adverse impact on our economy and various stakeholders involved in the overall system. The administration already created a podium to discuss, talk about and contemplate over the repercussions of its policy and further allowing investment of foreign entity in various scholastic institutions and research orientation programs to chalk out a well framed policy and updating required to make sure its performance and its impact over a period of time span.

It is pertinent to mention here that from the theories and literature, it is concluded that FDI in multi brand retail will provide improved quality and reasonable pricing, helpul in taming the inflation, development of Indian economy, benefits to farmers and consumers in the long run, job generation for youth, back end infrastructure development, providing global access to products and services in India, better prices for farm industries. Thus in the conclusion it is curtained that reforms in FDI in retail will have positive and long lasting effects on our Eco system.

5.4 Scope for Future Research

The present research is substainlly based on consumer's perception on FDI in Multi brand retail in India, other stakeholders who are also involved based on the impact by this phenomenon are as follows:

1. Farmers
2. Indigenous retailers
3. Small and medium scale industries
4. Consumers of other metropolitan cities
5. Industrial policies
6. Impact on Indian economy
7. Consumer behavior and lifestyle impact
8. Cosmopolitan study
9. Technological impact
10. Employment
11. Impact on standard of living

12. Human values
13. Consumerism
14. Capitalism
15. Retail policy framework
16. Foreign direct investment scenario in developing countries
17. Socio economic developments
18. Impact on unorganized retail

The researcher can be conducted on the following above indicators, and that can provide more clear pictures for the trends and development of FDI in Multi- brand retail sector across various entities and sectors in India. Moreover the present research has established a link between the perception and reality concept of individual consumers about their understanding and opinions about the case in sight.