

AWARENESS ON FDI IN RETAIL SECTOR IN TIRUNELVELI DISTRICT

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ABSTRACT

Foreign direct investment in retail sectors is a burning issue in all parts of our country. Retail shops are more in south side of Tamil Nadu state and there is more families depend upon this retail shops as their only source. There are many shoppers doing retail for generations.

KEYWORDS: Foreign Direct Investment in Retail, National Income, Retail Shoppers for Generations

INTRODUCTION

The news of allowing foreign companies in Indian retails directly is a great shock to that peoples who are doing this retail business for generations. On the other side, by allowing foreign companies in our retails may increase our national income and also increase Rupee value in world market. This increase will safeguard our country's economic issues. So it is a toughest situation to decide whether allow or reject FDI in retail sectors all over the country. While some states in India welcoming FDI in retails, Tamil Nadu don't opening the gate for FDI's retail. The researchers focused on Tirunelveli district and analyzed how much awareness the people got and whether they gives green signal or red signal for FDI's retail business.

OBJECTIVES

The following are the objectives of this research work,

- To know the socio-economic background of the respondents.
- To know about the details of Foreign Direct Investment.
- To find out and analyses problems of knowing about FDI.
- To find out the awareness on FDI in common people.
- To suggest and educate about FDI to common people.

METHODOLOGY

The authors collected information from 100 respondents in Tirunelveli District during January month, 2014. They used a well framed questionnaire for collecting data from respondents in a simple random sampling method. Primary data only used for this study. Following this, the researchers analysed the responses of respondents with statistical tools like percentile method, tabulations, figures, Likert method, Chi-square test (Null Hypothesis).

LIMITATION OF THE STUDY

- Time interrupts our study to finish this study with less number of respondents.

- We focused only the Tirunelveli District so it may also our limitation.

Table 1: Gender Wise Distribution of Respondents

Sl. No.	Gender	No. of Respondents	Percentage
1	Male	50	50
2	Female	50	50
	Total	100	100

Source: Primary Data

In the above table, there are equal respondents on male and female (50:50).

Table 2: Age Wise Distribution of Respondents

Sl. No.	Age Group	No. of Respondents	Percentage
1	Less than 25	16	16
2	26-35	20	20
3	36-45	24	24
4	46-55	30	30
5	Above 55	10	10
	Total	100	100

Source: Primary Data

The above table shows that there are 30 percent respondents in the age group of 46-55 years, 24 percent respondents are under the age group of 36-45 years of age. 16 percent of respondents under the age group of less than 25 years and only 10 percent are above 55 years of age.

Table 3: Marital Status of Respondents

Sl. No.	Marital Status	No. of Respondents	Percentage
1	Single	16	16
2	Married	84	84
	Total	100	100

Source: Primary Data

In the data given, married respondents are more 84 percent and unmarried are 16 percent.

Table 4: Educational Status of the Respondents

Sl. No.	Education	No. of Respondents	Percentage
1	Illiterate	6	6
2	Up to +2	34	34
3	U.G.	16	16
4	P.G.	42	42
5	Professional	2	2
	Total	100	100

Source: Primary Data

In the above table, P.G. respondents are 42 percent in the data. +2 finished respondents are at 34 percent, U.G. respondents are 16 percent. Illiterate are 6 percent and there is only 2 percent of professional respondents. Majority of the respondents 42 percent finished P.G. level.

Table 5: Occupation Position of the Respondents

Sl. No.	Occupation	No. of Respondents	Percentage
1	Professional	16	16
2	Self-Employed	16	16

Table 5: Contd.,

3	Private Employed	22	22
4	Government Employed	20	20
5	Home Maker	26	26
	Total	100	100

Source: Primary Data

In the above table, home makers are more in number (26 percent), private employed reaches 22 percent. 20 percent belongs to Government employed. Professional and self-employed respondents are 16 percent each respectively. However, homemaker leads in the data by 26 percent.

Table 6: Monthly Income Level of the Respondents

Sl. No.	Monthly Income Level	No. of Respondents	Percentage
1	Less than Rs. 10,000	38	38
2	Rs.10,001-Rs.20,000	24	24
3	Rs.20,001-Rs.30,000	16	16
4	Rs.30,001-Rs.40,000	4	4
5	Above Rs.40,000	18	18
	Total	100	100

Source: Primary Data

In the table, there are 38 percent respondents who earns less than Rs. 10,000, 24 percent respondents receives Rs. 10,001-20,000. 18 percent receives above Rs. 40,000 salary monthly. 16 percent receives Rs. 20,001-30,000. And only 4 percent respondents are Rs. 30,001-40,000 monthly income. Respondents are receiving less than Rs. 10,000 as monthly income leads the data.

Table 7: Pattern of Goods Purchasing

Sl. No.	Pattern	No. of Respondents	Percentage
1	Wholesale Shops	30	30
2	Retail Shops	70	70
	Total	100	100

Source: Primary Data

In the above data, 70 percent of respondents purchase goods in retail shops and 30 percent purchase in whole shops.

Table 8: Knowing of Government Norms about Agent

Sl. No.	Response	No. of Respondents	Percentage
1	Yes	64	64
2	No	36	36
	Total	100	100

Source: Primary Data

The above table clearly specifies that 64 percent respondents polled 'Yes' for knowing about Government norms about agent while 36 percent polled they don't know about the norms.

Table 9: Medium of Knowing More Details about FDI

Sl. No.	Medium	No. of Respondents	Percentage
1	Newspaper/Magazines	50	50
2	TV	22	22
3	Internet	4	4

Table 9: Contd.,

4	Discussion with Others	24	24
Total		100	100

Source: Primary Data

In the above table, 50 percent respondents came to know about more details about FDI through Newspapers/Magazines, 24 percent respondents know by discussing with others (friends, relatives and so on), 22 percent of respondents through television and rest 4 percent through internet.

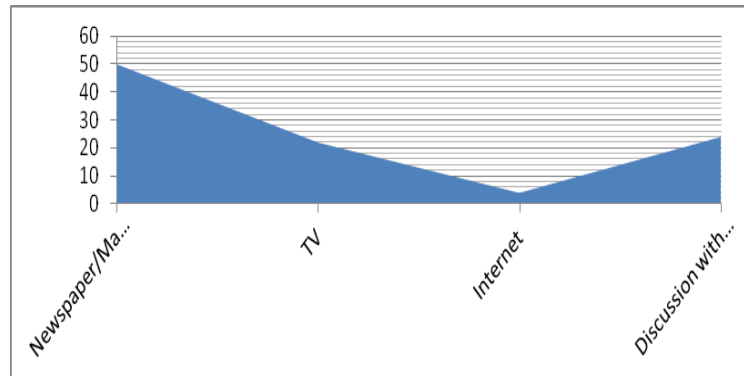


Figure 1: Medium of Knowing More Details about FDI

Table 10: Know the Name WALMART

Sl. No.	Response	No. of Respondents	Percentage
1	Yes	64	64
2	No	36	36
Total		100	100

Source: Primary Data

In the above table, 64 percent respondents knew the name 'WALMART' while 36 percent respondents do not know about it.

Table 11: Knowing about Tie up with Bharti Enterprises and WALMART

Sl. No.	Response	No. of Respondents	Percentage
1	Yes	42	65.62
2	No	22	34.38
Total		64	100.00

Source: Primary Data

The above table shows that 65.62 percent respondents among 64 respondents 'WALMART' known respondents know about the tie-up with Bharti Enterprises. And 34.38 percent of them do not know about the tie-up between them.

Table 12: Knowing the Network of WALMART

Sl. No.	Response	No. of Respondents	Percentage
1	Yes	44	68.75
2	No	20	31.25
Total		64	100

Source: Primary Data

From the above table, 68.75 percent respondents know the network of WALMART who has already known about WALMART (64 percent). And rest of 31.25 percent of 64 percent does not know about it.

Table 13: Knowing of Reason for Going out from China

Sl. No.	Response	No. of Respondents	Percentage
1	Yes	36	56.25
2	No	28	43.75
	Total	64	100.00

Source: Primary Data

In the above table, 56.25 percent respondents know the reason for WALMART exit from china and 43.75 percent of them do not know.

Table 14: Knowing about the Details of WALMART Going out from China

Sl. No.	Response	No. of Respondents	Percentage
1	Yes	22	61.11
2	No	14	38.89
	Total	36	100.00

Source: Primary Data

In the table, among the respondents who have known the reason of 'WALMART' exit. 61.11 percent of them known the details of its exit and rest 38.89 percent of them does not know the details.

Table 15: Know the Name TESCO

Sl. No.	Response	No. of Respondents	Percentage
1	Yes	30	30
2	No	70	70
	Total	100	100

Source: Primary Data

In the above table, only 30 percent respondents know the name 'TESCO' while 70 percent of respondents do not know even the name 'TESCO'.

Table 16: Knowing about the Details of Tie up with TATA Group and TESCO

Sl. No	Response	No. of Respondents	Percentage
1	Yes	20	66.67
2	No	10	33.33
	Total	30	100.00

Source: Primary Data

In the table, among the 30 percent respondents know the name 'TESCO', 66.67 percent of them know details about its tie-up with TATA group and rest 33.33 percent of them does not know this details.

Table 17: Vote on FDI in Retail Sector

Sl. No.	Vote	No. of Respondents	Percentage
1	Accept	15	15
2	Not Accept	85	85
	Total	100	100

Source: Primary Data

The above table clearly shows that only 15 percent of respondents gave green signal (accepts) for FDI in Retail sector. And 85 percent respondents strictly gives red signal (not accepts) to FDI in Retail.

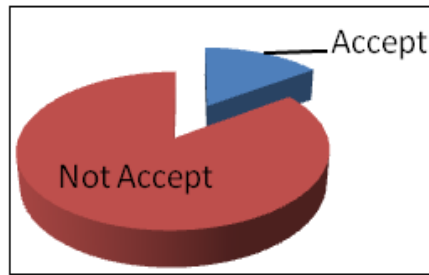


Figure 2: Vote on FDI in Retail Sector

Table 18: Opinion on Indian Manufacturers for Purchase Goods from Foreigners after FDI in Retail Sector

Sl. No.	Opinion	No. of Respondents	Percentage
1	Possible	24	24
2	Not Possible	56	56
3	No Opinion	20	20
Total		100	100

Source: Primary Data

In the above table, 56 percent respondents said that there is no possibility for purchasing goods by Indian manufacturers from foreign companies after FDI in retail, 24 percent respondents said it is possible to purchase goods and rest 20 percent respondents gave no opinion about this.

Table 19: Opinion on Indian Manufacturers Survive Market Competition with Foreigners after FDI in Retail Sector

Sl. No.	Opinion	No. of Respondents	Percentage
1	Possible	10	10
2	Not Possible	76	76
3	No Opinion	14	14
Total		100	100

Source: Primary Data

The above data clearly shows us that 76 percent respondents said that there is no possibility for the survival of Indian manufacturers in the market competition with foreign companies after FDI in Retail sector. And only 10 percent polled that is possible. Rest 14 percent polled no opinion in this competition survive.

Table 20: Opinion on Deposit Money in Foreign Bank

Sl. No.	Opinion	No. of Respondents	Percentage
1	Possible	6	6
2	Not Possible	14	14
3	No Opinion	80	80
Total		100	100

Source: Primary Data

In the table, 14 percent respondents told their opinion about depositing money in foreign bank is not possible. Only 6 percent respondents replied it is possible and rest 80 percent replied there is no opinion in this term.

Table 21: Opinion on Insurance Taking under Foreign Management

Sl. No.	Opinion	No. of Respondents	Percentage
1	Possible	8	8
2	Not Possible	70	70

Table 21: Contd.,

3	No Opinion	22	22
	Total	100	100

Source: Primary Data

In the above table, 70 percent respondents told that there is no possibility on insurance taking under foreign management, and only 8 percent of respondents told it is possible while rest 22 percent has no opinion.

Table 22: Number of Responses on Ranking of Opinion on Advantages of FDI in Retail Sector

Sl. No.	Opinion	SA	A	No	D	SD	Total
1	All Product in One Place	54	24	10	6	6	100
2	Availability of Branded Items	58	28	2	6	6	100
3	Quality Product	40	28	16	8	8	100
4	Price	18	28	20	24	10	100
5	Provide Employment Opportunities	22	26	26	12	4	100
6	Exchange of Technology	42	28	18	2	10	100

Table 22: (a) Ranking of Opinion on Advantages of FDI in Retail Sector

Sl. No.	Opinion	SA	A	No	D	SD	Total Score	Mean	Rank
1	All Product in One Place	54	24	10	6	6	414	4.14	II
2	Availability of Branded Items	58	28	2	6	6	426	4.26	I
3	Quality Product	40	28	16	8	8	384	3.84	IV
4	Moderate Price	18	28	20	24	10	320	3.2	VI
5	Provide Employment Opportunities	22	26	26	12	4	330	3.3	V
6	Exchange of Technology	42	28	18	2	10	390	3.9	III

Source: Primary Data

In the above ranking table, the respondents had given different ranks for the advantages in FDI's Retail. They are as follows:

Availability of branded items is available in retail after allowing FDI are strongly agreed by the respondents. The mean value is **4.26**.

Respondents strongly feel that FDI in retail will make available all products in one place. The mean is **4.14**.

Through FDI in retail, exchange of technology is possible and it is only slightly agreed. The mean is **3.9**.

The product will be a quality one in FDI's retail sector it is an opinion slightly agreed by the respondents. The mean value is **3.84**.

Providing employment opportunities after FDI's arrival in retail sector is also only slightly agreed (**3.3**) by the respondents.

The value of the mean is **3.2** for the opinion of the respondents slightly agreed about the moderate price of the goods after FDI in retail.

Table 23: Number of Responses on Ranking of Opinion on Disadvantages of FDI in Retail Sector

Sl. No.	Opinion	SA	A	No	D	SD	Total
1	Against of Swadeshi Policy	78	10	8	-	4	100
2	Discourage of Domestic Products	66	14	8	10	2	100
3	High Penetration is Possible	46	34	10	6	4	100
4	Cultural Change	52	34	8	4	2	100

Table 23: (a) Ranking of Opinion on Disadvantages of FDI in Retail Sector

Sl. No.	Opinion	SA	A	No	D	SD	Total Score	Mean	Rank
1	Against of Swadeshi Policy	390	40	24	-	4	458	4.58	I
2	Discourage of Domestic Products	330	56	24	20	2	432	4.32	II
3	High Penetration is Possible	230	136	30	12	4	412	4.12	IV
4	Cultural Change	260	136	24	8	2	430	4.3	III

Source: Primary Data

The above table represents the opinion of respondents in the disadvantages of FDI in retail sector.

Most of the respondents strongly agreed that FDI in retail is against our swadeshi Policy and ranked **First** in the Demerit.

Also the respondents agree strongly that the FDI in Retail discourage the domestic product and ranked it **Second**.

FDI in retail will change culture and it is strongly agreed by giving **Third** rank.

Respondents feel that High penetration is possible after the FDI's arrival and Rank it **Fourth**.

Table 24: Number of Responses on Ranking of Opinion on Impact of FDI in Retail Sector

Sl. No.	Opinion	SA	A	No	D	SD	Total
1	Provide Employment Opportunities to 250 Peoples by a Corporate Super Markets like Walmart in Single Shop	36	42	12	4	6	100
2	Destroying the Self-Employment approximately in minimum 1300 Shops in a City.	60	24	10	6	-	100
3	Killing of 4000 Employment Opportunities in that Shops	70	12	10	8	-	100
4	Is it attack the Small Business?	74	20	6	-	-	100

Table 24: (a) Ranking of Opinion on Impact of FDI in Retail Sector

Sl. No.	Opinion	SA	A	No	D	SD	Total Score	Mean	Rank
1	Provide Employment Opportunities to 250 Peoples by a Corporate Super Markets like Walmart in Single Shop	180	168	36	8	6	398	3.98	IV
2	Destroying the Self-Employment approximately in minimum 1300 Shops in a City.	300	96	30	12	-	438	4.38	III
3	Killing of 4000 Employment Opportunities in that Shops	350	48	30	16	-	444	4.44	II
4	Is it attack the Small Business?	370	80	18	-	-	468	4.68	I

Source: Primary Data

The above table shows the respondents ranking on the impact of FDI will retail sector on their opinion.

Respondents **strongly agreed that FDI in retail will attack the small business** and Ranked First.

Also they **strongly agreed that FDI's retail will kill 4,000 employment opportunities** in a single shop at cities and ranked as second.

FDI in retail will destroy the self employment opportunities approximately in minimum of 1,300 shops in a city **strongly agreed** by the respondents and gave Third rank.

Respondents **just agreed that FDI in retail will provide employment opportunities for 250 people through corporate super markets** like WALMART (in single shop) and ranked fourth.

Hypothesis Testing – 1**Null Hypothesis**

There is no association between Income and Pattern of Purchasing Goods.

Table 25: Calculation of Chi-Square Value

O	E	(O-E) ²	$\frac{(O-E)^2}{E}$
2	11.4	88.36	7.75
36	26.6	88.36	3.32
6	7.2	1.44	0.2
18	16.8	1.44	0.09
8	4.8	10.24	2.13
8	11.2	10.24	0.91
2	1.2	0.64	0.53
2	2.8	0.64	0.23
12	5.4	43.56	8.07
6	12.6	43.56	3.46
		$\Sigma \frac{(O-E)^2}{E}$	26.69

Commuted value = 26.69

Degree of freedom = (r-1) (c-1)

$$= (2-1) (5-1)$$

$$= 1 \times 4 = 4$$

Value of degree of Freedom 4 at 5% significance level = 9.488

Since, table value is more than Commuted value.

The null hypothesis is rejected.

Conclusions: There is an association between Income and Pattern of Purchasing Goods.

Hypothesis Testing – 2**Null Hypothesis**

There is no association between Gender and medium of knowing about FDI.

Table 26: Calculation of Chi-Square Value

O	E	(O-E) ²	$\frac{(O-E)^2}{E}$
30	25	25	1
20	25	25	1
8	11	9	0.82
14	11	9	0.82
2	2	0	0
2	2	0	0
10	12	4	0.33
14	12	4	0.33
		$\Sigma \frac{(O-E)^2}{E}$	4.3

Commuted value = 4.3

$$\begin{aligned} \text{Degree of freedom} &= (r-1) (c-1) \\ &= (2-1) (4-1) \\ &= 1 \times 3 = 3 \end{aligned}$$

Value of degree of Freedom 3 at 5% significance level = 7.815

Since, table value is less than commuted value.

The null hypothesis is accepted.

Conclusions: There is no association between Gender and medium of knowing about FDI.

Hypothesis Testing – 3

Null Hypothesis

There is no association between Educational Status and FDI Acceptance.

Table 27: Calculation of Chi-Square Value

O	E	$(O-E)^2$	$\frac{(O-E)^2}{E}$
2	0.9	1.21	1.34
4	5.1	1.21	0.24
2	5.1	9.61	1.88
32	28.9	9.61	0.33
2	2.4	0.16	0.07
14	13.6	0.16	0.01
8	6.3	2.89	0.46
94	35.7	2.89	0.08
1	0.3	0.49	1.63
1	1.7	0.19	0.29
		$\Sigma \frac{(O-E)^2}{E}$	6.33

Commuted value = 6.33

$$\begin{aligned} \text{Degree of freedom} &= (r-1) (c-1) \\ &= (2-1) (5-1) \\ &= 1 \times 4 = 4 \end{aligned}$$

Value of degree of Freedom 4 at 5% significance level = 9.488

Since, table value is less than commuted value.

The null hypothesis is accepted.

Conclusions: There is no association between Educational Status and FDI Acceptance.

Hypothesis Testing – 4

Null Hypothesis

There is no association between Gender and knowing of details about Corporate Sector.

Table 28: Calculation of Chi-Square Value

O	E	$(O-E)^2$	$\frac{(O-E)^2}{E}$
24	20	16	0.8
16	20	16	0.8
2	3	1	0.33
4	3	1	0.33
16	12	16	1.33
8	12	16	1.33
8	15	49	3.27
22	15	49	3.27
		$\frac{\Sigma (O-E)^2}{E}$	11.46

Commutated value = 11.46

Degree of freedom = $(r-1)(c-1)$

$$= (2-1)(4-1)$$

$$= 1 \times 3 = 3$$

Value of degree of Freedom 3 at 5% significance level = 7.815

Since, table value is more than commuted value.

The null hypothesis is rejected.

Conclusions: There is an association between Gender and knowing of details about Corporate Sector.

SUMMARY OF FINDINGS AND SUGGESTIONS

Findings

The collected data are analysed and the findings are given below:

- 46-55 years of age respondents leads 30 percent in the data.
- Married respondents are more 84 percent in our study data.
- Majority of the respondents 42 percent finished P.G. level in the study.
- Homemaker leads in the data by 26 percent.
- Respondents are receiving less than Rs. 10,000 as monthly income leads the data.
- 70 percent of respondents purchase goods in retail shops.
- 64 percent respondents polled 'Yes' for knowing about Government norms about agent.
- 50 percent respondents came to know about more details about FDI through Newspapers/Magazines.

- 64 percent respondents knew the name 'WALMART'.
- 65.62 percent respondents among 64 respondents 'WALMART' known respondents know about the tie-up with Bharti Enterprises.
- 68.75 percent respondents know the network of WALMART who have already known about WALMART (64 percent).
- 56.25 percent respondents know the reason for WALMART exit from china.
- 61.11 percent of them know the details of its exit.
- Only 30 percent respondents know the name 'TESCO'.
- 66.67 percent of them known details about its tie-up with TATA group.
- 85 percent respondents strictly gives red signal (not accepts) to FDI in Retail.
- 56 percent respondents said that there is no possibility for purchasing goods by Indian manufacturers from foreign companies after FDI in retail.
- 76 percent respondents said that there is no possibility for the survival of Indian manufacturers in the market competition with foreign companies after FDI in Retail sector.
- 14 percent respondents told their opinion about depositing money in foreign bank is not possible.
- There is an association between Income and Pattern of Purchasing Goods.
- There is no association between Gender and medium of knowing about FDI.
- There is no association between Educational Status and FDI Acceptance.
- There is an association between Gender and knowing of details about Corporate Sector.
- FDI in retail will destroy the self employment opportunities approximately in minimum of 1,300 shops in a city is strongly agreed by the respondents.
- Respondents strongly agreed that FDI in retail will attack the small business and Ranked First.
- Most of the respondents strongly agreed that FDI in retail is against our Swadeshi Policy and ranked First in the Demerit.
- Also the respondents agree strongly that the FDI in Retail discourage the domestic product and ranked it second.
- Availability of branded items will be available in retail after allowing FDI are strongly agreed by the respondents. The mean value is 4.26.
- Respondents strongly feel that FDI in retail will make available all products in one place. The mean is 4.14.
- Through FDI in retail, exchange of technology is possible and it is only slightly agreed. The mean is 3.9.

- The companies which are ready to come inside India from foreign to invest in retail business has been given enormous facilities which are all the sky level distance for our domestic companies.
- 90% of total population raises flags against the arrival of FDI in retail very strongly and boldly.

Suggestions

- It is the duty of Government to create knowledge about FDI in retail sector to common people.
- Many respondents heard the name WALMART but many of them don't know the operations of WALMART. The details of WALMART should be educated by the Government to the people.
- Many educated people also don't know about TESCO and its operations. So, it rests with Government side to make them know about it among people.
- Majority respondents told that there is no possibility in purchasing goods from the foreign companies by Indian manufactures after FDI arrival in retail. So Government should explain the true fact of this term.
- Also they feel that it is not possible to survive the market competition with foreign companies after FDI's arrival it is a Government's duty to make them know the truth behind it.
- FDI in retail sector is a Government's issue to the common people so the whole responsibility belongs to the Government itself in order to teach what are pros to our country and also to our people if FDI allowed in retail sector.
- Instead of allowing foreign companies directly inside India Government can boost up the domestic retailers and small businessmen by making a way to increase our national income.
- Our country is maximum covered with villages and we have many number of retail shops and each shop has a background of family which fully depend on that shops, so Government can think well before implementing FDI fully in retail
- Government should not allow FDI beyond certain limit in retail.
- Majority of the respondents are opposing FDI in retail so the Government must reconsider the decision on this.
- Government can conduct awareness programmes regarding this FDI in retail sector mainly for the awareness of common people.
- Not only the Government but also the experts opposing or accepting FDI in retail should provide such details about it to the common people.

CONCLUSIONS

The present study infers the clear details about FDI in retail sector in India and reflects the common peoples' opinion as a mirror. In our study area majority respondents strongly oppose these investment methods directly from foreign countries. They feel that it will affect the domestic retail business and so India's economy more. Our country has 90% of unorganised retail sector this FDI slowly abolishing the retail sector of India. Although they lack in knowledge about FDI, they are very strong in opposing it inside India. In this trend it is not safe to allow this corporate sector in India. So it's a

duty of Government to make them clear about FDI's two sides and at the same time they should respect the feelings of common people by taking good decision which favours our soil and its innocent retailers.

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