



An Analytical Study on The Response of Consumers Towards FDI in Retail Sector (With Special Reference to Delhi NCR)

Dhirendra Chaube, Research Scholar, Economics Department,
Jiwaji University, Gwalior, Madhya Pradesh, INDIA
D.V. Singh, (Ph.D.),
Dr. B.S.Govt.College, Gwalior, Madhya Pradesh, INDIA

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Corresponding Authors

Dhirendra Chaube, Research Scholar,
Economics Department,
Jiwaji University, Gwalior,
Madhya Pradesh, INDIA
D.V. Singh, (Ph.D.),
Dr. B.S.Govt.College, Gwalior,
Madhya Pradesh, INDIA
shodhsamagam1@gmail.com

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AN ANALYTICAL STUDY ON THE RESPONSE OF CONSUMERS TOWARDS FDI IN RETAIL SECTOR (WITH SPECIAL REFERENCE TO DELHI NCR) DHIRENDRA CHAUBE Research Scholar, Economics Jiwaji University, Gwalior (M.P.) and Dr. D.V.SINGH Asst. Professor Dr. B.S.Govt.College, Gwalior, (M.P.) ABSTRACT This research paper deals with the topic entitled "AN ANALYTICAL STUDY ON THE RESPONSE OF CONSUMERS TOWARDS FDI IN RETAIL SECTOR (WITH SPECIAL REFERENCE TO DELHI NCR)". This paper attempts to analyze consumer views on services of FDI in retail sector in Delhi NCR.

ABSTRACT

This research paper deals with the topic entitled "An Analytical Study on The Response of Consumers Towards FDI in Retail Sector (With Special Reference to Delhi NCR)". This paper attempts to analyze consumer views on services of FDI in retail sector in Delhi NCR and to compare the expectations and experience of respondents. FDI in retail industry means that foreign companies in certain categories can sell products through their own retail shop in the country. To take the study ahead, as a part of qualitative analysis, researcher interviewed the consumers on certain questions and as part of quantitative analysis, a self-made questionnaire was constructed for the verification of the objectives formed for this study. A sample of 40 consumer respondents is considered from Delhi NCR. As a result of which it is found that FDI in retail sector is doing exceptionally well.

KEY WORDS

FDI, Retail Sector, Consumers.

INTRODUCTION

It is an outlay from a party in one country into a business or corporation in another country with the objective of establishing a lasting interest. Lasting interest differentiates FDI from foreign portfolio investments, where investors passively hold securities from a foreign country. Foreign Direct Investment can be made by expanding one's business into a foreign country or by becoming the owner of a company in another country.

As far as the topic is concerned, FDI in retail world mean letting the large international chains to operate in India under their international brand name. The merit is, it will allow for more competition in the market, people could buy at less prices, there could be major change in the society in what it buys. Also, the local population will get employment and because of that the overall economy increases along with better employment rate. But, it would affect largely to the small retailers along with the manufacturers, in a bad way, such that they would have to face large inflows of foreign goods and even more competition.

Objectives of the Research

- ◆ To study Foreign Direct Investment in retail sector.
- ◆ To study consumer views on certain parameters with regard to services of FDI in retail sector.
- ◆ To compare the expectations and experiences of consumers from FDI in retail market.

Limitations

- ◆ The study is confined to the 40 respondents.
- ◆ The study is restricted to the respondents of Delhi and NCR.
- ◆ The study is confined to respondents who acquire services from FDI (in retail market).

Method of Investigation

In this research the survey method is used. Note that, in this very difficult time of Covid-19, very less number of consumers were found, as a result of which only 40 respondents are considered. Note that the respondents belong to Delhi NCR and as per the conditions provided. NCR means National Capital Region; it is the metropolitan area in India that encompasses the entire territory of Delhi and the urban areas of States neighbours; Haryana, Uttar Pradesh and Rajasthan.

Research Tools and Techniques

Since there wasn't any standardized questionnaire available on this particular subject, so a Self-made Questionnaire was constructed in order to take this research ahead. However, the questionnaire was formed under the supervision of the subject experts. The questionnaire consists of ten questions regarding consumer satisfaction and three different responses were provided for each of the question as options. The maximum marks were provided for the most appropriate option and hence the data tables were constructed.

Statistics used

Percentage method is used for the present study. Percentage is calculated by taking the frequency in the category divided by the total number of participants and multiplying by 100% as a result of which, maximum views on a certain variable can found.

Analysis and Interpretation

Table 1

S. No.	PARAMETERS (on which consumer's satisfaction depends)	VIEWS					
		STRONGLY AGREE		AGREE		DON'T AGREE	
		N	%	N	%	N	%
1.	Better quality goods are provided	09	22.50	24	60.00	07	17.50
2.	Provides more choices for consumers	10	25.00	22	55.00	08	20.00
3.	Access to international brands are easier	09	22.50	19	47.50	12	30.00
4.	All the products are provided under one roof	05	12.50	29	72.50	06	15.00
5.	Responsiveness to request or a complaint	22	55.00	09	22.50	09	22.50
6.	Value for Money	19	47.50	17	42.50	04	10.00
AVERAGE VALUE		12.33		20.00		07.66	

(Source: Primary Data)

N= Number of Respondents

%= Percentage of Respondents

Table No. 1 shows certain parameters (on which consumer satisfaction depends) with views of consumers. As an instance, it can be said that 09 (22.50%) of consumers strongly agree that better quality goods are provided by FDI (in retail sector) whereas 24(60.00%) agree and 07 (17.50%) don't agree. At the end of the table, we have taken average values of the three categories of views which will ultimately indicate the result. Hence, we can say most of the respondents have preferred strongly agree and agree category of views to the positive statements provided, indicating high level of customer satisfaction. Therefore, we can conclude that services of FDI in retail sector are excellent.

Table 2

COMPARISON	LEVEL OF SATISFACTION					
	EXCELLENT		GOOD		AVERAGE	
	N	%	N	%	N	%
EXPECTATIONS	33	82.50	07	17.50	00	00.00
EXPERIENCES	23	57.50	13	32.50	04	10.00

(Source: Primary Data)

N= Number of Respondents

%= Percentage of Respondents

The above Table No. 2 shows the comparison between the expectations that consumers had and the experiences from which consumers have been going through at various levels. Note that the experiences of respondents are calculated by the taking up the average of certain parameters, at all three levels and it has included both the prominent factors i.e. satisfaction level with staff attributes

and quality of service. So here, we can say that the table shows consumers respondents had huge expectations from FDI at various aspects as they entered the retail market however they have also gone through good experiences from the FDI in retail market existing in Delhi NCR. So we can conclude that consumers had better expectations than that of experiences.

Findings

- ◆ It is found that services of FDI in retail sector with regard to six dimensions (Table 1) are excellent. This may happen because Consumers are not only provided with cheaper rates than the domestic retailers but also with the better quality of goods and services. It becomes convenient for the consumers to shop for certain products under one roof with n number of benefits hence the result shows that the consumers are satisfied with the services of FDI in retail sector.
- ◆ As a part of this research, according to the other result it is found that though consumers had better expectations than that of experiences, still FDI been efficient in retail sector and has done exceptionally well leaving a vacuum for the domestic retailers to enter in a level playing field.

Suggestions for Further Research

1. A similar research work can be conducted on analyzing the impact of FDI in retail sector on small scale workers.
2. A similar research work can also be conducted to investigate how is opening the economy has provided the environment of competition among the domestic workers.
3. Also a research can be done to critically think on measures to provide a level playing field to domestic producers apart from the existing ones.

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