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## THE IMPACT OF FOREIGN DIRECT INVESTMENT INTERVENTION ON RETAIL MARKETING - A CASE STUDY OF MYSORE DISTRICT, KARNATAKA

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### Abstract:

*A considerable amount of foreign direct investments flows into developing and transitional economies and this has helped to stimulate economic development and reduce poverty of these nations. FDI is an important tool in the economic development of the nation. If properly navigated, FDI truly acts as a catalyst for development of sectors such as agriculture, manufacturing, services, SME and other sectors. Indian retail sector is one of the most sought after sectors that carry great potential for attracting FDI. Retailing is the interface between the producer and the individual consumer buying for personal consumption. Retailing is the final link that connects the individual consumer with the manufacturing and distribution chain.*

*The issue of encouraging FDI in retail sector in India is one of the most controversial and debated issue in recent times. Despite of many reasons behind allowing and not allowing FDI from entering our Indian borders, there are few examples of other developing countries who initially protested against the entry of foreign investment in the retail sector and then, later on proved out to be the most effective decision in country's development and standing in the world. The final decision is yet to be taken by the Indian Government for the same. The researcher was collected data from sample of 100 consumers for this study through questionnaire method in Mysore District of Karnataka,*

### KEYWORDS:

Foreign Direct Investment (FDI), Single brand retailing, Multi brand retailing, Economic Development.

### INTRODUCTION

Foreign Direct Investment (FDI) flows have increased substantially in the last two decades. This has been a result of the reduction of barriers to FDI, considerable improvements to attract FDI. These developments have motivated the appearance of a large number of empirical papers that test the expected benefits that FDI inflows are assumed to bring to the host countries. Based on the result of these studies, it is also possible to assess the economic benefits of the governmental incentives to attract multinational enterprises (MNEs). Increased FDI inflows to a country can create several economic effects. Among others, FDI can affect labour and capital markets, trade patterns and economic growth.

India is a land of retail democracy- hundreds of thousands of weekly haats and bazaars are located across the length and breadth of our country by people's own self-organizational capacities and interests.

Title :THE IMPACT OF FOREIGN DIRECT INVESTMENT INTERVENTION ON RETAIL MARKETING - A CASE STUDY OF MYSORE DISTRICT, KARNATAKA  
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Our streets are bazaars – lively, vibrant, safe and source of livelihood for millions. India has the shop density of 11 outlets per 1000 people and number around 15 million, giving India the highest retail outlet density in the world. But only four per cent of them have larger than 500 square feet area. Food constitutes 70 per cent of retail sector, which means it has a direct link with the rural economy.

The growth of retail, especially in 21st century is mind boggling and attracting the attention of retailers world over. With steady entry of top global retailers such as Wal Mart, Tesco, Carrefour and many more in last couple of years despite conservative approach of the government, the sector has become more fascinating for research study. The recent decision of Indian government of opening up the sector for FDI in single and multi brand retail has stirred up the heat with intense agitational activities witnessed all over India.

The Indian retail market, variously estimated at \$400-450 billion, is dominated by the highly decentralized unorganized sector. The small retail outlets, most of them family-owned businesses, account for about 95 per cent of the sales. The creaky, old distribution system that India has lived with is grossly inefficient. The Indian farmer typically gets only a third of what the final consumer pays, instead of the two-thirds that his counterparts do in countries that have organized retailing. India is the second largest producer of fruits and vegetables in the world, but almost 30 per cent of these go waste for want of storage and processing facilities. It is generally agreed that the bulk of the Indian economy would gain, significantly, from the emergence of a well-capitalized retail industry. The organized retail industry is one of the sunrise sectors with huge growth potential. Total retail market in India which currently stood at USD 400 billion in 2009-10, is estimated to attain USD 573 billion by 2012-13. Organized retail industry accounts for only 5% of total retail industry but is expected to reach 10% by 20121.

#### **POLICY INITIATIVES:**

Retailing is the largest private sector industry in the world economy with the global industry size exceeding \$6.6 trillion and a latest survey has projected India as the top destination for retail investors. And the further upsurge is anticipated in the retail sector as the Government of India has already opened up 51% FDI in single brand retail outlets and 100% in cash and carry business. In Nov, 2011, the Cabinet cleared the bill to raise foreign direct investment to 51% in multi-brand retail and 100% in single brand. The decision will be cheered by global retail giants such as Wal-Mart that have long been eyeing India's rewarding retail sector which is mainly occupied by small 'mom & pop' shops. Currently, organized retail, or large chains, makes up less than 10% of the market. An ASSOCHAM report states that India's overall retail sector is expected to rise to USD 833 billion by 2013 and to USD 1.3 trillion by 2018, at a compounded annual growth rate of 10% driven by the emergence of shopping centers and malls, and a middle class of close to 300 million people that is growing at nearly 2% a year.

#### **REVIEW OF LITERATURE:**

##### **FDI in Single and Multi-Brand Retail**

Dr. Mamatha (2012) suggest that retailing is the final link that between consumers with the producers and supply chain, in this article focused on need of the retail sector to invite Foreign Direct in multi brand retailing, he focused on few issues considered for consumer rights was sound employment opportunities and continuous working of the various retailers working in various areas. Dr. Deepalimoge examined that only present regulatory frame work for Foreign Direct Investment in retail sector and different opportunities for Foreign Direct Investment in retail and also he concentrates for critical analysis of recent decision of government of India to open retail sector for FDI in single brand and multi brand category and how effect on various aspects of Indian economy. Ravi Aron (2012) contends the Indian government allowing retail up to a 51 per cent. A policy is essential that single brand business and craftsmen was changed to compulsory that the equal amount come from Indian enter prices. In this article he argues that allowing Foreign Direct Investment would not only lead to a choice for products for sale and also contribution to the Indian economic activity and slit improve the country's infrastructure and logistics. Arun Kr.Singh(2012) contends the relationship of Foreign Direct Investments with the Indian retail sector and he concentrate on the government has an opportunity to utilize the liberalization for achieving certain of its own targets, such as development of infrastructure adaption of advance technologies and creation of employment opportunities for those who are interested to work in this area. Suman Chatterjee(2009) maintains that various aspects of Foreign Direct Investment at the macroeconomic level using total data for Foreign Direct Investment, in his dissertation he found results that can provide knowledge about the nature of Foreign Direct Investment that might help policy maker of both domestic and abroad to take suitable

decisions, and also he examined the applicability of John Dunning's "Investment Development Path" to understand the evaluation of outward Foreign Direct flow from India, the analysis shows that India surely has evolved to "Stage 2" of the IDP on the parameters proposed by Dunning. Kulkarni Keerti et al (2012) established to review the issues and implications of Foreign Direct Investment inflows in to the Indian retail sector, which include single brand retail sector, in his article he examined allowing Foreign Direct Investment in the retail sector would not only lead to an increase in Gross Domestic Product rate in the nation and contribution to the development of economy as a whole, creating employment and also more salary for work, which the unorganized stakeholders have not been able to give more job opportunity, as a matter Foreign Direct Investment in the Indian business should not just freely allow Foreign Direct Investment in multi brand retailing can bring about supply chain improvement, investment, manpower, tourism, development of agriculture, investment in technology and skill development greater sourcing from India. All these support to governments through gross domestic product, tax income and creating job opportunities. Prof. Kalyana Sundaram (2012) focus on existing retail scenario in India with regard to organized and unorganized retail and presents the restrictions of the current set up along with the knowledge of local players. This article also examines about allowing of the retail sector to foreign direct investment in retail sector and also shows that constant for allowing foreign direct investment in retail and concerns of the interested parties with regard to foreign direct investment in retail, it also covers with the chances and the improvements in the Indian retail sector.

A cut the Crap take in the report (2012) outline on some 40 per cent unwanted in agricultural output and the consumer's right to have international life style; the opponents have outlined fear of mass closure of Kirana Stores and loss of employment and this paper highlighted economic rational based of commercial head room available to local kirana to fight effectively and explores avenues of evolution for all other connections, in addition but not restricted to even managerial kirana and legislature, on the value chain through fostering enterprise over protection.

Bhavya Shegal (2011) she found that Foreign Direct Investment in retail would be gradual because of the majority of involvement of an organized retail sector in her article she concentrates large corporate retailers throughout the world, such as Wal-Mart, Tesco and so many others require to manage this opportunity closely, in this article focused on stakeholders those who are the key beneficiaries of Foreign Direct Investment in retail, in is opportunity to increase India's gross domestic product and the biggest employer in the country.

Mathew –Josep (2008) propagate the overall picture that emerge from contact with more producers is highly positive for the influence of organized retail in India, in this report asserts producers trusted that organized retail would advantage of society at large, more so the ultimate consumer in terms of better product option, price and farmers because of greater and high constant price realization for their produce large employment would be generated. Information Technology and processes will improve because of investment in infrastructure that are likely to be made organized retailers and also in this survey report considered that on fruits and vegetable for survey.

Arpita Mukherjee et al; (2011) state that brands varies across various product group and for few consumers show different preference for non-branded product, which are bought from traditional outlets, this both traditional and modern retail can co exist in India, Knowledge and use of foreign brands especially luxury brands is low, this paper mentions consumers welfare should be a key determinant of the retail, which will extend brand awareness, choices availability to consumer and support to persuade branding in certain groups like fruits, vegetables where there are only a few brands available.

Tulus Tumbunan propagates Foreign Direct Investment may have positive impact on poverty reduction mainly through three ways a) Labour intensive economic growth with export growth as a most important engine b) Technological advancement innovation in technology, awareness spillover effects from Foreign Direct Investment based firms on local economy, c) Poverty reduction by government programs or projects financed by tax revenues collected from Foreign Direct Investment based firms.

ASSOCHAM, India's apex chamber for commerce and Industry, which argue that, accepts the allowing of fifty one per cent Foreign Direct Investment in Multi brand retail in India. In this report state that Foreign Direct Investment is area for creation of more employment opportunity, it is chance of greater amount of inflow of foreign investment, decrease the unwanted from farm, provide more prices for their product and would not affect the unorganized retailer in any way, powerful infrastructure would support to decrease unwanted from farm produce and effort should make for effective greater fragmented middlemen support in India.

Nivedita (2012) defines Foreign Investment as portfolio investment does not have any effect on market of an economy due to no proper power in management and control the firm, the direct investment gives the investors ownership benefits.. This can because of changes in the activities of the market. Transnational corporations (TNCs) can either pull, completion or push the local firms out of the market and

establish market power, in this report suggested that we required to experience form achieved country. The final motive should be to decrease the 'pitfalls' and increase the pros. The advantages from Foreign Direct Investment tend to be treated as Local Corporation. Out of this completion free entry, customer choice and free exit, would determine who gains and who loses. In India a strong legal policies in the form of competition commission of India is available to deal with any anti- competitive practices including predatory pricing, therefore she state that should not be fear of allowing foreign enterprises for investment.

Krish Kumar et al(2012) asserts our country is no doubt a increasing economy and so many concentrate it an opportunity to invest in this country, especially in its rapidly increasing and flexible in retail market so Foreign Direct Investment is conditionally restricted in the retail sector, and despite several years of argument and discussions the policy is still only changing very slow and there are still lots of un certainty Foreign Investment in government allow in retail market. But there are still plenty of conditions and restrictions and socio economic risks in despite the current policy and regulatory society not being 'perfect' for foreign investors, there are clearly move towards improve the current position of supporting Foreign Direct Investment inflow without having a detrimental effect on several areas of the economy. In view of this a plethora of business opportunities in India has been thrown open to the foreign investors. India has seen an eight fold increase in its Foreign Direct Investment in March 2012, at a time when the aforesaid norms were not even approved a sign that suggest India has set to be one of the favoured place for foreign investment in the retail sector.

#### **Problem statement**

The article focuses, what may be the Impact of FDI on the Indian retail sector? What may be the impact of FDI on Environment and Health of customers and what may be the impact of FDI on life style of customers in Mysore District of Karnataka.

#### **Significance of the study**

The major benefit of FDI is that it is both supplementary and complimentary with regards to local investment. FDI lets a company gain better access to top class technology and supplementary funds. They are also exposed to management practices in vogue around the world and also get the chance to become a part of the global market system. The Indian government had commissioned Indian Council for Research on International Economic Relations (ICRIER) to perform a study on the effect of organized retailing practices on its unorganized counterpart.

ICRIER submitted the report during 2008. The study hinted at the advantages that the growth of organized retail will have for various participants like the consumers, manufacturers, and farmers.

#### **Scope of the study**

The study was confined to Foreign Direct Investment in Retail sector. For the purpose of the study Customers from the Mysore District were taken into consideration.

#### **OBJECTIVES OF THE STUDY**

1. To study the impact of Foreign Direct Investment intervention in retail marketing.
2. To analyze customer perception on Foreign Direct Investment in Retail marketing.
3. To analyze the Health and Environment effect by Foreign Direct Investment in Retail marketing.

#### **Hypotheses**

H0: "There is no significant change in life style by intervention of Foreign Direct Investment in retail marketing".

H0 : "There is no significant relationship between Health, Environment and Foreign Direct Investment in retail Marketing".

#### **Methodology**

The study is designed as descriptive one based on the survey method. Both primary and secondary data were used for the smooth conduct of the study.

### **Primary Data**

Primary data were collected from 100 respondents through a structured questionnaire covering customers in the retail market in Mysore District. Judgment sampling was used for selecting the sample respondents from the population.

### **Secondary Data**

Secondary data were collected from Business Magazines like The Economist, Business India, Journals namely Indian Journal of Marketing, Books written by various Foreign and Indian authors on Foreign Direct Investment in Indian retail marketing and through data available on internet.

### **Sampling Design**

Judgment sampling was used for sample selection.

### **Limitations of the study**

Even though attempts were made to make the study perfect and objective, it is not free from limitations. Due to resource and time constraint, only Mysore District has been selected for detailed investigation. However, maximum care has been taken to ensure the reliability of the information gathered through questionnaire.

### **Data processing and analysis**

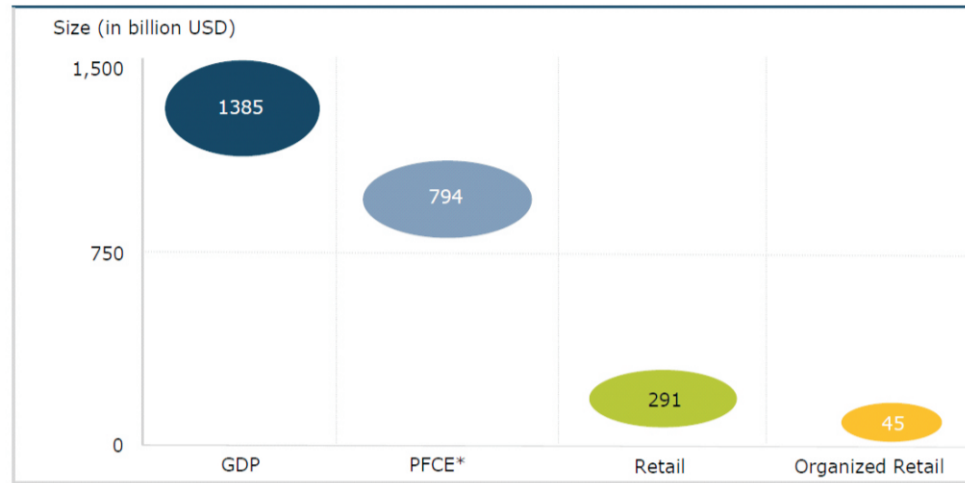
The collected data were processed and presented in the form of tables and figures and the analysis was made with help of relevant statistical and mathematical tools such as Frequency, percentage and ANOVA

### **Impact of Foreign Direct Investment in Retail sector**

FDI in retail will be gradual because of the large-scale involvement of small retailers in the sector. International retailers, such as Wal-Mart, Tesco, and others need to monitor this space closely, as the potential in the Indian Retail sector is immense because of its sheer size. The market offers tremendous opportunities for all North American and European retailers and, obviously, none of them want to miss them. All retailers need to expand their portfolio and business, and the opportunities offered by India makes it an interesting topic for both strategists and board members

Farmers, organized retailers, logistics service providers, and customers are expected to be the key beneficiaries of FDI in retail. More specifically, small and medium-sized suppliers and the Indian contract logistics industry are most likely to witness a boost. Expects both organized and unorganized retail to coexist in India; however, with organized retail leading growth. Will retail FDI usher in the next phase of economic liberalization in India, or will the government's decision to hold FDI in multi-brand retail until a consensus is reached, hold back the country's economic prospects in the long run. Evaluates the promise held by the retail sector and its ability to lead the next phase of India's economic liberalization. The enormous opportunity offered by India's retail sector is evident from two vital facts: it accounts for 22 percent of India's GDP and it is the second largest employer in the country, next only to agriculture. That the Indian government's eventual decision to allow or disallow FDI in multi-brand retail will have a definite impact on the country's economy is certain – whether it emphasizes on broader economic growth or on safeguarding the interest of indigenous players is something that only time will tell..

**Retail sector contribution to India's GDP (2009-10)**



Source: Indian Retail Report and CSO

Policy reforms are taking place in India, albeit after a few hurdles. As per estimates, unorganized retail will grow at 13 percent per annum until 2015, while organized retail will expand at 45–50 percent. Allowing retail FDI will definitely have an impact on smaller indigenous players and several unorganized peers. The impact can be mid-term to long-term, depending on the strategy adopted by global players. The proposed FDI approval comes with certain restrictions, for example, retailers will have to invest a minimum of USD 100 million over five years, and purchase 30 percent of their goods from small and medium-sized firms (typically local suppliers). This will boost the Indian contract logistics industry, especially the warehousing and cold-chain services. At least half of the USD 100-million investments have to be made to develop Indian rural infrastructure, and to establish a cold-chain system.

The organized retail sector in India has developed across regions of high population density, thus resulting in uneven representation across the country, partly due to state-level policies. In 2011, it accounted for only 7 percent of the retail segment. Some estimates suggest that the segment will increase its contribution by up to 20 percent by 2020. Others such as Business Monitor International, which pegged India's retail sector at USD 396 billion in 2011, have opined that it will grow at an annual average rate of 25 percent to USD 785 billion by 2015.

In the organized retail market, we see multi-brand retail (MBRT) and single-brand retail (SBRT) operating mainly through lifestyle and value retailing, with the former focused on category-specific lifestyle-focused products and the latter on discounts and value-for-money products.

**WHAT'S IN STORE FOR INTERNATIONAL PLAYERS?**

The entry of large organized retailers will increase competition in the retail market and lead to a need for strategic partnerships at all levels of the value chain. Foreign players, such as Tesco and Wal-Mart, have already entered the cash-and-carry market through joint ventures, while others, such as Metro and Carrefour, have independently entered the segment.

**Existing Foreign-Indian Partnerships in Retail**

Year	Foreign Retailer	Indian Partner	Type of Presence	Outlet Name	Number of Units
2003	Metro	-	Wholly owned	Metro Cash & Carry	8
2007	Wal-Mart	Bharti	Joint venture	Easyday	9
2008	Tesco	Tata	Joint venture	StarBazaar	-
2010	Carrefour	-	Wholly owned	Carrefour Wholesale Cash and Carry	1

Source: Evalueserve Analysis



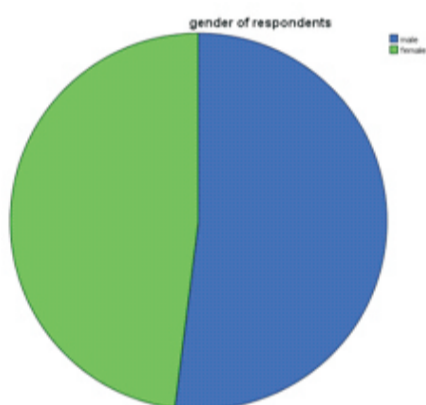
From April 2006 to December 2010, more than 900 companies attracted FDI worth INR 100 billion (approximately USD 2.2 billion) in India's cash-and-carry sector. Organized retailers may adopt different strategies to enter and expand in a particular region, or the retail market as a whole

**DATA ANALYSIS AND INTERPRETATION**

**Table- 1 Gender wise distribution**

Gender	Number of respondents	Percentage
Male	52	52.0
Female	48	48.0
<b>Total</b>	<b>100</b>	<b>100.0</b>

Source: Primary data- Table-1 above and chart 1 below shows that 52.0 per cent of the respondents are males and the rest 48.0 per cent are females.



**Table – 2 Age wise Distribution**

Age	Number of respondents	Percentage
less than 25	60	60.0
25 to 40	38	38.0
40 to 60	2	2.0
<b>Total</b>	<b>100</b>	<b>100.0</b>

Source: Primary data

Table 2 above and chart 2 below shows that among the total respondents, 60.0 per cent belong to the age group of less than 25 years, 38.0 per cent of the respondents are under 25 to 40 years and only 2 per cent of the respondents are under 40 to 60 years.

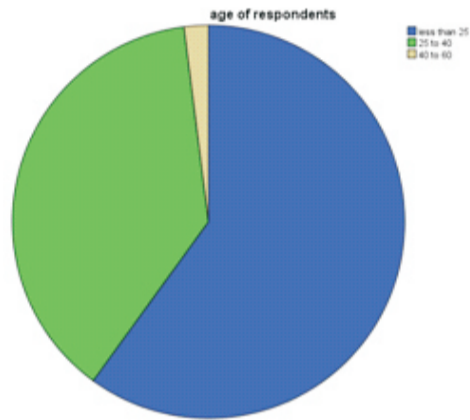
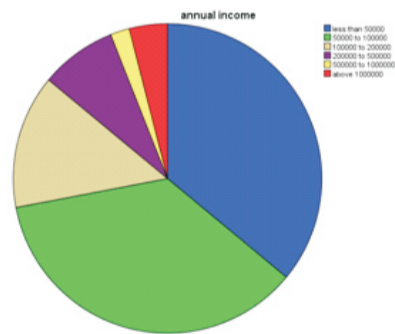


Table -3 Income Wise Distribution

Annual Income	Number of respondents	Percentage
less than 50000	36	36.0
50000 to 100000	36	36.0
100000 to 200000	14	14.0
200000 to 500000	8	8.0
500000 to 1000000	2	2.0
above 1000000	4	4.0
<b>Total</b>	<b>100</b>	<b>100.0</b>

Source: Primary data

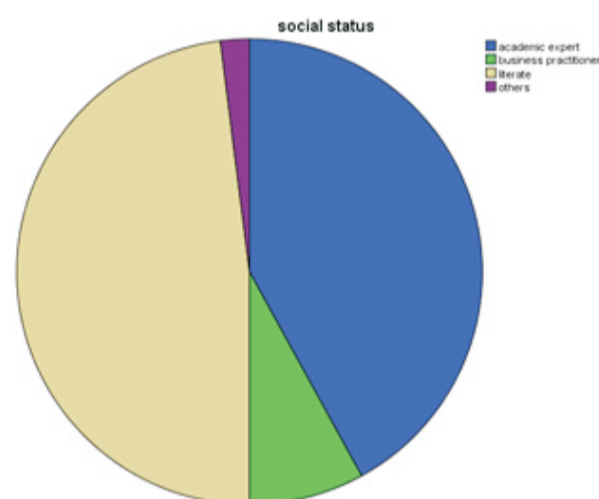
Table 3 above and chart 3 below state that 36 per cent of the respondents earn below Rs.50,000 and 50000 to 1,00,000 annually, 14.0 per cent of the respondents have an annual income between 1,00,000-2,00,000, 8.0 per cent of the respondents have an annual income between 5,00,000 to 10,00,000 and only 4.0 per cent of the respondents have an annual income above 10,00,000



**Table –4 Status Wise Distribution**

Social Status	Number of respondents	Percentage
Academic Expert	42	42.0
Business Practitioner	8	8.0
Literate	48	48.0
Others	2	2.0
<b>Total</b>	<b>100</b>	<b>100.0</b>

Source: Primary data Table 4 above and chart 4 below shows that among the total respondents 42.0 per cent are academic experts, 8 per cent are business practitioner, 48 cent are literate and others are only 2 per cent.



**Table – 5 Awareness Wise Distributions**

Awareness About FDI	Number of respondents	Percentage
News Paper	42	42.0
TV channel	32	32.0
Friends	12	12.0
Studying Books	14	14.0
<b>Total</b>	<b>100</b>	<b>100.0</b>

Source: Primary data

Table 5 above and chart 5 below reveals that 42 per cent of the respondents' awareness level from news paper, 32 per cent of the of the respondents are having awareness from TV channel, 12.0 per cent of the respondents are having awareness form Friends and only 14.0 per cent of respondents are having knowledge from studying books.

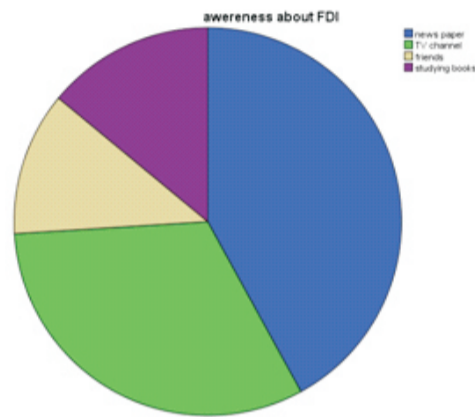
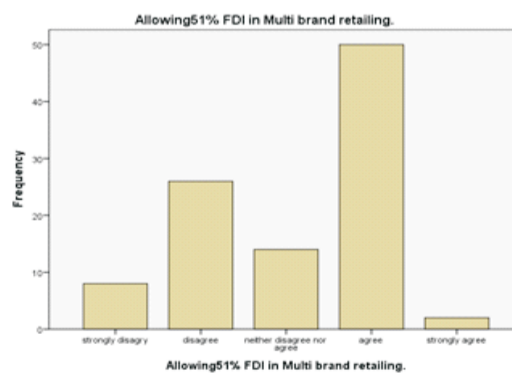


Table – 6 Allowing 51% FDI in Multi brand retailing.

Allowing51% FDI in Multi brand retailing.	Number of respondents	Percentage
strongly disagree	8	8.0
Disagree	26	26.0
neither disagree nor agree	14	14.0
Agree	50	50.0
strongly agree	2	2.0
<b>Total</b>	<b>100</b>	<b>100.0</b>

Source: Primary data

Table – 6 above and chart 6 below reveals that 8 per cent of the respondents' are strongly disagree for allowing Foreign Direct Investment in Multi Brand Retailing, 26 per cent of the of the respondents are disagree for allowing Foreign Direct Investment in Multi Brand Retailing, 14 per cent of the respondents are neutral, 50 per cent of respondents are agree for allowing Foreign Direct Investment in Multi Brand Retailing.



Source: Primary data

**Table -7 Allowing100% FDI in Single brand retailing.**

Allowing100% FDI in Single brand retailing	Number of respondents	Percentage
Strongly Disagree	32	32.0
Disagree	54	54.0
Neither disagree nor agree	8	8.0
Agree	4	4.0
Strongly agree	2	2.0
<b>Total</b>	<b>100</b>	<b>100.0</b>

Source: Primary data

Table 7 above and Chart 7 below – reveals that 32 per cent of the respondents' are strongly disagree for allowing Foreign Direct Investment in Single Brand Retailing , 54 per cent of the of the respondents are disagree for allowing Foreign Direct Investment in Single Brand Retailing , 8 per cent of the respondents are neutral , and only 2 per cent of respondents are agree for allowing Foreign Direct Investment in Single Brand Retailing.



Source: Primary data

**HYPOTHESES TESTING**

H0: “There is no significant change in life style by intervention of Foreign Direct Investment in retail marketing”.

H1: “There is significant change in life style by intervention of Foreign Direct Investment in retail marketing”

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
FDI in retailing chance to greater level of wages paid by internal players.	Between Groups	4	2.785	3.537	.010
	Within Groups	95	.788		
	Total	99			
FDI in retailing allows to more product variety.	Between Groups	4	5.703	4.787	.001
	Within Groups	95	1.191		
	Total	99			
FDI in retailing provides newer product categories.	Between Groups	4	2.062	1.801	.135
	Within Groups	95	1.145		
	Total	99			
FDI in retailing allows economies of scale to help lower consumer price.	Between Groups	4	5.101	5.069	.001
	Within Groups	95	1.006		
	Total	99			
FDI in retailing increases purchasing capacity of consumers.	Between Groups	4	3.438	3.725	.007
	Within Groups	95	.923		
	Total	99			

Source: Primary data

**Interpretation-** Analysis of variance revealed significant relationship between the life style and Foreign Direct Investment in retail marketing, as the p value of the product attributes such as more product variety and lower consumer price (F=4.787; p=.001), greater level of wages (F=3.537; p=0.10), purchasing capacity (F=3.725; p=0.007), p value are less than .05 it is significant hence we accept alternative hypothesis. But the p value of new product categories (F=2.062; p=.135) is more than .05 hence the result shows that there is equal relationship and equal difference in relation to life style and Foreign Direct Investment in retail marketing.

H0: "There is no significant relationship between Environment and Foreign Direct Investment in retail Marketing".

H2: "There is significant relationship between Environment and Foreign Direct Investment in retail Marketing".

## ANOVA

	Sum of Squares	df	Mean Square	F	Sig.	
Climate change due to air pollution is already becoming a threat to human life	Between Groups	33.464	4	8.366	2.883	.027
	Within Groups	275.696	95	2.902		
	Total	309.160	99			
Hawkers (rediwala) and Kirana stores(local grocery store) is the solution to climate change.	Between Groups	42.290	4	10.573	4.529	.002
	Within Groups	221.750	95	2.334		
	Total	264.040	99			
The supermarket lorries will consume huge amount of fuel and lead to enormous pollution.	Between Groups	39.261	4	9.815	5.547	.000
	Within Groups	168.099	95	1.769		
	Total	207.360	99			
Use excessive insecticides and pesticides by farmers to produce fruits and vegetable which fits into the standard of gaint retail chains	Between Groups	38.245	4	9.561	3.580	.009
	Within Groups	253.755	95	2.671		
	Total	292.000	99			
By preserving products in cold storage but in the process, a lot of preservations are also added to the food to continue sales throughout the year	Between Groups	32.298	4	8.075	3.692	.008
	Within Groups	207.742	95	2.187		
	Total	240.040	99			
Packaging of food creates a huge amount of waste in the already polluted cities.	Between Groups	38.564	4	9.641	3.256	.015
	Within Groups	281.276	95	2.961		
	Total	319.840	99			
More land of the poor farmers will be acquired to make landfills for walmart's packaging waste.	Between Groups	41.512	4	10.378	3.835	.006
	Within Groups	257.048	95	2.706		
	Total	298.560	99			

Source: Primary data

**Interpretation-** Analysis of variance revealed significant relationship between the Environment and Foreign Direct Investment in retail marketing, as the p value of environment such as climate change (F=2.883; p=.027), traditional retailers are solution to climate change (F=4.529; p=0.10), consume huge amount of fuel and lead to enormous pollution. (F=5.547; p=.001), excessive insecticides and pesticides (F=3.580; p=0.009) preserving products in cold storage (F=3.692; p=0.008), huge amount of waste (F=3.256; p=0.015), formers land will be acquire for fill packaging waste (F=3.835; p=0.006) hence p values are less than .05 it is significant hence we accept alternative hypothesis.

### SUMMARY OF FINDINGS

The respondents' male group consists of i.e. 52 per cent and remaining 48 per cent are female out of 100 respondents.

Majority of the customer i.e. 60 per cent belong to the age group be less than 25-40 years.

The income of the respondents is 36 per cent both less than Rs. 50,000 and Rs. 50,000 to 1,00,000.

The customers belong to Literate groups are 48 per cent in the survey.

The awareness level of Foreign Direct Investment in retail marketing is very high in News paper i.e. 42 per cent followed by TV channel i.e. 32 per cent.

50 per cent of the respondents have agreed to allow Foreign Direct Investment in retail marketing.

54 per cent of the respondents have disagreed to allow Foreign Direct Investment in Retail sector.

As per the data collected regarding Foreign Direct Investment in Retail sector has been identified that majority of the respondents agreed for allowing 51% FDI in Multi Brand Retailing and disagreed for allowing 100% FDI Single Brand Retailing.

Analysis of Variance (ANOVA) test has conducted to identify the relationship between the various factors such as life style and environment. Overall customer revealed that there is a significant change in life style after introduction of Foreign Direct Investment in retail marketing and there is a significant change in environment after introduction of Foreign Direct Investment in retail marketing.

### CONCLUSION

In the final analysis, for India, FDI in multi-brand retail should be seriously considered by the government and, as with many other sensitive sectors (like defence); a gradual opening up could be made possible. Despite country wide speculation on the plight of various Stakeholders, trading associations, politicians, etc. have given various arguments for and against FDI in retailing. However, such arguments are largely based on perception and there has not been serious academic research in this area.

India needs to take a lesson from China where organized and unorganized retail seem to co-exist and grow together. Further, India's local enterprises will potentially receive an up gradation with the import of advanced technological and logistics management expertise from the foreign entities. In our view, the government has an opportunity to utilize the liberalization for achieving certain of its own targets:

Improve its infrastructure;  
Access sophisticated technologies;  
Generate employment for those keen to work in this sector

FDI would lead to a more comprehensive integration of India into the worldwide market and, as such, it is imperative for the government to promote this sector for the overall economic development and social welfare of the country. If done in the right manner, it can prove to be a boon and not a curse.

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