



Impact on the Sales of Cultural Sarees due to Imports from Inbound Mergers in the South India by Product Interrelations

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Abstract

Existing studies have demonstrated the negativity of cultural distance in international investments more particularly in the case of inbound mergers across the globe. It is famous speculation that the increasing import of foreign products would certainly affect the use and value of cultural goods of the particular state or nation, due to various influencing factors like consumer temperaments, choice and arousals. In this hypothetical situation, various governments across the globe have started imposing restrictions and authoritative conditions on Inbound Mergers thereby curtailing the scope of further business. When a closer study in respect of Indian trade and culture is carried out, it is quite interesting to note that there are no significant findings on the impact of cross-border inbound mergers on cultural sarees in India. This existing ambiguity appears even more substantial in the case of Southern States as this part of the country is often known for their cultural values and existing cultural sarees at the same time the Inbound Mergers in the said geographical jurisdiction is also increasing. Hence in order to address this ambiguity, this study is carried out so as to find out the Impact of cultural sarees on Inbound mergers in the Southern States of India as it is necessary to identify if there is an adverse impact on sales rate of cultural sarees. Further, this impact might be due to various factors, in order to bring in a regulation or change in law, it is essential to figure out if there is product interrelations.

Introduction

International cultural legal studies have proved the fact that international investments more particularly in the nature of a cross border mergers are increasing day by day and further prove that there is an exponential increase of cross-border inbound mergers, across the developing countries. Experiential investigations on the said topic also highlights the low quality towards the cultural norms and values of the acquired country being assertive of the fact that the acquiring company's societal features are reflected in the market of the acquired country (Hajro, 2015; Leung et al., 2005). These empirical findings tend to create a puzzle on the role of foreign import through an inbound merger in the Indian market on existing domestic goods (Bertrand & Betschinger, 2012). Various empirical evidence on global investments in countries such as Andorra, Ireland, Qatar and China have proved that the trade of foreign goods significantly increases the volume and realized economic gains but at the same time tends to affect the value of domestic goods and existing culture of the State. These results have compelled the said nations to robust into alternative measures and an instrumental variable approach. On exploring potential channels of an adverse impact is carried out, it is very famously speculated that imported cultural goods could drive cultural junction between

countries and also aggravate the adverse effect of cultural distance on inbound merger outcomes in countries such as China, United States and Netherlands. However no significant finding or application is traced when these results and speculations are directly applied in the Indian Trade and ethno-geographical jurisprudence, which gleams the existing ambiguity on the cultural influence of foreign trade through inbound mergers in India.

Due diligence over the aforesaid ambiguities using the data collected from the Publication and Notification of Reserve Bank of India and Ministry of Corporate Affairs, bring it before the limelight there is always an increasing number of inbound mergers in India (which is depicted under Graph 1 without any restriction imposed by the government. An inquest into the legislations have proved that there are no legislations that attempt to curtail the speculated adverse impact on the domestic goods and are primarily concerned for increasing the foreign investment through promoting inbound mergers being primarily concerned about the economy of the nation.

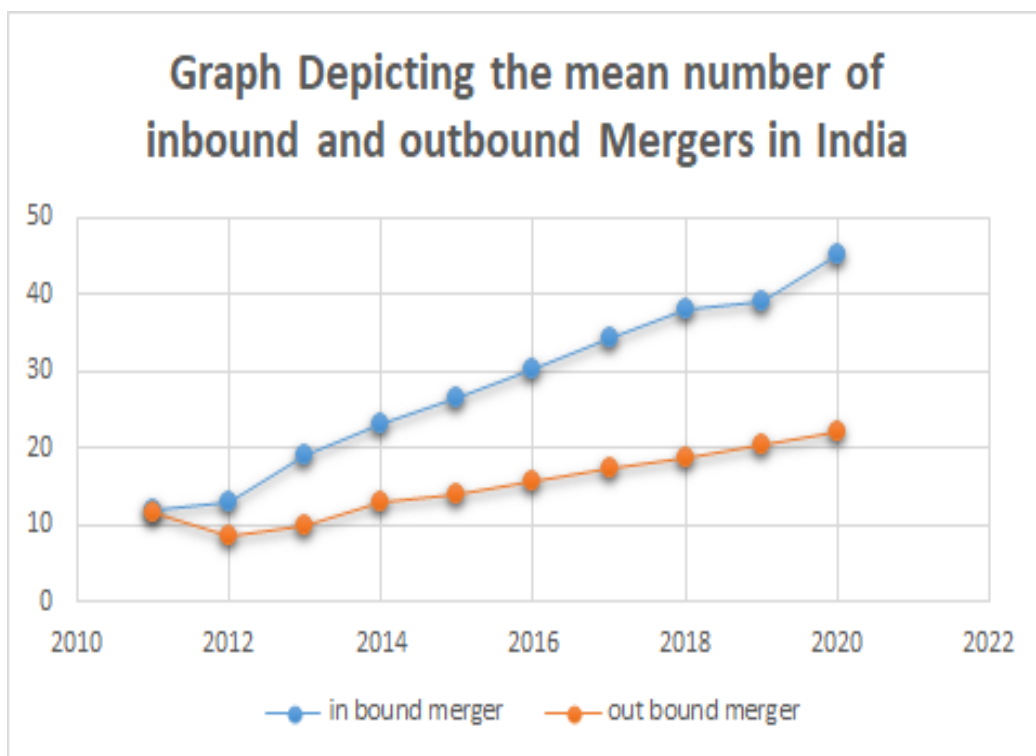


Figure 1. Graph depicting the number of inbound and outbound mergers in India

From the analysis of statistical data it is per se found out that in the last 5 years a significant number of inbound merger entities are stationed at the south Indian zone of India and are manufacturing products which have the same utility as that of the cultural goods present at that area as depicted under Graph 2.

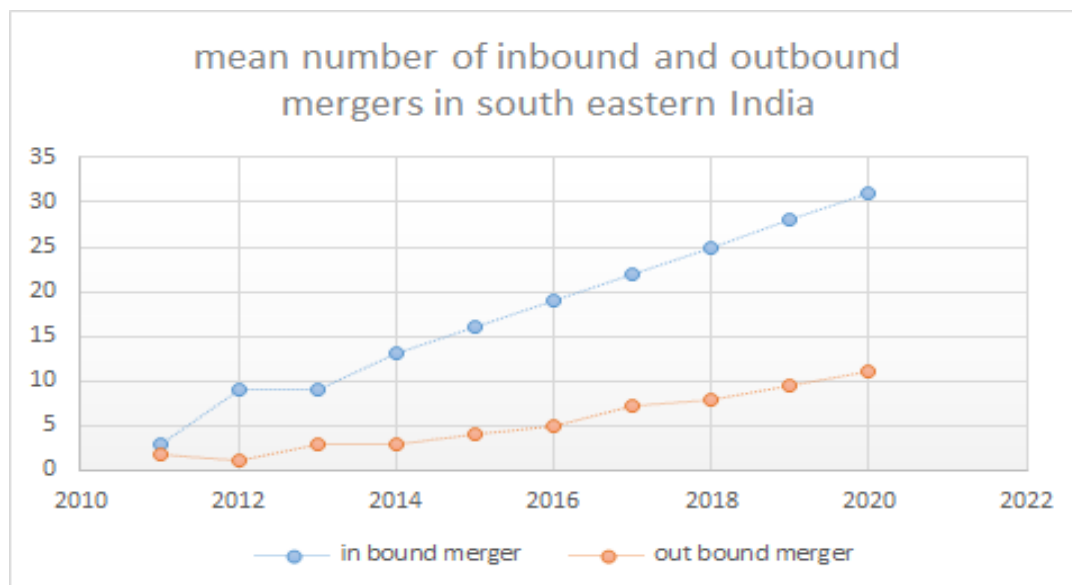


Figure 2. Graph depicting the number of inbound and outbound mergers in South East India

These analyses using the statistics collected from the Reserve Bank of India and Ministry of Corporate Affairs read with the existing scope of ambiguity compels the need of research on the Impact of cross border inbound mergers on cultural sarees found in Southern parts of India. This ambiguity tends to be an impeding factor on the growth of the nation as it is essential to protect the value of cultural sarees and the right of indignant persons at the same time focus on boosting the economy of the country (Sah, 2017). It could be understood after a cross sectional study on the mechanisms adopted by China, North Korea, Israel and Cyprus that restricting the inflow of inbound mergers on a ratio that it could affect the existing cultural values and goods, without an estimation on the extent of impact would certainly affect the economy and foreign credibility of the nation. At the same time, if the product inter relation referring to utility is not referred and a blatant decision is taken, it would also amount to arbitrariness affecting the foreign trade value. Thus, this research has been carried out in order to find out the if there is an adverse impact on sales rate of cultural sarees due to imports from Inbound Mergers and whether such impact is due to product inter-relations.

Scope of Cultural Sarees- Addressing the Existing Ambiguity

It is indispensable to note that even though global studies have tried to identify the cultural sarees available in South India, by the way of retrospective and cohort studies have attempted, there still lies an ambiguity on the inclusion and exclusion of certain sarees from the scope of cultural sarees considering the fact that the basic nature of cultural sarees is not certain or stringent. A prospective study to ascertain the impact could certainly not be carried out having this form of ambiguity in place, since a scope of permit or restriction on existing practices cannot be determined, hence it is essential to rule out the existing ambiguity on the natural and defined scope of cultural sarees, which could be traced from the following analysis. The South states of India famously reflect the philosophy and idea of Ancient Dravidian Culture, which is a societal framework originated from the Dravidian religion with an amalgamation of cultural features of animistic and non-vedic principles that were found prevalent in ancient India. Historical and cultural studies have argued that this form of culture is an origin of cultural texts such as Agamas and religious texts developing from Mimasa.

It is pertinent to note that these cultural values and principles followed by the men of that time had taken place in the sarees that they have and as time had protracted further, they have

attained the nature of cultural sarees in the society. In a generic sense South Indian cultural saree may be understood as the sarees that reflect the principles of ancient Dravidian Value and connect with the society of that time. Even though a few studies argue that cultural sarees are those that were used in the past society and have been passed on to the present, it is essential to observe the connection of such sarees over the ethnography of the society coupled with the aforesaid values. In this being the case, Cultural sarees would certainly include the sarees that were found at the ancient society and its prevalence could be found at the present society reflecting the same cultural value that it contained in the past (Handa, 2003).

South Indian Cultural Sarees

In this regard it some of the cultural sarees that are found in south East India are tabulated below:

Table1. Cultural Sarees and the state of origin

Type	Product	State
Clothing	Kancheepuram Sarees	Tamil Nadu
	Ikal Sarees	Karnataka
	Gadwal Sarees	Andhra Pradesh

Methods

The present study uses dependent on both primary as well as secondary source of data for carrying out the study. The primary source of data to which the study refers to is preference of the buyers and seller. This data with the help of a cluster sampling method wherein sellers and buyers clustered on the basis of product sold and purchased. The responses are collected from 1500 samples collected from a sample frame primarily defined to the geographic area of availability of goods. The samples are collected through circulation of questionnaires in the said predefined sample frame. Statistical tools used for the purpose of deriving results are descriptive statistics and line graph representations. Coming to the secondary source of data, it is collected from government press releases and newspaper reports.

Results and Discussion

Sales Rate of Cultural Sarees And Imported Sarees

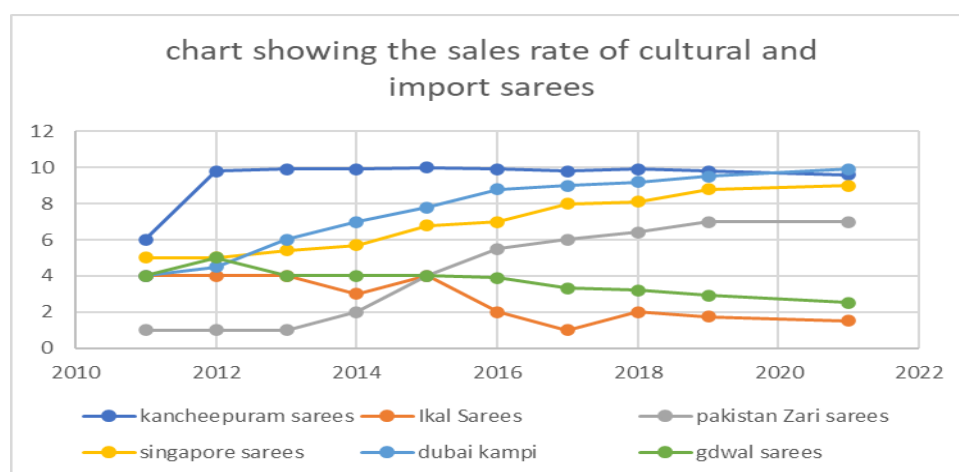


Figure 3. The sales Rate of Cultural and Import Sarees

On the basis of the above graph, it can be figured out that the sales rate of the cultural sarees except the Kancheepuram sarees have fallen down rapidly and the sale of foreign sarees is

slowly gaining momentum. In the mid of the year 2021, the Kancheepuram sarees sales rate is also seen to reduce. This dip in the graph is also due to the fact that the central government has increased the GST rates on these goods (Mikesell, 1970; Baker et al., 2021). Therefore by the analysis of this graph, it can be understood and inferred that sales rate of the traditional sarees are reducing and the sales rate of the foreign sarees are increasing (Lohr, 2021). If the foreign sarees is not imported in India, by the way of inbound mergers, then there wouldn't have been scope of localization of the foreign goods. It is pertinent to note that due to novelty, price rates, fashionable value and comparable quality, the foreign sarees have starts to act as a replacement for traditional sarees. This problem is elevated due to the fact that the taxes imposed on traditional sarees is also increasing day by day, leaving the individuals with no other option than to opt for foreign sarees.

Relationship between the Imports from Inbound Mergers and South Indian Cultural Sarees

As discussed in the introductory note, it is found out that the imports from the inbound mergers in the said on the introductory note from an understanding through various statistical data and previous studies. The relationship between the cultural sarees and the imports from inbound merger refers to the type of sarees and its utility that are brought into the market which is as tabulated below.

Type of Sarees

Table2. Relationship between the Cultural Sarees and imported Products based on the product type

Type	Product	Import product
Clothing	Kancheepuram Sarees	Singapore Sarees
	Ikal Sarees	Pakistan Zari Sarees
	Gadwal Sarees	Dubai Kampi Sarees

Utility between the Cultural Sarees and products introduced through inbound mergers

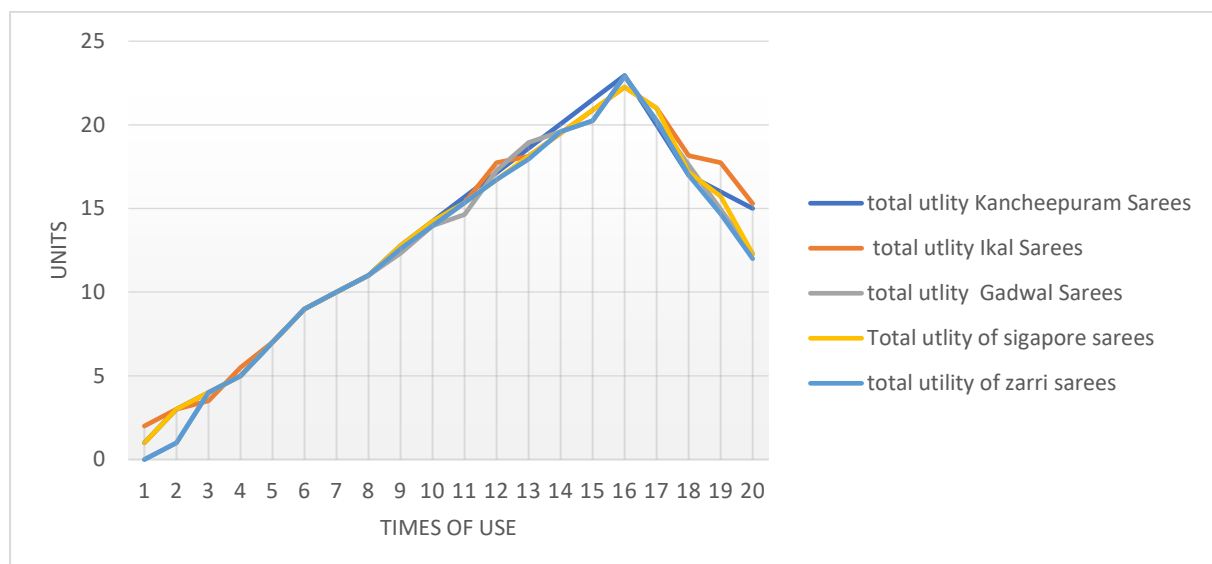


Figure 4. Graph depicting the total utility between cultural sarees and import sarees

On the basis of the above-mentioned graph it can be understood that consumers tend to raise or gain the same amount of utility or satisfaction from cultural sarees as well as imported sarees. This inference helps to understand the fact that the imported sarees or foreign sarees have the

same value of utility as that of the cultural saree. This once again proves that there lies a relationship between the 2 goods and thus proves that the fall in sales rate is due to the interrelation of products.

Conclusion

On the basis of the above findings, it is evident that the sales rate of the cultural sarees except the Kancheepuram sarees have fallen down rapidly and the sale of foreign sarees is slowly gaining momentum. In the mid of the year 2021, the Kancheepuram sarees sales rate is also seen to reduce. Further, consumers tend to raise or gain the same amount of utility or satisfaction from cultural sarees as well as imported sarees. In this being the case, it can be concluded that product interrelation is also a reason for the falling sales rate of cultural sarees. Therefore requisite regulations are to be made for the protection of cultural sarees.

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