CHAPTER 1

INTRODUCTION

'Globalization' has also become a key idea for business theory and practice, and entered academic debates. But what people mean by 'globalization' is often confused and confusing.

The concept of globalization was first introduced by Adam Smith, the father of modern economics in the year 1776 through the book titled, “Wealth of the Nations”. In the days of yore, British, Chinese, Indians and Mughals were involved in global business. The Chinese used to sell silk to the world and buy dynamites. The British come to India to buy condiments and in return India used to buy ammunition. So, globalization is not a new concept. In the good old days, globalization even more widespread because Indian spices, silk handicrafts, gold, silver jewellery, etc., were existing everywhere in Europe.

In the past globalization meant one thing for another. But in the early 20th century, everything changed when France introduced the system of protectionism and all countries began to create boundaries. Protectionism destroyed globalization in total. But again in the late 20th century the winds of globalization began to blow. Dr. Allen Green Span as well as Dr. Paul Walker began to egg the nation in favor of globalization and it
was July 1, 1991, when India became the part and parcel of globalization and today every nation, which happens to be a pursuer of globalization, derives plenty of basketfuls of fruits.

The word "globalization", which suggest the path where all the nations join their hands to create a kind of synergy to do business or any commercial, cultural or educational activities, in which every participant nation should beneficiary. The purpose behind globalization has been to open the portals for each and every nation in different fields. A nation can buy from other nation and sell to other nation.

Globalization is the increasing global relationships of culture, people, and economic activity. It is generally used to refer to economic globalization: the global distribution of the production of goods and services, through reduction of barriers to international trade such as tariffs, export fees, and import quotas and the reduction of restrictions on the movement of capital and on investment. Globalization may contribute to economic growth in developed and developing countries through increased specialization and the principle of advantage. The term can also refer to the transnational circulation of ideas, languages, and popular culture.

The act or process of globalizing : the state of being globalized; especially : the development of an increasingly integrated global economy marked especially by free trade, free flow of capital, and the tapping of cheaper foreign labor markets.
A perennial challenge facing all of the world's countries, regardless of their level of economic development, is achieving financial stability, economic growth, and higher living standards. There are many different paths that can be taken to achieve these objectives, and every country's path will be different given the distinctive nature of national economies and political systems. The ingredients contributing to China's high growth rate over the past two decades have, for example, been very different from those that have contributed to high growth in countries as varied as Malaysia and Malta.

'Globalization' is commonly used as a shorthand way of describing the spread and connectedness of production, communication and technologies across the world. That spread has involved the interlacing of economic and cultural activity. Rather confusingly, 'globalization' is also used by some to refer to the efforts of the International Monetary Fund (IMF), the World Bank and others to create a global free market for goods and services. This political project, while being significant - and potentially damaging for a lot of poorer nations - is really a means to exploit the larger process. Globalization in the sense of connectivity in economic and cultural life across the world has been growing for centuries. However, many believe the current situation is of a fundamentally different order to what has gone before. The speed of communication and exchange, the complexity and size of the networks involved, and the sheer volume of trade, interaction and risk give what we now label as 'globalization' a peculiar force.

With increased economic interconnection has come deep-seated political changes - poorer, 'peripheral', countries have become even more dependent on activities in 'central' economies such as the USA where capital and technical expertise tend to be
located. There has also been a shift in power away from the nation state and toward, some argue, multinational corporations. We have also witnessed the rise and globalization of the 'brand'. It isn't just that large corporations operate across many different countries - they have also developed and marketed products that could be just as well sold in Peking as in Washington. Brands like Coca Cola, Nike, Sony, and a host of others have become part of the fabric of vast numbers of people's lives.

Globalization involves the diffusion of ideas, practices and technologies. It is something more than internationalization and universalization. It isn't simply modernization or westernization. It is certainly isn't just the liberalization of markets. Anthony Giddens (1990: 64) has described globalization as 'the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa'. This involves a change in the way it can be understand geography and experience localness. As well as offering opportunity it brings with considerable risks linked, for example, to technological change.

1.1 GLOBALIZATION AND BRANDING

According to Klein (2001), the development of multinationals and globalization of their effect is wrapped up with the rise of the brand. The extremely large growth in the wealth and cultural influence of multi-national companies over the last fifteen years can arguably be trailed back to a single, apparently harmless idea showed by management theorists in the mid-1980s: those successful corporations must generally produce brands, as opposed to products.
As Naomi Klein (2000) has described, 'brand builders are the new manufacturer’s in our so-called knowledge economy'. One of the important component that keep companies as multinationals rather than transnational is the measure in which they look to 'outsource' products and services.

Companies should not spend their limited resources on factories that will demand physical upkeep, on machines that will erode or on employees who have certain age and die. Alternatively, they should focus on those resources in the powerful brick and concrete used to build their brands Nike, Levi, Coca Cola and other major companies spend large amount of money in promoting and maintaining their brands. One tactics is to try and develop particular brands as an essential part of the way people will understand. As it has been previously seen with respect the act of MNC’s this had a particular effect on children and young people (and education). There is an attempt 'to get them young'.

Consequently, the focus on brand in compare to existing qualities of the product as well as advantaging MNC’s in terms of market growth also has an Achilles heel. Loss to the brand can do excessive harm to sales and profitability. If a brand becomes affiliated to failure (for example where a sports star they use to advertise their brand is disclosed as a drug-taker; or when the brand becomes associated in the public's mind with the exploitation of children - as for example has happened with some of the main trainer makers) then it has to deal with major problems in the market.
Globalization & MNC’s: When there is no doubt the development in scale and scope of MNC’s - the degree of control they have over the main dynamics of globalization remains limited.

In fact, they are often weak and inchoate organizations. They have to deal with the loss of authority and decrease of common values that torment generally all late modern social institutions. Gray (1999) says that the global market is not generating companies which assume the past acts of sovereign states. Instead of, it has reduced and hollowed out both institutions. While MNC’s have played a very special role in the development of globalization, it is not important to over emphasize the degree of control they have had over the central direction.

International Trade, a basic component of globalization is the growth of world trade through the elimination or reduction of trade barriers, such as import tariffs. Large scale imports offer consumers a big variety of goods at lower prices, while giving strong incentives for domestic industries to remain competitive. Exports, can be a source of economic growth for developing countries, arouse vacancies as industries sell beyond their borders. More apparently, trade induces national competitiveness by giving directions to the workers to focus on those occupations where they, and their nation, have a competitive advantage. Trade encourages economic flexibility, as larger imports help to parallel unfavorable domestic supply shocks. Greater acceptance can also raise foreign investment, which can be a source of employment for the general workforce and could bring along new technologies—thus promoting higher productivity.
Limiting international trade—that is, agreeable in protectionism—creates confronting circumstances for a nation that undertakes such a policy. For example, tariffs increase the rate of imported goods, harmful for consumers, many of which may be poor. Protectionism also inclined to reward evaporated, well-organized and politically-connected groups, at the expense of those whose interests may be more dispersed (such as consumers). It also decreases the variety of goods available and generates incapability by decreasing competition and inspiring resources to flow into protected sectors.

Developing nations can benefit from a growth in international trade. Ernesto Zedillo (2000), the former president of Mexico, has studied that, “In every case where a poor nation has specially defeating its poverty, this has been achieved while engaging in production for export markets and opening itself to the inflow of foreign goods, investment, and technology.” And the trend is clear. In the late 1980s, many developing countries started to breakdown their barriers to international trade, as a result of poor economic performance under protectionist policies and many economic crises. In the 1990s, many former Eastern bloc nations combined into the global trading system and developing Asia—one of the most closed areas to trade in 1980—constantlly demolished barriers to trade. After all, when the average tariff rate used by developing countries is higher than that used by advanced countries, it has avoided significantly over the last many decades.
1.1.1 Globalization, Income Inequality, and Poverty

As countries have adopted globalization, and experienced convincing income increases, other countries that have rejected globalization, or adopt it only moderately, have fallen behind. A similar phenomenon is at work within nation-some people have, absolutely, been bigger beneficiaries of globalization than others.

Over the past two decades, income inequality has increased in most areas and countries. At the same time, per capita incomes have raised all over virtually all regions for even the poorest part of population, revealing that the poor are better off in an exact awareness during this phase of globalization, even though incomes for the relatively well off have raised at a faster pace. Use of data from groups of developing nation displays the remarkable unevenness that has place between the richest and the poorest in populations between different regions. One should know that there are many sources of unevenness. Adversely to famous belief, raised trade globalization is related with a decrease in inequality. The expansion of technological advances and raised financial globalization-and foreign direct investment in particular-have instead contributed more to the present rise in unevenness by increasing the demand for skilled worker and increasing the returns to skills in both developed and developing countries.

It is important to assure that the profits from globalization are more approximately shared between all over the population. To this effect, betterment to strengthen education and training would help assure that workers have the proper skills for the evolving global economy. Policies that increased the approach of finance to the poor
would also help, as would further trade liberalization that boom agricultural exports from developing nations. Added programs may admit accommodate capable income support to cushion, but not obstruct, the process of change, and also making health care less dependent on constant employment and increasing the adjustability of pension benefits in some countries.

Equally important, globalization should not be rejected because its effect has left some people unemployed. The dislocation may be a function of forces that have little to do with globalization and more to do with assured technological progress. And, the number of people who have "lose" under globalization is likely to be exceeded by the number of people who "win."

Martin Wolf (2005), the Financial Times columnist, showed one of the basic conflict built in those who lament unevenness, pointing out that this assault amounts to arguing "that it would be better for everybody to be equally poor than for some to become specially better off, even if, in the long run, this will almost certainly lead to advances for everybody."

In fact, globalization has helped to handover uncommon progress for people living in developing countries. World Bank economists David Dollar and Aart Kraay (2004) they added that since 1980, globalization has delivered to a decrease in poverty as well as a decrease in global income unevenness. They found that in "globalizing" countries in the developing world, income per person grew three-and-a-half times more than in "non-globalizing" nations, during the 1990s. In casual, they noted, "higher growth rates in
globalizing developing countries have translated into higher incomes for the poor." Dollar and Kraay also searched that in literally all events in which a nation faced growth at a rate of two percent or more, the income of the poor raised.

Critics showed that of the world which had achieved fewer profits during that time period and displayed it as a failure of globalization. But that act was only to misdiagnose the problem. While serving as Secretary-General of the United Nations, Kofi Annan (2000) mentioned that “the main losers in today's very unequal world are not those who are too much exposed to globalization. They are those who have been left out.” A recent BBC World Service poll discovered that on average 64 percent of those polled-in 27 out of 34 countries-held the view that the profits and burdens of "the economic developments of the last few years" have not been distributed fairly. In developed nations, those who have the view of unfairness are interested to say that globalization is growing very fast. In contrast, in some developing countries, those who perceive such unfairness are more likely to say globalization is proceeding very slowly.

As individuals and institutions act to raise living standards all over the world, it will be very important to create an atmosphere that enables these countries to reveal maximum profits from globalization. That means focusing on macroeconomic stability, transparency in government, a sound legal system, modern infrastructure, quality education, and unregulated economy.
1.1.2 Globalization and Market Changes in India

Globalization has been a major variable behind the development of the market changes in India. Prior to the liberalization of the market in the country, India has to bear a big market set back and it is the reason to problems in the balance of payment accounts. The first stimulation of globalization was found in the country in the 1990s when the government started the open market and economic liberalization plan. This was a reason to large improvement in the market condition of the country which specially changed from the state controlled market to the consumer market. Due to the evolution of the consumer market, there was a raise in demand and supply. The positive change in the market scenario was the reason to development in the living standard of the country.

Today, India is one of the biggest growing economies in the world and ranks as the 4th largest in terms of the purchasing power parity (PPP). In the field of the market exchange, it ranks as the 12th largest economy in the world. The country has also posses a special development in the Gross Domestic Product (GDP) due to the development in the market and the growth in exports. The early rate of economic growth ranges between 6 and 7%. The growth rate of the country was around 6.7 % in the financial year 2008-09. In the latest budget, the government has shown more plans to ensure high economic growth up to around 9%. Renowned financial organizations like the World Bank has also expected much hope that the growth rate of India growth may even exceed China. It has contemplated that the growth rate will be around 8% in the year 2010.
Globalization of markets has also created positive effect on many sectors in India. According to latest surveys, the industrial sector in the country has constantly grown at a rate of around 6.8%. This rate is expected to grow in coming year. Due to the development in technologies and innovation, the exports in the industrial sector has also raised to a big range and today the country ranks as a great market in the Asia-Pacific areas. The industrial sector has a part of around 29% of the total GDP. The agriculture sector has also done significantly well over the few years and contributes around 17%. The manufacturing part has also encounter a constant growth from 8.98% to 12%. The same is the case with the communication and storage sectors which have encountered a growth of 16.64%. Globalization has also given a boom to the equity market of India which is now the third largest in South East Asia after China and Hong Kong.

1.2 CONSUMER BEHAVIOR

Management is the youngest of sciences and oldest of arts and consumer behavior in management is a very new chapter. Many scholars and academicians evaporated on it at a very later stage. It was during the 1950s, that marketing concept developed, and thus the need to study the behavior of consumers has come. Marketing starts with the needs of the customer and ends with his satisfaction. All of us are consumers. The consumer consumes things of daily use; they also consume and buy these products according to our needs, preferences and buying power. These can be consumable goods, durable goods, specialty goods or, industrial goods.
What, how, where and when, in how much quantity consumer buy deals with their perception, self concept, social and cultural background and their age and family cycle, their attitudes, beliefs values, motivation, personality, social class and many other factors that are both internal and external for them. While buying, it is also consider whether to buy or not to buy and, from where or seller to buy. In few societies there is a lot of wealth and, these societies can afford to buy in greater quantities and at shorter time period. In poor societies, the consumer can hardly meet his barest needs.

The marketers hence try to know the needs of different consumers and having understood their different behaviors which need an in-depth study of their internal and external atmosphere, they execute their plans for marketing. When everything circle round the customer, then the study of consumer behavior become necessary. It starts with the purchasing of goods. Goods can be bought individually, or in groups. Goods can be bought under stress (to satisfy an immediate need), for comfort and luxury in small quantities or in bulk. For all this, exchange is required. This exchange is usually between the seller and the buyer. It can also be between consumers.

1. Customer behavior study is depending on consumer buying behavior, with the customer playing the three distinct roles of user, payer and buyer. Research has described consumer behavior is a very complicated task to pursue, even for experts in the area. CRM is an important value for consumer behavior study as it has a less interest in the finding again the real meaning of marketing through the testification of the importance of the customer or buyer. A greater importance is also placed on consumer retention, customer relationship management, personalization, customization and one-to-one marketing.
2. Consumer behavior can be understood as the decision-making process and physical activity include in attaining, judging, using and disposing of goods and services. This clarifies that it is not just the buying of goods/services that get awareness in consumer behavior but, the process at very early the goods have been acquired or bought. A process of purchasing starts in the minds of the consumer, which results the searching options between products that can be attained with their associated advantages and disadvantages. This results internal and external research. Then go through a process of decision-making for buying and using the goods, and then the post purchase behavior have also distinct place, because it provide a idea to the marketers whether his product has been a success or not. To understand the likes and dislikes of the consumer, extensive consumer research studies are being conducted. These researches try to find out:

a) What the consumer thinks of the company’s products and those of its competitors?

b) How can the product be improved according to consumer?

c) How the customers use the product?

d) What is the customer’s attitude towards the product and its advertising?

e) What is the role of the customer in his family?

These questions should be answered for consumer survey. A market introduced because it satisfy the consumer needs. According to this, a marketer has to know the 70’s framework for consumer survey.

3. Kuester, Sabine (2012) says that consumer behavior is "The study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these
processes have on the consumer and society." Therefore it is not compulsory to reveal this
definition, it shows some important points:

- Behavior arise either for the individual, or in the context of a group (e.g., friend’s
  influence what kinds of clothes a person wears) or an organization (people on the job
  can take decisions as to which products the company should use).

- Consumer behavior includes the usage and disposal of products as well as the study of
  how they are purchased. Product use is often of big interest to the marketer, because
  this can clarify how a product is best positioned or how it can stimulate increased
  consumption.

- Consumer behavior includes services and ideas as well as tangible products.

- The influence of consumer behavior on society is also of important.

1.2.1 Families and Family Decision Making

Individuals and families have to through a "life cycle:" The reason of this
discussion, a "couple" may either be married or merely involve living together. The
breakup of a non-marital relationship includes intimation is similarly deliberately equal to a
divorce. In real life, this condition is, of course, a bit more complicated. For example, many
couples undergo divorce.

Single parenthood can be because of the divorce or from the death of one
parent. Divorce generally causes an important change in the relative wealth of spouses. In
some cases, the non-custodial parent (usually the father) will not pay the required child
support, and if he or she does, that still may not leave the custodial parent and children as
affluent as they were during the marriage. On the other hand, in few cases, some non-custodial parents will be called on to pay a large part of their income in child support. This is particularly a problem when the non-custodial parent marries again and has additional children in the second (marriages). In any event, divorce frequently results in a big demand for:

- Low cost furniture and household items
- Time-saving goods and services

In family decision making, individual members of families often play many roles in decisions that finally draw on shared family resources. Some individuals are information gatherers/holders, who find out knowledge about products of materiality. These individuals often have a great deal of power because they may selectively give the information that favors their chosen alternatives. Influencers do not ultimately have the power decide between alternatives, but they may make their wishes known by asking for specific products or causing awkward conditions if their demands are not met. The decision maker(s) have the power to determine issues such as:

- Whether to buy;
- Which product to buy (pick-up or passenger car?)
- Which brand to buy;
- Where to buy it; and
- When to buy

From the point of view of the marketer, this shows some problems since the buyer can be targeted by point-of-purchase (POP) marketing acts that cannot be target at
the decision maker. Also note that the difference between the buyer and decision maker may be somewhat blurred:

- The decision maker may specify what kind of product to buy, but not which brand;
- The buyer may have to make a alternative if the desired brand is not in stock;
- The buyer may not pay attentions to instructions.

It should be noted that family decisions are often subject to a great deal of fight. The fact is that few families are rich enough to avoid a strong tension between demands on the family’s resources. Conflicting pressures are especially likely in families with children and/or when only one member works outside the home. Some family members adapt to different strategies to get their way. One is bargaining—one member will leave something in return for someone else. Another strategy is reasoning—trying to get the other person(s) to agree with one’s view through logical argumentation. Many manipulative strategies may also be used. One is impression management, where one tries to make one’s side look good (e.g., argue that a new TV will help the children see educational TV when it is really most wanted to watch sports program). Authority include maintaining one’s "right" to make a decision (as the "head of the family," the mother of the children, or the one who earn more money). Emotion involves making an emotional display to get one’s side (e.g., a man cries if his wife will not let him buy a new rap album).

1.2.2 Group Influences

People are natively social animals, and individuals mostly influence each other. A useful structure of study of group influence on the individual is the so called reference
group—the term founded because an individual uses a relevant group as a standard of reference against which person is compared. Reference groups come in various forms.

- The inspirational reference group which refers to those against whom one would like to compare oneself.
- Associative reference groups include people who more realistically represent the individuals’ current equals or near-equals—e.g., peers, neighbors, or church friends, clubs, and organizations.
- Finally, the dissociative reference group includes people who are the individual would not like to be like.

Reference groups come from different degrees of influence. Primary reference groups come with a great deal of influence - e.g., members of a fraternity. Secondary reference groups tend to have somewhat less influence - e.g., members of a boating club that one meets another only during week-ends have limited influence to consumption during that time period.

Perception is an approximation of reality. Our brain attempts to make sense out of the stimuli to which are exposed. Factors in perception, several sequential factors influence our perception. Exposure involves the extent to which it encounter a stimulus. Exposure is not enough to significantly impact the individual—at least not based on a single trial (certain advertisements, or commercial exposures such as the “Swoosh” logo, are based on extensive repetition rather than much conscious attention). In order for stimuli to be consciously processed, attention is needed. Attention is actually a matter of
degree—our attention may be quite high when it can be read directions for getting an income tax refund, but low when commercials come on during a television program.

Several factors influence the extent to which stimuli will be noticed. One obvious issue is relevance. Consumers, when they have a choice, are also more likely to attend to pleasant stimuli. Consumers often do not give much attention to a stimuli—particularly a low priority one such as an advertisement—at any one time, but if it is seen over and over again, the cumulative impact will be greater. Surprising stimuli are likely to get more attention—survival instinct requires us to give more attention to something unknown that may require action.

H.M. Weiss (1990) explains learning involves “Any relatively permanent change in behavior that occurs as a result of experience”. The first part of the definition focuses on what it is know (and can thus put to use) while the second focuses on concrete behavior. Much early work on learning was actually done on rats and other animals (and much of this research was unjustifiably cruel, but that is another matter).

In the diffusion of innovation products tend to go through a life cycle. Initially, a product is introduced. Since the product is not well known and is usually expensive (e.g., as microwave ovens were in the late 1970s), sales are usually limited. Eventually, however, many products reach a growth phase-sales increase dramatically. More firms enter with their models of the product. Frequently, unfortunately, the product will reach a maturity stage where little growth will be seen. For example, in the United States, almost every household has at least one color TV set. Some products may also reach a decline stage,
usually because the product category is being replaced by something better. The product life cycle is tied to the phenomenon of diffusion of innovation. When a new product comes out, it is likely to first be adopted by consumers who are more innovative than others—they are willing to pay a premium price for the new product and take a risk on unproven technology. It is important to be on the good side of innovators since many other later adopters will tend to rely for advice on the innovators who are thought to be more knowledgeable about new products advice.

At later phases of the product life cycle, the firm may need to modify its market strategy. New products can be new in several ways. They can be new to the market—none else ever made a product like this before. Products can be new to the segment—e.g., cellular phones and pagers were first aimed at physicians and other price-insensitive segments. Later, firms decided to target the more price-sensitive mass market. A product can be new for legal purposes. Because consumers tend to be attracted to “new and improved” products, the Federal Trade Commission (FTC) only allows firms to put that label on reformulated products for six months after a significant change has been made.

The diffusion of innovation refers to the tendency of new products, practices, or ideas to spread among people. Usually, when new products or ideas come about, they are only adopted by a small group of people initially; later, many innovations spread to other people.
The bell shaped curve frequently illustrates the rate of adoption of a new product. Cumulative adoptions are reflected by the S-shaped curve. The saturation point is the maximum proportion of consumers likely to adopt a product.

In the case of refrigerators in the U.S., the saturation level is nearly one hundred percent of households; it well below that for video games that, even when spread out to a large part of the population, will be of interest to far from everyone.

A continuous innovation includes slight improvements over time. Very little usually changes from year to year in automobiles and even automobiles of the 1990s are driven much the same way that automobiles of the 1950 were driven. A dynamically continuous innovation involves some change in technology, although the product is used much the same way that its predecessors were used--e.g., jet vs. propeller aircraft. A discontinuous innovation involves a product that fundamentally changes the way that things are done--e.g., the fax and photocopiers. In general, discontinuous innovations are more difficult to market since greater changes are required in the way things are done, but the rewards are also often significant. Several factors influence the speed with which an innovation spreads.

Consumer attitudes are a composite of a consumer’s:

1) Beliefs about,

2) Feelings about,

3) Behavioral intentions toward some object--within the context of marketing, usually a brand or retail store.
The first component is beliefs. A consumer may hold both positive beliefs toward an object (e.g., coffee tastes good) as well as negative beliefs (e.g., coffee is easily spilled and stains papers).

Affect is another component in which consumers also hold certain feelings toward brands or other objects. Sometimes these feelings are based on the beliefs (e.g., a person feels nauseated when thinking about a hamburger because of the tremendous amount of fat it contains), but there may also be feelings which are relatively independent of beliefs.

In behavioral intention the consumer plans to do with respect to the object (e.g., buy or not buy the brand). As with affect, this is sometimes a logical consequence of beliefs (or affect), but may sometimes reflect other circumstances--e.g., although a consumer does not really like a restaurant, he or she will go there because it is a hangout for his or her friends.

In the culture and subculture, culture is part of the external influences that impact the consumer. That is, culture represents influences that are imposed on the consumer by other individuals.

According to Tylor (1974) the definition of culture is “That complex whole which includes knowledge, belief, art, morals, custom, and any other capabilities and habits acquired by man person as a member of society.” From this definition, following observations are:
• Culture, as a “complex whole,” is a system of interdependent components. Knowledge and beliefs are important parts. In the U.S., it is know and believe that a person who is skilled and works hard will get ahead. In other countries, it may be believed that differences in outcome result more from luck.

• Other issues are relevant. Art, for example, may be reflected in the rather arbitrary practice of wearing ties in some countries and wearing turbans in others. Morality may be exhibited in the view in the United States that one should not be naked in public. In Japan, on the other hand, groups of men and women may take steam baths together without perceived as improper. On the other extreme, women in some Arab countries are not even allowed to reveal their faces.

Culture has several important characteristics:

1) Culture is comprehensive. This means that all parts must fit together in some logical fashion.

2) Culture is learned rather than being something person is born with.

3) Culture is manifested within boundaries of acceptable behavior.

4) Conscious awareness of cultural standards is limited. One American spy was intercepted by the Germans during World War II simply because of the way he held his knife and fork while eating.

5) Cultures fall somewhere on a continuum between static and dynamic depending on how quickly they accept change.

Dealing with culture, culture is a problematic issue for many marketers since it is inherently nebulous and often difficult to understand. One may violate the cultural
norms of another country without being informed of this, and people from different cultures may feel uncomfortable in each other’s presence without knowing exactly why.

A language issue is an important element of culture. It should be realized that regional differences may be subtle. For example, one word may mean one thing in one Latin American country, but something off-color in another. It should also be kept in mind that much information is carried in non-verbal communication. In some cultures for signifying “yes” and shake our heads to signify “no;” in other cultures, the practice is reversed. Within the context of language:

- Idioms involve “figures of speech” that may not be used, literally translated, in other languages.
- Neologisms involve terms that have come into language relatively recently as technology or society involved.
- Slang exists within most languages. Again, regional variations are common and not all people in a region where slang is used will necessarily understand this. There are often significant generation gaps in the use of slang. Because of differences in values, assumptions, and language structure, it is not possible to meaningfully translate “word-for-word” from one language to another. A translator must keep “unspoken understandings” and assumptions in mind in translating. The intended meaning of a word may also differ from its literal translation.
1.2.3 Characteristics of the Indian Consumer Behavior

The Indian consumers are noted for the high degree of value orientation. Such orientation to value has labeled Indians as one of the most discerning consumers in the world. Even, luxury brands have to design a unique pricing strategy in order to get a foothold in the Indian market. Indian consumers have a high degree of family orientation. This orientation in fact, extends to the extended family and friends as well. Brands with identities that support family values tend to be popular and accepted easily in the Indian market. Indian consumers are also associated with values of nurturing, care and affection. These values are far more dominant that values of ambition and achievement. Product which communicate feelings and emotions gel with the Indian consumers.

Apart from psychology and economics, the role of history and tradition in shaping the Indian consumer behavior is quite unique. Perhaps, only in India, one sees traditional products along side modern products. For example, hair oils and tooth powder existing with shampoos and toothpaste.

1.3 RURAL CONSUMER

About three quarters of the Indian population are in the rural areas and with the growing middle class, especially in the Indian cities; the spillover effect of the growing urban middle class is also felt in the rural areas. The Indian rural market has been growing at 3-4% per annum, adding more than 1 million new consumers every year and now accounts for close to 50% of the volume consumption of consumer durables in India. The
market size of the consumer durables sector is projected to more than double to Rs. 1395 billion by 2010 from the present Rs. 669.6 billion. As a result, it is becoming an important market place for consumer durables.

Over the years, as a result of the increasing literacy in the country, exposure to the west, satellite television, foreign magazines and newspapers, there is a significant increase of consumer awareness among the Indians. Today more and more consumers are selective on the quality of the products/services. This awareness has made the Indian consumers seek more and more reliable sources for purchases such as organized retail chains that have a corporate background and where the accountability is more pronounced. The consumer also seeks to purchase from a place where his/her feedback is more valued. Indian consumers are now more aware and discerning, and are knowledgeable about technology, products and the market and are beginning to demand benefits beyond just availability of a range of products that came from ‘trusted’ manufacturers. The Indian consumers are price sensitive and prefer to buy value for money products.

1.4 MIDDLE CLASS SEGMENT

In this study income for defining the middle class, on the basis of the study by Mc Kinsey Global Institute that suggests middle class comprise of two categories i.e. seekers and the strivers. The report by National Council for Applied Economic Research's (NCAER) Centre for Macro Consumer Research said by 2015-16, India will be a country of 53.3 million middle class households. The 'middle class' is an over-used expression and difficult to pin down, since it is defined not just in terms of income, but also as values,
cultural affinities, lifestyles, educational attainments and service sector employment. Using income, one way of defining middle class is in terms of how much of income is left over for discretionary expenditure, after paying for food and shelter. If more than one-third is left, that qualifies one for inclusion in the 'middle class'.

This is the way the Economist recently defined middle class, and quoted Surjit Bhalla’s forthcoming work (The Middle Class Kingdoms of India and China) to the effect that a third wave of middle-class emergence is currently under way globally. The first was in nineteenth century Western Europe, the second was in the baby boomer (1950-80) generation in developed countries, and the third is the consequence of income growth in countries like India and China.

When India opened up in the early 1990s, the middle class was often cited to sell the attractiveness of India’s domestic market. Figures of 300 million were bandied about, but producers realized to their chagrin that this market was elusive and did not, in fact, exist. Depending on the product, the market might very well be 30 million. In part, the problem arises from using income as the criterion in defining middle class, ignoring heterogeneity beyond income categories. For two different reasons, 30 million is now approaching 300 million.

One, income distributions are positively skewed. Therefore, once the thick part of a distribution passes above the threshold, suddenly there is a disproportionately high increase in the numbers of the 'middle class'. Two, a disproportionate distribution of income growth can raise the numbers of the middle class. The Economist quotes NCAER
to tell us that the middle-class share in India's population will increase from 5% in 2005 to 20% in 2015 and more than 40% in 2025. But there is yet another feature of being middle class that it is need to flag -- hone which has been apparent in every country that has developed. The middle class no longer wants subsidies and hand-holding from the state, and is content to pay taxes, so that cross-subsidization to poorer sections can happen. The middle class gives up demanding from the government. That hasn’t happened in India yet, and the middle class is still described as the “common man”.

1.5 CONSUMER DURABLE

Durable goods are those which don’t wear out quickly, yielding utility over time rather than at once. Examples of consumer durable goods include electronic equipment, home furnishings and fixtures, photographic equipment, leisure equipment and kitchen appliances. They can be further classified as either white goods, such as refrigerators, washing machines and air conditioners or brown goods such as blenders, cooking ranges and microwaves or consumer electronics such as televisions and DVD players.

In the past 10 years, the global market has witnessed a surge in demand as economies such as Brazil, Mexico, India and China have opened up and begun rapid development, welcoming globalization with élán. The consumer durables industry has always exhibited impressive growth despite strong competition and constant price cutting, and the first contraction since the 2001 dot-com bust has been due to the global recession. Given the strong correlation between demand for durables (both new and replacements)
and income, the industry naturally suffered during the 2008-2009 period. However, projections for current year going forward are very optimistic, as consumers resume spending, and producers launch new enticing variants to grab new customers. Leading players include Sony Corporation, Toshiba Corporation, Whirlpool Corporation and Panasonic Corporation.

Developing countries such as India and China have largely been shielded from the backlash of the recession, as consumers continued to buy basic appliances. In fact, China has been ranked the second-biggest market in the world for consumer electronics. Despite the recession, their strong domestic economy and growing high-income population have buoyed demand leading to aggressive market growth.

There is growing interest for new age products such as LCD-TVs and DVD players. Meanwhile, the penetration of the basic, largest dollar items such as ovens, washing machines and refrigerators is also increasing. India too, has witnessed a similar phenomenon, with the urban consumer durables market growing at almost 10 %p.a., and the rural durables market growing at 25% p.a. Some high-growth categories within this segment include mobile phones, TVs and music systems.

The Indian consumer durables industry has witnessed a considerable change in the past couple of years. Changing lifestyle, higher disposable income coupled with greater affordability and a surge in advertising has been instrumental in bringing about a sea change in the consumer behavior pattern. Apart from steady income gains, consumer
financing and hire-purchase schemes have become a major driver in the consumer durables industry.

In the case of more expensive consumer goods, such as refrigerators, washing machines, color televisions and personal computers, retailers are joining forces with banks and finance companies to market their goods more aggressively. Indian consumer durables industry can be segmented into three key groups which are White goods, Kitchen appliances/brown goods, and Consumer electronics. Under the goods Refrigerator, Washing machines, Air conditioner, Speakers and Audio equipment consumer durable comes. Grinders, Microwave ovens, Irons, Electronic fans, cooking range & Chimneys comes under the Kitchen appliances/brown goods. Mobile phone, Television, MP3 players, DVD players, VCD players are comes under the Consumer electronics.

Challenges, The biggest threats to the local industry going forward are supply-related issues pertaining to distribution and infrastructure, as well as demand issues due to competition from imported goods. The lack of well developed distribution networks makes it especially challenging to penetrate the fastest growing rural areas economically. In addition, regular power cuts and poor road linkages make systematic production, assembly and delivery problematic. On the demand side, customers have increasing choice from both domestically produced and imported goods, with similar features. This homogeneity makes it difficult for players to remain ahead of the competition.

MNCs hold an edge over their Indian counterparts in terms of superior technology combined with a steady flow of capital, while domestic companies compete on
the basis of their well-acknowledged brands, an extensive distribution network and an insight in local market conditions. The largest MNCs incorporated in India are Whirlpool India, LG India, Samsung India and Sony India and homegrown brands are Videocon, Godrej Industries and IFB.

Overall, the industry’s future remains robust, and interested applicants will benefit from a holistic learning experience; Many of the research, sales, marketing and advertising related roles will necessitate a good on-the-job learning of target audiences, who may well be a totally new segment, based in never-before visited Class II and III towns. In addition, those with technical backgrounds will be able to leverage their knowledge and experience to constantly develop and modernized innovate the product variants. With more MNCs growing their Indian businesses, there is great potential to also learn best-in-class systems and management skills.

1.6 MEANING OF CONSUMERISM

In the oxford dictionary (2002) consumer mean, “Protection or promotion of consumers’ interests”.

In the Webster’s student dictionary (1996) consumerism mean “The policy or program of protecting the interest of the consumer”.

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Under Cambridge dictionary (1996) it defines consumerism as, “it is the state of advanced industrial society in which a lot of goods are bought and sold, or (disapproving) the state in which too much attention is given to buying and owning things”.

Consumerism as noun under Collias Essential English Dictionary (2006) defines that:

a. The belief that a high level of consumer spending is desirable and beneficial to the economy: the obsessive consumerism of the 80s

b. Protection of the rights of consumers.

In the consumerism the protection of consumers from all organizations with which there is exchanged relationship and the set of activities of government, business, independent organizations and concerned consumers that are designed to protect the rights of consumers.

The Chamber's Dictionary (2005) defines Consumerism as the protection of the interests of the buyers of goods and services against defective or dangerous goods etc.

1.7 CONSUMER AND THEIR RIGHTS

Every individual is a consumer, regardless of occupation, age, gender, community or religious affiliation. Consumer rights and welfare are now an integral part of the life of an individual and all of have made use of them at some or the other point in our daily routine.
Every year 15th March is observed as "World Consumer Rights Day". It commemorates a historic declaration (1962) by former US President John F. Kennedy of four basic consumer rights:

- The right to safety
- The right to be informed
- The right to choose
- The right to be heard

This declaration eventually led to the international recognition of the fact that all citizens, regardless of their incomes or social standing, have basic rights as consumers.

Another significant day is 9 April 1985, when the General Assembly of the United Nations adopted a set of guidelines for consumer protection and the Secretary General of the United Nations was authorized to persuade member countries to adopt these guidelines through policy changes or law. These guidelines constituted a comprehensive policy framework outlining what Governments need to do to promote consumer protection in the following areas:

- Physical safety
- Protection and promotion of consumer economic interests
- Standards for safety and quality of consumer goods and services
- Measures enabling consumers to obtain redressal
- Measures relating to specific areas (food, water, and pharmaceuticals) and
- Consumer education and information programme
Now it is universally accepted that the consumer has a right to be provided with all relevant information in order to avoid exploitation and make a considered choice in availing of products and services from the market. These rights are well-defined, both on international and national platform and several agencies like the Government as well as voluntary organizations are constantly working towards safeguarding them.

In India, 24th December is celebrated as "National Consumer Rights Day", since the Consumer Protection Act, 1986 was enacted on this day. The Consumer Protection Act was enacted in 1986 based on United Nations guidelines with the objective of providing better protection of consumers’ interests. The Act provides for effective safeguards to consumers against various types of exploitations and unfair dealings, relying on mainly compensatory rather than a punitive or preventive approach. It applies to all goods and services unless specifically exempted and covers the private, public and cooperative sectors and provides for speedy and inexpensive adjudication. The rights under the Consumer Protection Act, 1986 flow from the rights enshrined in Articles 14 to 19 of the Constitution of India. The Right to Information Act (RTI), which has opened up governance processes of our country to the common public also, has far-reaching implications for consumer protection. As per the Act, a ‘Consumer’ has been defined as:

- Any person who buys goods for consideration, and any person who uses goods with the approval of the purchaser.

- Any person, who hires any service for a consideration and any beneficiary of such services, provided the service is availed with the approval of the person who had hired the service for a consideration.
Moreover, the consideration for either the goods or services may be either paid or promised, or partly paid or promised, or provided under a system of deferred payment.

The Act envisages the promotion and protection of the following rights of consumers:

- **Right to Safety**, means right to be protected against the marketing of goods and services, which are hazardous to life and property. The purchased goods and services availed of should not only meet their immediate needs, but also fulfill long term interests. Before purchasing, consumers should insist on the quality of the products as well as on the guarantee of the products and services. They should preferably purchase quality marked products such as ISI, AGMARK, etc.

- **Right to be informed**, means right to be informed about the quality, quantity, potency, purity, standard and price of goods so as to protect the consumer against unfair trade practices. Consumer should insist on getting all the information about the product or service before making a choice or a decision. This will enable him to act wisely and responsibly and also enable him to desist from falling prey to high pressure selling techniques.

- **Right to choose**, means right to be assured, wherever possible of access to variety of goods and services at competitive price. In case of monopolies, it means right to be assured of satisfactory quality and service at a fair price. It also includes right to basic goods and services. This is because unrestricted right of the minority to choose can mean a denial for the majority of its fair share. This right can be better exercised in a competitive market where a variety of goods are available at competitive prices.
• Right to be Heard, means that consumer's interests will receive due consideration at appropriate forums. It also includes right to be represented in various forums formed to consider the consumer's welfare. The consumers should form nonpolitical and non-commercial consumer organizations which can be given representation in various committees formed by the Government and other bodies in matters relating to consumers.

• Right to Seek Redressal, means right to seek redressal against unfair trade practices or unscrupulous exploitation of consumers. It also includes right to fair settlement of the genuine grievances of the consumer. Consumers must make complaint for their genuine grievances. Many a time their complaint may be of small value but its impact on the society as a whole may be very large. They can also take the help of consumer organizations in seeking redressal of their grievances.

• Right to Consumer Education, means right to acquire the knowledge and skill to be an informed consumer throughout life. Ignorance of consumers, particularly of rural consumers, is mainly responsible for their exploitation. They should know their rights and must exercise them. Only then real consumer protection can be achieved with success. Thus, the concern of consumer protection is to ensure fair trade practices; quality of goods and efficient services with information to the consumer with regard to quality, quantity, potency, composition and price for their choice of purchase. Such a consumer protection policy creates an environment whereby the clients, customers, and consumers receive satisfaction from the delivery of goods and services needed by them.
1.8 HISTORY OF CONSUMERISM

Consumerism has played an expanding role in the environment of business decision makers during the past decade. Despite wishful thinking by some of these decision makers, the following analysis of consumerism is as relevant today as it was in 1964 when it was written:

1) As evidenced by consumer agitation at the local-state-federal levels, business has failed to meet the total needs and desires of today's consumers.

2) Into this business-created vacuum, government forces have quickly moved to answer this consumer need.

3) The areas of consumer interest are so diverse that they offer government agencies and legislators almost limitless reasons for additional regulation of business and commerce.

4) If business managers want to avoid such new government regulations (with the attendant possibilities of excessive and punitive legislation), they will have to take positive action to demonstrate that the business interest is in more general accord with consumer's needs and wants.

Consumerism has strong links with the Western world, but is in fact an international phenomenon. People purchasing goods and consuming materials in excess of their basic needs is as old as the first civilizations (see Ancient Egypt, Babylon and Ancient Rome, for example). The great turn in consumerism arrived with the Industrial Revolution. While before the norm had been the scarcity of resources, The Industrial Revolution created an unusual situation: for the first time in history products were available in outstanding quantities, at outstandingly low prices, being thus available to virtually
everyone. And so began the era of Mass Consumption, the only era where the concept of consumerism is applicable. It's still good to keep in mind that since consumerism began, various individuals and groups have consciously sought an alternative lifestyle, such as the "simple living," "eco-conscious," and buy local" movements.

1.9 CONSPICUOUS CONSUMPTION

The older term and concept of "conspicuous consumption" originated at the turn of the 20th century in the writings of sociologist and economist, Thorstein Veblen. The term describes an apparently irrational and confounding form of economic behavior. Veblen's (1899) scathing proposal that this unnecessary consumption is a form of status display is made in darkly humorous observations like the following:

"It is true of dress in even a higher degree than of most other items of consumption, that people will undergo a very considerable degree of privation in the comforts or the necessaries of life in order to afford what is considered a decent amount of wasteful consumption; so that it is by no means an uncommon occurrence, in an inclement climate, for people to go ill clad in order to appear well dressed."

Since the ages when kings ruled, people have had a desire to have possessions that show the world that they have amassed a certain level of wealth and prestige. Kings built statues, designed palaces, collected valuables all in effort to display to their peers, subordinates, and superiors how well off they were. This desire to use products and items to display status has not changed over time and has been classified under the marketing
umbrella, as conspicuous consumption. The research into this phenomenon has revealed a recognizable truth - that consumers utilize products in an effort to display social status.

While there are different levels of consumer involvement, at various points on the socioeconomic spectrum, consumers seek to define public perception of themselves through the products they own. Conspicuous consumption creates a tremendous opportunity and market for companies to position their products in the consumer consciousness as “luxury items.” Luxury, in this context, means that the perceived value of the product in the eyes of consumers, elicits thoughts of exclusivity. This suggests that only those individuals, who are financially above average, consume the product. Marketers recognize the opportunity that comes from positioning products with the luxury or quality tag and aggressively price items in hopes that the price and additional promotional activities will successfully communicate the social and psychological benefits consumers will receive from using the product.

There is value to both consumers and marketers with the development of such products, however there is a negative consequence to conspicuous consumption, and that is poverty. Consumers have long desired objects and products to display their social standing; this desire has paved the way for marketers to develop and promote products to help satisfy this need to demonstrate prestige. While consumers have benefited from branding and positioning of such products, conspicuous consumption has compounded the social issue of poverty.
1.10 ORGANIZED RETAIL

Indian consumer purchasing is largely through the unorganized sector. Organized retail constitutes a small percentage of the Indian retail market. However, with urbanization and increasing value-consciousness among consumers, the organized retail format is beginning to take root. The organized retail format promises consumers better quality and better shelf-life for products due to their excellent storage facilities and anti-tampering checks. An important factor attracting consumers towards formal retailing mechanisms such as hyper marts and departmental stores is the shopping experience. These shopping outlets allow consumers to explore their choices and touch and feel products in the comfort of a glitzy and energetic environment.