Globalization

Globalization is the togetherness of diverse societies as well as economies via cross border flow of thoughts, assets, capital, data, technologies, goods as well as services. The cross border integration may either be political, cultural or social. However, utmost of the individuals fright cultural as well as social integration as they have faith in this would have a negative influence on the current culture of their society. Globalization consequently has typically tapered down to economic amalgamation and this largely occurs via following 3 media:

- Capital movement.
- Trade of goods and services and
- Flow of finance

History of Globalization

Globalization is predominantly a socio-economic term that has now currently become synonymous with the country’s economic development. Simply saying, it is a constant procedure via which diverse societies, economies, traditions as well as culture assimilate with one another on a global scale via the modes of communication and exchange of ideas. If someone has a detailed knowledge of the history of globalization, he will be certainly capable to appropriately comprehend the reasons which resulted into such social and economic transformation.

Alexander the Great forges eastward link with Chandragupta Maurya for overland routes between the Mediterranean, Persia, India, and Central Asia. During the 1st century CE the trans-world trade had made its 1st bigger presence in China under the Han dynasty and effectively recognised trade relationship with countries in Europe and Asia. The period from 650-850 AD shown the spreading out of Islam and trade relations with the west Mediterranean region with the Indian sub-continent. The Rise of Genghis Khan during
1100 AD had given upswing to the amalgamation of overland routes through Europe and Asia. The 1650s marks the development of the slave trade and it continued the extension of Atlantic Economy, giving birth to assimilated economic and industrial systems across the Ocean. The period from 1776 to 1789 AD marks the US and French Revolutions and the formation of contemporary state as a fall-out of military and business interests. These incorporated empires enlarge during the industrial revolution. The eighteenth century marks the merging of the modernity with globalization and it also marks the basis for the creation of international trade law.

The Islamic period in the medieval era is an imperative era in the times gone by globalization. This was when the Jewish and the Muslim merchants initiated going to numerous portions of the world to sell numerous substances. This resulted into a blend of philosophies, traditions and civilizations. In China, the 1st postal service was announced and paper was developed. This led to improved sharing of knowledge. Since lot of people began to travel to other countries throughout the world, it resulted into more communication amongst individuals and combination of languages. Travellers like Columbus and Vasco Da Gama sailed via the oceans in search of new countries and begin trade links with them or to make other countries their colonies. All these aspects were a foremost reason for the development of the pre-globalization era. The medieval period was the age of discovery. It was in this period that Africa and Eurasia affianced in cultural and economic exchange amongst them. Progressively, this headed to the development of colonies in numerous areas of Africa, Asia as well as Latin America. Consequently, there was continuous mixture of the ideas, languages, rituals and customs amongst the local inhabitants as well as the foreign inhabitants. Actually, this system of colonization put a deep influence on agriculture, trade, ecology as well as culture on a global scale.

**Globalization in the current era**

Globalization, in the present sense of the term, arose into presence after the Second World War. One of the foremost aspects for this was the plan by the world leaders to break down the boundaries for nurturing trade relationships amongst countries. During this period that foremost countries like India, Sri Lanka, Indonesia and few countries in South America
multiplied independence. Consequently, these countries too initiated to have self-economic systems as well as made reputable trade relationships with the rest of the world. The formation UNO was foremost footstep in this respect.

**Positive influence of globalization is:**
- Advancement of free commerce and trade
- Elimination of numerous double taxes, tariffs, and capital controls
- Reduction of transport cost and development of infrastructure
- Creation of global corporations
- Blend of culture and tradition across the countries

Another landmark in the history of globalization is the creation of the World Trade Organization (WTO) which directed to the growth of an identical platform to resolve trade and commercial arguments. According to economic surveys, the world exports enhanced considerably from 8.5% to around 16.2% as a result of globalization.

**India and Globalization**

Globalization has great impact on the Indian economy. Globalization impacted the Indian economy both positively as well as negatively. India’s economy unlocked up during the early nineties. The policy measures on the domestic front necessitated that there was a necessity that the huge MNCs come here and start their business here. The market turn out to be more open and the economy started reacting to the external (global) market. The direct influence of globalization was openly seen on the GDP of the country. It has increased considerably.

The liberalization of the Indian economy along with globalization assisted the country to step up its GDP growth rate substantially. The GDP growth rate picked up rapidly from 5.6 percent in 1990-91 to 7.8 percent in 1996-97. Subsequently then the rate of growth did accomplish to slump down due to deficiency and other influences but the country still accomplished to endure in the rat race and preserved a GDP growth of about 5 to 6 percent. Currently India is considered as being the one of the fastest developing countries. Globalization has also played a foremost role in creating employment opportunities in India. After liberalization in the 1990s, the scenario of employment in
India has perceived a phenomenal change. Cities like Bangalore, Delhi, Mumbai and Chennai deliver employment to a chunk of the Indian population subsequently it is in these cities only that most foreign companies have set up their operations.

In a nutshell, globalisation impacted on the economy and GDP if country.

**Measures of Globalization**

- **Announcement of Devaluation:** The initial advantage in the direction of globalization had been taken the moment there was an announcement of devaluing the Indian currency by expecting 18-19% in contrast to all the foremost global currencies. This was a foremost advantage in the international foreign exchange arena. Announcement of devaluation of currency would solve the problems of Balance of payments.

- **Disinvestment:** The main essential of globalization are privatization and liberalization. Under the privatization scheme, majority of the public sector activities have been/ and are still being sold to the private sector. This conception gave birth to PPP (public private partnership)

- **Permitting Foreign Direct Investment (FDI):** Permitting FDI inflows is a foremost step of globalization. The foreign investment regime has been reasonably transparent and thus the economy is getting boosted up. FDI is allowed in numerous sectors.

**Benefits of Globalization**

Economic amalgamation by ‘globalization’ permitted the cross country free flow of information, ideas, technologies, goods, services, capital, finance and people. This cross border incorporation had diverse dimensions – cultural, social, political and economic. More or less the economic integration occurred via 4 modes –

1. Trade in goods and services
2. Movement of capital
3. Flow of finance
4. Movement of people
The advantages from globalization can be mentioned in the perspective of economic globalization as follows:

- **Trade in Goods and Services** – From the theoretical facet, international trade guarantees apportioning diverse resources and that has to be dependable. This specialization in the developments leads to enhanced productivity. We all know from the economic standpoint that constricting trade barricades in evolving economies only inhibit growth. Developing economies can acquire the welfares of international trade if only all the resources are utilized in full prospective. This is where the prominence of decreasing the tariff and non-tariff barriers crop up.

- **Movement of Capital** – The production base of an emerging economy gets enriched owing to capital flows transversely countries. A country’s economic growth doesn’t, nevertheless, get striped by domestic savings. Foreign capital inflow does play an essential role in the improvement of an economy. To be precise, capital flows either could be portfolio investment or foreign direct investment. Emerging countries would certainly desire foreign direct investment since portfolio investment doesn’t have a direct effect on the productive capacity enlargement.

- **Financial Flows** – The capital market expansion is amongst the foremost aspects of the globalization process. It is well known that the development in capital as well as mobility of the foreign exchange markets facilitated improved transfer of resources cross borders and the global foreign exchange markets enhanced. It is obligatory to go in for the enlargement of foreign exchange markets and consequently enable international transfer of capital. The foremost example of this type of international transfer of funds resulted into financial crisis and this is cause of concern.

**Drawbacks of Globalization**

Along with benefits of globalization, there are some negative impacts of globalization as well.

- One of the foremost apprehensions of globalization is that it leads to imbalanced circulation of income within the country.
• There is a scare that globalization may obstructs the domestic policies of the country.
• Globalization also upsurges the risk of dispersion of transmittable diseases,
• Globalization can give birth to monopoly in the market.
• Outsourcing of jobs to the emerging nation’s only outcomes in the loss of jobs for the developed countries.

Effect of Globalization on Business

Increasing the geographic impression of any business in the era of globalization is not at all a dangerous and expensive job as it has been in the past. To be economical in current consequence hostile measures should be applied to inflate business. Opening business internationally is as protective as an aggressive play. Going by the global requirements and bearing in mind the total size of international economies would reveal that in comparison with the size of national market the potential buyers commonly exist in the international markets. In contrast, if an industry is not aiming to target the market internationally capturing the customers internationally then the enterprise will not only be lagging behind taking the first mover’s advantage of stabilizing customer trustworthiness, but would also lose on associations with important partners as well as dissemination pacts. With rise in the demand of the customer and devastation of global market the international industry is anticipated to support numerous markets in a faultless manner. Moving slowly to economic variations in today’s world could eventually harm the business.

Inspecting the aggravating aspect that globalization had on the world business would disclose that trade shortage, petroleum costing, dip in equity markets, housing calamity, constrained invasion of funds, and total cost of living is confronting us than ever before. With numerous negative behaviors in world economy, conventional economic theory acclaims that the current rate of interest hold resemblance with that of 1980 than the lesser rate of interest we are observing nowadays. As compared to the financial situation of 1980, the present-day market is the consequence of a worldwide economy which is performing the role of an aggravating factor. By bearing in mind the following, it is projected that by 2015, the emerging economies will have the share of around 50% of world GDP.
• **Developing economies** – Over the last few years China and India has observed 9% and 7% of annual progression correspondingly. Demographics – Economies now describe younger populations, enhancing the number of educated population, developing middle class populations, uplifting incomes and urbanization.

• **Commercial requirement** – The financial growth, as well as the existence of worldwide firms that complements job prospects concentrated around intellectual capital is generating requirement for marketable real estate infrastructure.

• **Infrastructure development** – Communications, utilities, and disciplined transportation has gradually enhanced over the past few years as associated to what it was few decades ago.

• **Opening up of closed market structures** – Utmost booming emerging economies have been engaged in methodical restructuring of basic community standards ignored in the advanced economies. The aspects which activate growth and monetary distillations incorporate property privileges, legal procedure, published recommendation, privatization of state owned firms, elimination of capital management, and liberalization of standards connected foreign direct investment.

**Globalization and Economic Development**

Dr Manmohan Singh (finance minister) in the year 1990 started the first ever economic liberalization policies for encouraging the awareness about the globalization in India. Subsequently then, the economic situation in India has considerably improved. Over the years, India has progressively turned out to be the fastest developing economies in the world. It has turn out to be the fourth biggest economy in the world in regards to the purchasing power parity (PPP). It has been anticipated that the normal yearly economic development will vary be around 6% to 7%.

On account of extraordinary economic growth, there has been fast development in the civic facilities. The per capita income has improved which has in turn enriched the living standard of the people. As economic development is a pronounced aspect behind the improvement of the poverty, the rise in the economic circumstance of India had a favourable influence on the dipping the poverty rate in India.
Impact of Globalization on Domestic Industry

Effects of Globalization on Indian Industry initiated when the government unwrapped the country’s markets to foreign investments in the early 1990s. Globalization of the Indian Industry took place in its numerous segments such as steel, pharmaceutical, petroleum, chemical, textile, cement, retail, and BPO.

Globalization can be termed as the disassembling of trade obstacles amongst nations and the assimilation of the nations’ economies via financial flow, business in goods and services, as we as corporate investments amid nations. Globalization has enlarged transversely the world in current years on account of the fast development in the areas of technology particularly in transport as well as communication. In 1991, government of India made modifications in its economic policy that permitted FDI in the country. Consequently, globalization of the Indian Industry took place on a foremost scale. The numerous favourable effects of globalization in Indian Industry are that it transported in enormous amounts of foreign investments into the industry particularly in the BPO, pharmaceutical, petroleum, as well as manufacturing industries. As enormous volumes of foreign direct investments were approaching to the Indian Industry, they enhanced the Indian economy considerably. The paybacks of the impacts of globalization in the Indian Industry are that several foreign companies set up industries in India, particularly in the pharmaceutical, BPO, petroleum, manufacturing, and chemical sectors and this aided to offer employment to numerous individuals in the country. This facilitated reduction in the level of poverty and unemployment. Also the advantage of the Effects of Globalization on Indian Industry are that the foreign establishments carried in extremely advanced technology with them and this facilitated to make the Indian Industry more technologically advanced.

The numerous negative impact of Globalization on the industry in India are that, the globalization has amplified opposition in the market in India amongst the foreign establishments and domestic businesses. As the goods that were offered by the foreign companies were better as compared to the goods offered by the Indian companies, the natural preference of the customers was to purchase the goods offered by foreign companies. And on account of this the level of profit of the Indian companies started to
reduce. This materialized predominantly in the pharmaceutical, manufacturing, chemical, and steel industries. The negative impacts of Globalization on Indian Industry are that, as the newer and newer technologies started getting into picture the requirement for the labour has reduced and this has given rise to numerous individuals being disinterested from their jobs. This occurred predominantly in the pharmaceutical, chemical, manufacturing, and cement industries.

The government of India must try to make such economic policies with respect to Indian Industry’s Globalization that are advantageous.

**Impact of Globalization on Prices**

In the technologically advanced countries inflation rates have declined to considerably low levels while the emerging economies are perceiving extraordinary rates in the past. General approximation recommends better market competition from emerging economies is one of the causes for low inflation. On serious evaluation one would determine that globalization in reality have effect on comparative costs and not on the absolute cost level. The economists perceive that though the prices of specific commodities dip on account of low-priced imports, the costs of other commodities and particularly services can increase speedily.

Energy and metal related costs will behave in the analogous method since the requirement for these commodities upsurges not only in developed world but also in booming markets which require raw materials for its manufacturing. These secondary effects of greater costs in non-consumer commodities sector are overshadowing for the entire level of costs of products as well as services. Nevertheless, the inflationary effect of globalization is uncertain. The overall economic laws suggests that in the longer tenure prices will sustain at same level only if the fiscal strategy conserves its trajectory. Bearing in mind these factors and consequences, this notion views complicated in short-run. The economic analysts perceive that the lower inflation can certainly downtown itself, if characteristics like rate of growth of flourishing economies are exaggerated. They forecast that these elements can act as a supply alarm and can effect in greater rate of inflation. In the increasingly more collective global market, it appears that inflation is performing a prodigious harmonious task by administering the lower costs of consumer products with the greater costs in sectors like goods, equities, energy as well as services.
Market Changes in India Due to Globalization

Globalization has been a foremost element behind the enhancement of the market fluctuations in India. Preceding to the liberalization of the market in the country, India grieved an enormous market set back and it resulted into complications in the balance of payment accounts. The initial wake of globalization was sensed in the country in the 1990s when the government commenced the open market as well as economic liberalization plan. This headed to enormous enhancement in the market situation of the country which meaningfully altered from the state organized market to the customer market. Due to the development of the customer market, there was an upsurge in demand as well as supply. The positive change in the market pattern helped to improve the living standard.

Nowadays, India is one of the leading emergent economies in the world and ranks as the 4th prevalent in regards to the purchasing power parity (PPP). In regards to the market exchange, it ranks as the 12th biggest economy in the world. The country has also appreciated a noteworthy development in the Gross Domestic Product (GDP) on account of enhancement in the market and the upsurge in exports. The annual rate of economic growth ranges amongst 6 and 7%. The rate of growth in the country was around 6.7% in the financial year 2008-09. In the current budget, the government has taken extra footsteps to ensure great economic growth up to around 9%. Well-known financial organizations like the World Bank has also anticipated much confidence that the growth rate of India may even surpass China. It has anticipated that the rate of growth would be around 8% in the year 2010.

Due to globalization, India has become an huge consumer market with high demands. This has helped to attract the foreign investment in the country. More and more foreign firms and global giants have begun to enter in India for catering to the huge consumer base and extraordinary demand. Nowadays, the amount of foreign institutional investments (FIIs) has gone up to about US$ 10 billion. This is a very large aspect behindhand the development of the stock market and the largely market circumstances. In regards to the foreign direct investments (FDI), there has an enormous upsurge of around 85.1% over a period of few years. Contemporary surveys have presented that the amount of foreign direct investments had developed from US$ 25.1 billion in 2007 to around US$ 46.5 billion in 2008.
State Policies and Globalization

Globalization has had an enormous influence on the state at all level of action and functioning. As a result, state policies in the globalization age are also planned consequently, bearing in mind the above assumed effects of globalization. Following are three dimensions of globalization.

- **Economic Globalization**

Economic globalization is connected with finance, trade, production, distribution and management. MNCs have played a foremost role in hastening the amalgamation of the global economy. During the 1960s and 70s, intensification of FDI by the U.S. MNCs were perceived. It’s the Japanese as well as the west European FDI that saw a growing graph during 1980s. Moreover these, financial movements comprising portfolio-type transactions have also initiated growing. National capital got combined with the international financial capital, corporate associations also started coming about.

- **Political Globalization**

Political globalization is termed as “the shifting reach of political power, authority and forms of rule”. Political relationships turn out to be meticulously knitted, posturing a challenge to the dissimilarities amongst domestic and international politics. Presently, one can see growth of regional and global law in global politics. It encounters state autonomy.¹

- **Socio-Cultural Globalization**

Worldwide outline of consumerism is the outcome of assured models of production and consumption from particular geographic/political/national context. The consumer culture which forms a part of cultural diversity had raised numerous concerns of human rights, environment, and labor rights making way for new sociologic order. Several trusts that glocalization make-ups a new system of universal culture whereas some describe it in terms of “Cultural rootlessness”. Sometimes it makes a fruitful effort of changing local culture into global whereas sometimes it marginalizes it.²

In a nutshell, we can say here that economic globalisation is related with flow of finance, production, political globalisation is related with development of regional and global law in global politics. and nd socio-cultural globalisation is related with creating a new system of universal culture.

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**Liberalization**

Liberalisation means progressive removal of government control over economic activities in the country. It implies greater autonomy to the business enterprises in decision-making with respect to production, consumption, pricing, borrowing, and investments.

**Features of Liberalization**

1. **De-licensing of industries**

The Industrial Policy 1991 abolished (cancelled), licensing for most industries except 6 industries of strategic significance which would encourage setting up of new industries and shift focus to productive activities. The 6 industries that required licensing includes alcohol, cigarettes, industrial explosives, defence product, drugs & pharmaceuticals, hazardous chemicals, etc.

2. **Liberalization of foreign investment**

It was necessary for the foreign companies to take government approval for foreign investment prior to liberalization which often caused delayed permission. Now automatic approvals are given for Foreign Direct Investment (FDI) to flow into the country. At present FDI is 100% in certain sectors such as infrastructure, exports, hotels, tourism, etc. The Liberalization of FDI has resulted into certain benefits such as increase in inflow of foreign capital, Development of skills of Indian personnel due to foreign MNCs training transfer of technology by foreign partners to Indian firms.

1. **Liberalization of foreign technology imports**

The liberalized import of foreign technology led to technological advancement in Indian industries. In projects where imported capital goods are necessary, automatic license would be given for foreign technology imports up to 2 million US dollars.

2. **Liberalization of industrial location**

It is declared in the industrial policy of 1991 that for setting up of business in any part of India or location, no prior approval of central government is mandatory. The Indian
companies got facility to start-up of their business at a right locality of their choice without much intervention from government authority.

3. **Liberal taxation**

The rate of taxes whether direct or indirect tax is decided by the government. In the year 1991, the government of India has announced liberal reduction in taxation rates or duties on direct tax & indirect tax, customs, excise, service which has significantly supported the firms operating in India.

4. **Public Sector Reforms**

PSU (Public Sector Units were given more liberty through the MOUs (Memorandum of Understanding) limiting intervention of the government officials and permitting their managements larger freedom in decision-making.

5. **MRTP Act**

Monopolies and Restrictive Trade Practises Act (MRTP) was restructured by the industrial policy of 1991. Regulations concerning to concentration of economic power, pre-entry limitations for setting up fresh enterprises, enlargement of current businesses, mergers and acquisitions etc. have been abolished.

**Benefits of Liberalization**

1. Rise in foreign investment.
2. Rise in efficiency of local companies.
3. Increase in the rate of economic growth.
4. Control of price.

**Drawbacks of Liberalization**

1. Rise in unemployment.
2. Loss to local unit.
3. Increased dependence on foreign nation.
4. Unbalanced development of sectors.\(^3\)
Pre Liberalization Period and Globalization

From independence till the later part of the 1980s, India economic approach was mostly constructed on government control and a centrally functioned market. The country did not have an appropriate consumer focused market and foreign investments were also not coming in. This did not ensure anything good to the economic situation of the country and as such the standard of living did not go up.

In the 1980s, stress has given on globalization and liberalization of the market by the Congress government under Rajiv Gandhi. In his government tenure, plenty of restrictions were abolished on a number of sectors and the regulations on pricing were also put off. Effort was also put to increase the condition of the GDP of the country and to increase exports.

Liberalization in the 1990s

It was in the 1990s that the first initiation towards globalization and economic liberalization was undertaken by Dr Manmohan Singh, who was the Finance Minister of India under the Congress government headed by P.V. Narasimha Rao. This is possibly the landmark in the economic development of India and it directed towards greeting globalization. Since, the liberalization plan, the economic condition slowly to begin improve and now India is one of the fastest developing economies in the world with an average yearly growth rate of around 6-7%.

One of the central facets of globalization is foreign investment. India today has developed as one of the perfect markets for foreign investors because of its huge market base. Many foreign corporations are investing in the Indian market to get more profits. The foreign institutional investments (FII) amounts to around US$ 10 billion in FY 2008-09, while the rate of Foreign direct investments (FDI) has grown around 85.1% in 2009 to US$ 46.5 billion from US$ 25.1 billion (2008).⁴

Globalization and Consumer Behaviour

Globalisation has impacted on the buying behaviour of consumers. It has changed the lifestyle, tastes, preference of the Indian consumers. Globalisation forces companies to
change its marketing strategy and policies. Globalisation has created an opportunity to the Indian consumers with respect to availability of the products of Indian and foreign brands.

**Marketing Policies and changing buying behaviour**

The background and culture of a person are noteworthy effects on shopping and consumption behavior; cultural and national values have been acknowledged as a significant force in shaping the customer’s inspirations, lifestyles and, ultimately, product choice. Globalization has convoluted understanding of consumer behavior. Globalization brings cultures closer together but it would be imprudent to believe homogeneity in planning marketing strategies because cultures sustain unique features.

An individual’s lifestyle selections are part of the explanation of a customer’s behavior. By looking at lifestyle features, you can segment individuals into groups based on opinions, attitudes and activities. This is a good resource in defining the way groups of consumers spend time and, more prominently, money.

Globalization has had an influence in altering individual’s values and lifestyles. With globalization, the variances in culture have been lessened to a degree which leads to research and to trust that the behaviours of people from diverse cultures are becoming more compatible.

Along with globalization, consumer behavior is swayed by demographics, psychographics (lifestyle), personality, motivation, knowledge, attitudes, beliefs and feelings. The psychological aspects comprise an individual’s motivations, perceptions, attitudes, and beliefs; personal factors include income level, personality, age, occupation and lifestyle. Behavior can also be impacted by external effects such as culture, sub-culture, locality, ethnicity, family and social class.

In marketing, it is important to recognize why consumers make the purchases, what aspects influence consumer purchases, and the altering aspects in our society. Globalization adds a layer of complexity in that in some respects customers worldwide become more alike in response to the effects of globalization but this assimilation is hardly complete. This research focuses on the efforts essential to marketers to find the line amongst the resemblances amid consumers worldwide, while recognizing their variances.
Impact of globalization on Consumers’ Culture

Consumer behavior is impacted by internal factors comprising local culture; it is also prejudiced by external aspects resultant from globalization such as communication, information and interaction. The dynamics of consumer behavior make it hard to 161urope161 because the thinking, feelings, and actions of a consumer, whether independently or in a group, and those of a society at large are continually altering.

Concerning the impact of globalization on culture, Doku and Oppong Assante (2011) have reviewed how globalization has altered life of people. Though individuals remain in their villages or towns, they are exposed to a larger global market. With globalization, nowadays the world is a diverse place. The significances of globalization may lead to problems with culture identity (Doku & Oppong Asante, 2011). Viswanathan and Dickson (2007) also found that consumer behavior is impacted by an internal factor comprising local culture and also influenced by external factors coming from globalization such as communication, information, and interaction.

Psychologists agree that self-concept has a key role in behavior and psychological processes. Self-concept involves of whatever people consider to be theirs, comprising their bodies, families, possessions, moods, emotions, attitudes, values, traits and social positions (Diaz-Loving, 1998). On a greater scale, Solomon (2011) notes that culture is termed as the entire pattern of human behavior and its products embodied in speech, action, and artifacts. It is reliant on humans’ capability for learning and transmitting knowledge to following generations.

Global communications are presumed, by some, to create a global, homogeneous consumer culture. Opinions on this homogenization procedure, nevertheless, are tougher in the United States than in other parts of the world. Researchers who have analysed the representation of global customer culture in advertising view global customer culture as shared sets of usage linked symbols which have meaning to segment members (Alden, Steenkamp, & Batra, 1999). Mass media programming, typically from the U.S., has played a key role in the creation, learning and sharing of such consumption symbols. While these symbols are shared, cultures preserve their own unique features as well. The marketer has to distinguish both the shared and the unique in generating their campaigns.
Impact of globalization on Consumers’ Lifestyle and Purchase Power

Krishnan (2011) noted that individual lifestyle is significant conceptually in comprehending segmented markets and focusing customers and that achieving such an understanding goes beyond the study of demographics. A lifestyle marketing viewpoint identifies that individuals sort them into groups on the source of the things they like to do, how they like to spend their leisure time, and how they select to expend their disposable income. Several researchers have focused on recognizing the lifestyle of the customer in order to have superior information about the customer.

Lifestyle is explained in expressions of shared values or tastes as imitated in consumption patterns. Individual features are observed as the raw constituents to develop a unique lifestyle. In an economic sense, one’s lifestyle symbolises the way one apportions income, but lifestyle is more observed as a mental construct that clarifies, but is not undistinguishable to behaviour. Lifestyle explanations tend to comprise attitudes, values, and behavioural elements that frequently are a replication of culture. Lifestyles exceed individual brands or products but can be precise to a product class. Consequently, it makes sense to talk about a food-related lifestyle, or a housing-related lifestyle.

Although lifestyle studies are prevalent amongst advertising agencies, they are very general, which is their main weakness. To comprehend customer behavior across cultures it is essential to go beyond lifestyle and differentiate value differences by product category. Even when people from diverse cultures share ownership of specific products, the drives for purchasing these products diverge so intensely that for emerging advertising these lifestyle groups are not beneficial (Krishnan, 2011).

Nowadays, customers are permitted and informed. With the current downturn in the economy came the development of the social customer, who is cleverer and more conscious of product selections than ever before. Marketers now know that only advertisements will not have the customer instantaneously making a purchase. Whether they are purchasing a car, a service, or a meal, consumers through the world are more probable to reflect user reviews via social media, online forums, comparison Web sites, and other Internet research as part of their decision.
In his seminal article, “The Globalization of Markets,” Levitt (1983) contended that new technology would lead to homogenization of customer requirements and needs because customers would desire standard products of high quality and low price to more customized high-priced products. Levitt’s argument was founded on the supposition that customer behavior is rational and that customers constantly want to maximize their gain. To the contrary, however, as individuals around the globe become well educated and more prosperous, their tastes can diverge.

**Effects on Consumer Behaviour: Branding**

The notions of self, personality, identity, and image are essential to consumer behaviour and are also used as metaphors in branding approaches. The growth of a global culture does not mean that customers share the identical tastes or value. Individuals in diverse nations, often with contradictory perspectives, contribute in a shared discussion, drawing upon shared symbols. One of the key symbols in that discussion is the global brand (Holt et al., 2004).

Global establishments are directed to associate global myths of individual independence, modernity, and self-actualization with their brands. Global brands and global companies “wield extraordinary inspiration, both positive and negative, on goodwill of society. Numerous customers anticipate firms to address social difficulties associated to what they sell,” how they produce, and how they allocate their products and services (Holt et al., 2004). Consequently, to advance their global image, firms are advised to invest in creativities that evidently benefit stakeholder communities. Global brands also deliver a myth of global cosmopolitanism to which numerous customers world-wide aspire (Strizhacova et al., 2008).

Formerly, businesses have not given prodigious thought to where its raw materials come from, nor to where its products go after they have been bought. Nowadays, this is varying with the advent of sustainability apprehensions; consumer behavior is frequently at least moderately based on environmental anxieties, social concerns, and the efficiency and efficacy of firm operations.
This all amounts to globalization meaning that the marketplace is fetching progressively complex for marketers to circumnavigate. In current century, globalization has brought strong variations to both the demand (consumers’ values as well as desires) & the supply sides of markets. A new generation of global brands from developed and evolving economies brings different cultures to a customer population that is also growing culturally diverse.

Consumers have a multitude of selections in numerous markets and this impacts their behaviors: they need to obtain goods as well as services quickly and in a more effective manner than before. They also anticipate high quality & low prices. These anticipations require a response from companies; without some type of accommodation to the new realisms, it can be anticipated that company sales will decline, costing both profit and market share. An establishment must always be flexible concerning price, product, service and customer predilections because all of these are compressed by the global nature of markets.5

**Consumer Acculturation and Globalization**

Consumer acculturation concept is defined as “the development that a consumer makes from local consumer culture to global consumer culture relating to specific cultural components.

Because of the forces of globalization in India there is a alteration in the consumer culture as the consumer of India largely those who are residing in the cosmopolitan cities of the country are increasing adjusting the culture of west, which is also apparent from their buying behavior as they desire the brands of foreign origin and this phenomenon is called consumer acculturation. International advertising managers and practitioners have been long interested in the arena of consumer acculturation because of its direct influence on the sales of the foreign brands and its thorough understanding can be capitalized by them to profit their particular trades.

As a consequence of consumer acculturation there has been a remarkable transformation in the buying preference of Indian consumer’s unlike a couple of decades back. Acculturation is a subject which has been studied in detail in the existent literature in
developing countries. With the change in consumer culture in developing countries like India, where because of forces of globalization the consumers are also undergoing a transformation in their culture, customs and lifestyle. There is a gap in the existent literature with regard to the study of acculturation in developing countries, therefore studying consumer acculturation and how it impacts on the behavior of the consumer will bring much required insights for global business managers. Through the current research efforts have been made to recognize the concept of acculturation with the factors which pushes this phenomenon.

Understanding of the flourishing and universal globalization, which leads to consumer acculturation can be capitalized by retailers to help their particular businesses. The appropriate mixture and synergistic result of the various factors influencing it could result in further sales turnover hence profiting the marketers and retailers. 

**Role of World Trade Organization (WTO) in globalisation**

Based in Geneva, The World Trade Organization (WTO) was set up on January 1, 1995, replacing another international organisation known as the General Agreement on Tariffs and Trade (GATT). Often the giant countries or economies function in techniques to shape the terms of trade in their favour, here the role of WTO comes into picture to defend the smaller economies and ensure fair functioning.

The WTO is the only international agency that deals with solving the disputed trade clashes among the member countries. The purpose of World Trade Organization (WTO) is to promote free trade by persuading countries to abolish import tariffs and other barriers. Along with this objective WTO aims at reducing poverty in member countries by promoting international trade. As such, it has become closely associated with globalisation.

**The World Trade Organization emphasis on following major areas:**

1. **Tariffs:** if a tariff is bound, the member’s countries are not allowed to increase the rate of tariff. If a country want to increase the rate of tariff, it has to take prior permission from the other member countries of World Trade Organization.
2. **Services:** Once a country enter into an agreement, no discrimination has to be made between foreign countries and the local corporations by the member countries.

3. **Intellectual Property:** Intellectual property rights and documents under copyright has to be carefully safeguard by the member countries.\(^\text{10}\)

4. **Dispute Settlement:** The WTO’s system for solving trade arguments under the Dispute Settlement Understanding is vital for implementing the rules and therefore, for safeguarding that trade flows easily. Member countries bring disputes to the WTO if they consider their privileges under the agreements are being invaded. Judgments by particularly appointed independent authorities are built on clarifications of the agreements and individual countries’ obligations. The system inspires countries to settle their differences through discussion.\(^\text{11}\)
Concluding Remarks

Due to globalization people are more and more integrated with each other. Globalization opens the numerous ways for the people to share the knowledge and other things (product and services) that prevails in their country. Globalization occurs via 3 media: Capital movement, Trade of goods and services and flow of finance. Customer satisfaction is too much important for companies in this competitive world. Due to globalisation the consumers are experiencing a transformation in their culture, habits and lifestyles. As a result of consumer acculturation there has been a remarkable transformation in the buying preference of Indian consumer.

Due to globalization emergence of consumer culture has been enhanced. Global consumer culture has enhanced the consumption of culture free products. Now days, trend to make to products according to the global consumer culture has been enhanced. Consumers prefer to buy products which related to their own culture.

Globalization has impacted our lives tremendously in the products that consumers can access. A specifically significant factor backing to this global trade is the growing formation of free trade agreements and economic unions. A positive part of globalization is the increase in multiplicity of goods available to consumers and the reduction in prices.

Increasingly businesses are going global. They look to expand production efficiency, widen markets, seek raw materials, new technologies, and upsurge the multiplicity of consumers. It is essential for establishments to understand the prominence of globalization.
References