

# Effect of Globalisation on Buying Behaviour

Sunil Kundu

PGT commerce at M.D.N.Sr.Sec.School kalayat (India)

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## ABSTRACT

With the introduction of globalization in Indian market, the scenario of whole market has changed. Now, there are many foreign competitors of Indian brands. Before this globalization, Indian brands had to face competition from their rival Indian brand but now the things have changed from last few years.

Also, consumers get a lot of foreign varieties of each and every local product. There are many foreign brands like Redmi, Peter England, Reebok etc. which have become so popular among Indian consumers. If we analyze closely then we find that these foreign brands are much popular among the people living in metro or urban cities as compared to those living in rural areas of India.

Hence, it can be said quite surely that this globalization has certainly changed the buying behavior of Indian urban consumers and they have been attracted to these foreign products impressively. The current article highlights the impact of globalization on consumer's buying behavior.

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## 1. Introduction

With the allowance of foreign direct investment, many foreign brands like Peter England, Reebok etc. introduced into Indian market. These foreign brands possess the better quality than that of similar Indian brands and are of higher cost.

Besides, their higher cost, they have been able to impress Indian consumers because of their quality which is supposed to be far better than that of Indian products.

Another prospect of the theory is that most of the Indian population comes from rural area or middle-class family. A number of people among these middle-class members don't prefer purchasing highly costly things which ensures that globalization has not certainly affected the buying behavior of people of rural areas.

The main effect of globalization has found on the people living in urban areas. They prefer quality over the cost. Therefore, there are many customers of foreign brands in urban areas.

Research on the phenomenon of compulsive buying was introduced into consumer behavior has extended those initial findings. This abnormal form of consumer behavior is typified by chronic buying episodes of a somewhat stereotyped fashion in which the consumer feels unable to stop or significantly moderate the behavior. Although compulsive buying may produce some short term positive feelings for the individual, it ultimately is disruptive to normal life functioning and produces significant negative consequences.

Regarding gender, it should be noted that, although some research has reported finding no statistically significant differences, our results are more in line with other studies which, involving general population samples, not only have detected the existence of significantly higher percentages of women among compulsive buyers, but have also confirmed significantly higher scores in the compulsive buying measures in females as well.

Among the possible reasons why women would be more prone to compulsive buying than men, the research have

pointed to the cultural and socialization differential patterns between genders, namely, that in Western culture, women do most of the shopping and spend more time than men engaged in this activity, and, subsequently, it has been surmised that this simple fact of being more exposed to this activity might in itself make females more vulnerable to the compulsive buying phenomenon.

## 2. Effect of globalisation on buying behaviour

'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 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.

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.

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 than values of ambition and achievement. Product which communicate feelings and emotions gel with the Indian consumers.

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.

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.

### 3. Discussion

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.

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.

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.

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.

The organized retail format promises consumers better quality and better shelf-life for products due to their excellent storage facilities and antitampering 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.

### 4. Conclusion

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 than values of ambition and achievement. Product which communicate feelings and emotions gel with the Indian consumers.

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