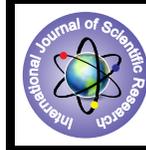


A critical study on exposure to globalization has led to increase in conspicuous consumption for the consumer durable goods



Management

KEYWORDS : Globalization, Conspicuous consumption, Durable goods

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ABSTRACT

Present study is an attempt to analyze the impact of globalization to increase in conspicuous consumption of consumer durables goods in the Lucknow city. Various factors are studied which influence the purchasing behavior of consumers. The contribution of consumer durables for hiking the living standard and livelihood of customers is very imperative. This would help to take steps to enhance the purchasing power ability decisions of customers. In this study the researcher has made an attempt to prove the impact of globalization in the lifestyle of consumer with respect to consumer durables is high and life style of peer influences an individual's life style.

Introduction: -

“Think of the customer first, if you would have the customer think of you.” The consumption pattern and the behavior of the consumer have been changing gradually. Since the last two decades we have seen many changes occurring in the attitude, perception, motivation, spending habits, purchase, and post-purchase behavior of the consumer.

In the new millennium however, the consumer behavior has changed much. The consumer of the 80s had less discretionary income and with liberation in 1985 to globalization taking place since 1991 a whole lot of goods flooded the Indian market. Like refrigerators, washing machines, black & white TV, color TV, VCRs, cars, scooters, motor cycles, cosmetics, gas cylinders, cellular phones, microwave ovens, internet, ATM cards etc., Marketing through TV and internet became possible.

The behavior of today's customer is changed due to the economic liberalization and economic crisis. He does not have to buy sub-quality and shoddy products. He can dictate his terms, and as somebody has rightly stated, “The customer is not only the king but also the queen, the prince and the princess.” He can choose from a plethora of brands, return the product if not approved. Can take a free trial, negotiate and bargain. He can reject and accommodate. He can use credit cards, buy houses, cars, flats on easy installments and can even get rebate from taxes, by taking a loan for a home etc.

He can access abundant information through the internet. The marketer is happy to provide service to him free of cost. It is the service that plays an important role in promoting products and brands. Marketers are all out to differentiate their products with plans of service, price, packaging, branding, promotion etc. Celebrities are being used to promote products. Coco Cola, Pepsi “YehDil Mange more”, Maharaja of Air India and other brands have been globalized.

The millennium is witnessing dramatic changes in the market place, changes in the lifestyle of the consumers and a radical revolution in information technology. The behavior of the new generation of customers has seen drastic changes. He knows his rights. His expectations have increased; he has become more knowledgeable and is also aware of the multiple options satisfying his needs. He can switch over to new brands to get more value for his money. There are increasing number of competitors, both domestic and global, offering higher value for his money-added products and process through innovation. The customer has more purchasing power and can access information i.e., E-commerce and E-business. The marketer must take the following points into consideration:

- The customer has become more demanding hence there is

demand.

- There is greater liberalization.
- There is increasing competition.
- The overall costs are rising.
- There are lower margins of profits.
- The customer has more purchasing power.
- The customer has more information about product, markets, companies, prices etc.

Research Methodology:-

Objective:-

- To analyze the impact of globalization on consumer durable goods.
- To study the effect of globalization on conspicuous consumption for consumer durable goods.

Hypothesis:-

H₁: The exposure to globalization has led to increase in conspicuous consumption for the consumer durable goods.

H₂: The exposure to globalization has not led to increase in conspicuous consumption for the consumer durable goods.

Research Design:- Exploratory Research

Data Collection Sources:-

Primary Data:- Data were collected through structured questionnaire.

Secondary Data:- Data were collected from various past studies and other sources like magazine, newspaper, reports and web sites etc.

Description of the study area:- Lucknow City

Sampling Plan:-

Target Population:- Customers in Lucknow City

Sample Size:- 300

Analytical Tools: - Frequencies, Chi square test

Analysis and Interpretation:-

For testing the hypothesis these two variables have been taken:-

1) Impact of globalization in the lifestyle of consumer with respect to consumer durables is high.

Response	Frequency
Strongly Agree	74
Agree	70
Undecided	47
Disagree	58
Strongly Disagree	51

Here we have the Null Hypothesis that is impact of globalization in the lifestyle of consumer is quite high with respect to consumer durables are uniformly distributed among the customers.

According to H_0 ,

$$\begin{aligned} \text{Expected frequency} &= (\text{Total Number of Consumers})/5 \\ &= 300/5 = 60 \end{aligned}$$

The calculation of χ^2 is shown in the table:

O_i	E_i	$O_i - E_i$	$(O_i - E_i)^2$	$\frac{(O_i - E_i)^2}{E_i}$
74	60	14	196	3.26
70	60	10	100	1.66
47	60	-13	169	2.81
58	60	-2	4	0.06
51	60	-9	81	1.35
				$\Sigma(O_i - E_i)^2 / E_i = 9.14$

$$\chi^2 = \Sigma(O_i - E_i)^2 / E_i = 9.14.$$

$$\text{Also } \chi^2_{(0.05)} = 9.49$$

Since calculated χ^2 is less than the tabulated value, we accept H_0 and conclude that impact of globalization in the lifestyle of consumer with respect to consumer durables is high.

Life style of peer influences an individual's life style.

Response	Frequency
Strongly Agree	69
Agree	72
Undecided	59
Disagree	49
Strongly Disagree	51

Here we have the Null Hypothesis that is lifestyle of peer influences an individual's lifestyle, are uniformly distributed among the customers.

According to H_0 ,

$$\begin{aligned} \text{Expected frequency} &= (\text{Total Number of Consumers})/5 \\ &= 300/5 = 60 \end{aligned}$$

The calculation of χ^2 is shown in the table:

O_i	E_i	$O_i - E_i$	$(O_i - E_i)^2$	$\frac{(O_i - E_i)^2}{E_i}$
69	60	9	81	1.35
72	60	12	144	2.4
59	60	-1	1	0.01
49	60	-11	121	2.01
51	60	-9	81	1.35
				$\Sigma(O_i - E_i)^2 / E_i = 7.12$

$$\chi^2 = \Sigma(O_i - E_i)^2 / E_i = 9.14.$$

$$\text{Also } \chi^2_{(0.05)} = 7.12$$

Since calculated χ^2 is less than the tabulated value, we accept H_0 and conclude that lifestyle of peer influences an individual's lifestyle.

Findings :-

➤ Impact of globalization in the lifestyle of consumer with respect to consumer durables is high because the customer has more information about product, markets, companies, prices etc.

➤ There is increasing competition in the society so the lifestyle of peer influences an individual's lifestyle.

Conclusions :-

As customer has more information about the product, market, trend, demand, prices, preferences which influence them to make changes in their lifestyle. As customer is core of the society so any kind of change is occurring in society it will influence the customer.

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