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Studies on globalization and its impact on Indian marketing system

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Abstract

In this paper the idea of globalization and its effect on Indian marketplace is a number one examine below the subject selected with the aid of using the researcher. The most important purpose is to recognize the idea of Indian marketplace, Types of Indian and patron marketplace in a wide manner, Importance of Indian marketplace, Positive effect of globalization, Negative effect of globalization, The profits from globalization etc., with inside the recognize of wheeler industry.

Keywords: Indian marketing system, positive effect of globalization, negative effect of globalization

Introduction

Globalisation is the number one mechanism at the back of the accelerated aggressive pressures placed on worldwide organizations that has turn out to be a essential exercise to allow value discount measures, through deciding on how and in which to seize gains (Amaral *et al.* 2006, Venture outsource.com 2007) ^[1, 2]. Globalisation is characterized because the accelerating method in monetary, political and cultural integration in a pass border scheme. Its importance can effect each poor and effective consequences, ensuing with inside the loose waft of imports and extensive scale competition.

The Indian marketplace is characterized through an enormous ability with a populace that ranks 2d throughout the world. In spite of the worldwide monetary conditions, the United States of America marked a mean increase of six percent, with the stocks of center elegance forecast to treble over the 15 years next. Opportunities for plenty industries are solid with the extent of disposable profits that has raised home call for at 9.2 percent.

These gift the raised United States of America integration and internationalisation capabilities. Internationalization highlights the cappotential to soak up a entire set of organisation capabilities throughout borders for labour arbitrage gain. This includes the switch and control of everyday enterprise sports to rising markets in pass border locations, because the Globalisation phenomenon (Bengtsson *et al.* 2009, Windrum *et al.* 2018, Browne and Wilson 2016) ^[3, 4, 5].

This report construes the assessment technique of defining overseas marketplace elegance along the mentioned dangers in doing business: India, as a part of the BRIC block. The paintings appears, globalisation and worldwide change with inside the context of the socio-cultural environment. The variables as regards Politics appears at Governments function in some of modern-day issues, the variables on economics evaluates the signs of change, forex volatility and GDP boom disparity and trends. Social variables are targeted at the impact of culture, subculture and demographic changes. In the class of Technology, the variables factor out the extent of innovation, whilst Legal parameters outline regulatory and coverage constraints. Matters at the Environment take into account the ecological footprint and maintenance of habitat (Johnson *et al.* 2006) ^[6].

Since the seed of economic liberalisation in the early 1990s, India has in turn developed into a key player in the world economy, with raised levels of foreign direct investments in particular sectors. Privatisation is encouraged under the well-developed taxation system and through a variety of programs. India has recently supported a multi-brand approach to encourage new innovations in agriculture, cold chain logistics, retail and infrastructure.

This has resulted in the steady growth of domestic business and has attracted many companies to expand operations in India.

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Centrally located in South Asia, India enjoys a strategic advantage of location for trade routes across Africa, Australia, Far East, Middle East and South Asian countries. Then combined with well-educated youth and a large local market, India positions as a hub across the region (Chakraborty and Nunnenkamp 2006) ^[7].

India is a complex market given the cultural diversity and large divide between rural and urban areas. Each locality is described with a dominant unorganized market and multiple legal and administrative systems (Athreye and Kapur 2001) ^[8]. The market is extremely price sensitive that an apt market and segment forms the core element of business decisions. Rural markets must not be ignored although these are very hard to penetrate (Bajpai and Sachs 2000) ^[9].

Table 1: Factors influencing internalisation

	EU Countries	Asia
Achieve lower cost	6.19	6.34
Focus on own core competencies	5.54	5.17
Gain access to resources & competencies	3.47	3.11
Entry to new markets	3.11	3.32
Networking new suppliers	3.71	4.28
Competition	5.52	5.72
Turn deficits to surplus	3.39	3.17

Impact of Globalization on Agricultural Sector

Agricultural Sector is the mainstay of the rural Indian economy around which socio-economic privileges and deprivations revolve and any change in its structure is likely to have a corresponding impact on the existing pattern of Social equity. The liberalization of India's economy was adopted by India in 1991. Facing a severe economic crisis, India approached the IMF for a loan, and the IMF granted what is called a 'structural adjustment' loan, which is a loan with certain conditions attached which relate to a structural change in the economy.

Impact of Globalization on Industrial Sector

Effects of Globalization on Indian Industry commenced while the authorities opened the country's markets to overseas investments within the early 1990s. Globalization of the Indian Industry occurred in its numerous sectors which include steel, pharmaceutical, petroleum, chemical, textile, cement, retail, and BPO.

Globalization way the dismantling of exchange boundaries among countries and the combination of the countries economies thru monetary flow, exchange in items and services, and company investments among countries. Globalization has improved the world over in latest years because of the quick development that has been made within the subject of generation mainly in communications and transport.

The authorities of India made adjustments in its financial coverage in 1991 with the aid of using which it allowed direct overseas investments within the country. The blessings of the results of globalization within the Indian Industry are that many overseas groups installation industries in India, mainly within the pharmaceutical, BPO, petroleum, manufacturing, and chemical sectors and this helped to offer employment to many human beings within the country. This helped lessen the extent of unemployment and poverty within the country.

Impact on Financial Sector

Reforms of the financial sector constitute the most important component of India's programme towards economic liberalization. The recent economic liberalization measures have opened the door to foreign competitors to enter into our domestic market. Innovation has become a must for survival. Financial intermediaries have come out of their traditional approach and they are ready to assume more credit risks. As a consequence, many innovations have taken place in the global financial sectors which have its own impact on the domestic sector also. The emergences of various financial institutions and regulatory bodies have transformed the financial services sector from being a conservative industry to a very dynamic one. In this process this sector is facing a number of challenges. In this changed context, the financial services industry in India has to play a very positive and dynamic role in the years to come by offering many innovative products to suit the varied requirements of the millions of prospective investors spread throughout the country. Reforms of the financial sector constitute the most important component of India's programme towards economic liberalization.

Impact on Export and Import

India's Export and Import in the year 2001-02 was to the extent of 32,572 and 38,362 million respectively. Many Indian companies have started becoming respectable players in the International scene. Agriculture exports account for about 13 to 18% of total annual of annual export of the country. In 2000-01 Agricultural products valued at more than US \$ 6 million were exported from the country 23% of which was contributed by the marine products alone. Marine products in recent years have emerged as the single largest contributor to the total agricultural export from the country accounting for over one fifth of the total agricultural exports. Cereals (mostly basmati rice and non-basmati rice), oil seeds, tea and coffee are the other prominent products each of which accounts for nearly 5 to 10% of the countries total agricultural exports.

Types of Indian Consumer Market

Previously, India Markets originated from the center of villages and towns, where there was a sale or barter of farm produce, clothing and tools and various other products. Later on these street markets went on to become consumer-oriented markets like the specialist markets, shopping centers, supermarkets.

1. Commodity Markets - In India, with high oil and food prices, the commodity markets have again gathered all the attention. The prices of the essential commodities steer the economy to a desired level. Commodity markets deal in energy (oil, gas, coal, and biodiesel), soft commodities and grains (wheat, oat, corn, rice, soya beans, coffee, cocoa, sugar, cotton, frozen orange juice, etc), meat, and financial commodities like bonds.

2. Capital Goods & Industrial Markets - India capital goods market help businesses to buy durable goods that can be used in industrial and manufacturing methods. There are usually wholesale trades that take place with bulk goods being transacted at very cheap prices. Markets in India after

the liberalization era have been leveraged to the extent that they are well protected by legal procedures and boasts of efficient administrators. The government has always been proactive in its strategies to make the future of India market lucrative and attractive. India market has witnessed outstanding growth over past few years. The liberal and transparent financial policies have steered the economy towards free flow of foreign institutional investment and that is why India Market has achieved a sound place in the international arena.

Conclusion

India promises tremendous growth opportunities to multinational companies on the premise that risk variables are apparent on the onset. Consumption alone by the sheer size of the population can offer sizeable margins if the local markets are understood. Developing business strategy requires due diligence and risk analysis and mitigation strategies. By 2025 the forecast population of India is to exceed the population of China, by then Europe and Japan are forecast to have an ageing population. Effectually, India is to be recognised as the largest worker population with 700 million in workforce. Sheer size of the nation can shape lifestyle and sweep consumption trends.

On a country level the three top priorities, first off is the need to rationalise the use of groundwater, which includes factors of waste management and development planning. Second is the reorientation of institutions such to influence the way people view technology resources and development—and most importantly the abolition of caste system. On the level of company, it is suggested that suitable local partners are identified before market entry, then manage a long term relationship. Leverage on consumer market, identify the target niche and determine the reach. Understand the culture of doing business and establish good communication channels. Be receptive on new techniques.

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