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The Role of Consumer Agency in the Globalization Process in Emerging Markets

Giana M. Eckhardt and Humaira Mahi

In emerging markets, the main actors in the globalization process are widely considered to be governments and multinational corporations (MNCs). The authors examine the role of a key player that has largely been left out of the globalization debate—the consumer. Viewed through a lens of consumer agency, the authors outline important factors that influence whether new foreign goods that enter the marketplace are accepted, rejected, or transformed by consumers. This is investigated in the context of the Indian marketplace, an emerging market that has only recently had access to foreign goods. The authors' analysis suggests that consumers are not merely pawns of MNCs or governments. The framework developed to understand the complexities of consumer agency in an emerging market provides the first such effort to guide future empirical consumer globalization research.

Keywords: *marketization; globalization; consumer agency; emerging markets; India*

Globalization and its effects are being vigorously debated in fields ranging from cultural anthropology to comparative literature, sociology, economics, political economy, and various disciplines within the business academy. That most fields within the social sciences and humanities have a stake and say on the topic indicates the widespread intellectual debate about the ramifications of this phenomenon. Jameson and Miyoshi (1998, xi) acknowledged this by saying that “globalization falls outside the established disciplines, as the sign of the emergence of a new kind of phenomena,” then went on to say that it “is thus the modern or post-modern version of the proverbial elephant, described by its blind observers in many diverse ways” (xi). Given this diversity in thinking about the topic, it is not surprising that there are many divergent views on the various aspects of globalization, such as who the main players are, what its manifestations are, and whether this phenomenon is good or bad, culturally or economically, and for whom.

Typically in the business academy, the main players in globalization are identified as multinational corporations

(MNCs) and governments (Prakash and Hart 2000). This view is favorable when viewing the economic aspects of globalization and its implications on resource allocation issues and policy making. From a marketing and consumer behavior perspective, however, another set of players—consumers—and their role become important.

Until recently, the role of consumers and their effects on globalization have been largely left out of the discussion. This is because in the literature, consumers in markets that are new to marketization are typically construed as pawns of corporate and government interests, attempting to cope with the new life that globalization and free market economies are giving them rather than having any role in determining it. Appadurai (1990, 307) typified this line of reasoning when he suggested that through the globalization process, “The consumer is consistently helped to believe that he or she is an actor, where in fact he or she is at best a chooser.” In contrast to this, we view consumers in emerging markets as active participants in the changes brought about by globalization, with a voice that is heard by both multinationals and governments as to how much and in what ways they would like to participate in the global economy.

Within cultural anthropology, some of the main proponents of this latter, alternate viewpoint have been Miller (1996) and Wilk (1990). Within marketing, Ger and Belk (1996) argued that consumers in emerging markets are more active than passive, and actively negotiate the consumption process, primarily by imbuing global products with new, localized meanings in a process that they call *consumption creolization*. Clearly, however, all global products do not become creolized. In this article, we further expand on this concept by clarifying under which conditions creolization can occur.

In building on this view of active consumers in the globalization process, this article aims to provide an understanding of consumers' role in, and relationship to, the globalization process as well as the variables involved in their choosing to accept, transform, or reject foreign offerings. We develop a

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framework that explicates how consumers' choices are influenced by cultural concerns. The important factors used in evaluating if and to what extent foreign offerings are in line with important underlying local traditions and values are outlined. As Ger and Belk (1996, 291) pointed out, when foreign goods are introduced into less affluent societies, they can be used "as symbols of modernity and status as well as symbols preserving or reviving traditional roots." We expand on this by identifying two important factors that lead toward goods being able to be interpreted in this creolized way—transformability and compatibility of meaning.

The article begins with a discussion of consumer agency in the globalization process. Next, the Indian context is described. We then present our conceptual framework and our analyses of consumption choices in the Indian market to demonstrate how goods that are alien to the culture have either been accepted and integrated so that they fit in, in part because of their adaptability, or discarded because they are seen as threats to the core aspects of the prevailing culture. A discussion of the implications of our framework in understanding the role of consumer agency in emerging markets and globalization is followed by future research suggested by our approach. We conclude by situating our work in debates about globalization and outlining the contribution of our work to that debate.

CONSUMER AGENCY AND THE GLOBALIZATION PROCESS

At the crux of how to construe consumers in their role in the globalization process is the debate surrounding consumer agency. Before expanding further on the notion of consumer agency, a definition of the more general term *agency* is needed. Simply put, agency is the socioculturally mediated capacity to act (Ahearn 2001). This one-sentence definition, however, does not make the construct useful. It has sparked considerable debate in the social science literature (Bourdieu 1991; Foucault 1978; Giddens 1984; Lalu 2000; Ortner 1989; Sahlins 1981). To summarize our interpretation of this debate, agents are neither free agents nor entirely socially determined products. Instead, agents are "loosely structured." The central question for practice theorists is determining "how such loosely structured actors manage at times to transform the systems that produce them" (Ahearn 2001, 120).

We derive a definition of consumer agency from practice theory. In the globalization context in emerging markets, we argue that consumers act in an agentic way to shape market preferences while being influenced by the market themselves, and follow Ger and Belk (1996) in defining consumer agency as the ability to transform and play with meaning. The context of emerging markets is important here because of the newness of some products and therefore the cross-cultural collisions and interactions that these might bring. We take

Sahlins's (1981) view that these effects will bring about changes to the structure itself (in this case, the market). The relevance of examining the role of agency is to provide evidence that consumer agency is an important yet underresearched factor in consumption studies vis-à-vis globalization.

The Role of the Consumer

Although not couched in the rhetoric of consumer agency, Prahalad and Lieberthal (1998) suggested that the age of corporate imperialism has now ended and that the relevant question scholars should be asking is in fact not how global consumer brands such as McDonald's (as one of the penultimate global consumer brands) are changing the culture in developing countries, but rather how the consumers in developing countries are changing these brands. Ever since Ritzer (1993, 1) defined *McDonaldization* as "the process by which the principles of the fast-food restaurant are coming to dominate more and more sectors of American society as well as the rest of the world," and even before then, the role of global brands and consumers' interpretation of these brands have been considered important and widely debated.

Watson (1997) described how local consumers are changing the meaning of global brands to suit local circumstances with reference to McDonald's consumers in East Asia. He chronicled the accepted academic view that McDonald's is promoting cultural imperialism and fostering radical cultural and culinary change throughout the world. Yet he and other anthropologists found during prolonged fieldwork studies in various East Asian countries that, in fact, consumers have modified McDonald's to fit their own cultural and culinary preferences and conditions, and that the consumers "call the shots" as much as McDonald's as a corporate entity does. Appadurai (1990) noted that in today's postmodern world, the producers of a good can no longer control its consumption. One of the major findings by almost all of the anthropologists contributing to Watson's (1997) book is that McDonald's becomes more of a local than a global company and brand name in the minds of the consumers after a few years, and starts embodying local values rather than global ones. These results support the contention by Miller (1996, 163) that "persons may appropriate consumer goods to enhance rather than erode their previous cultural imperatives." Our work furthers this stream of thinking by proposing that by accepting, transforming, or rejecting meanings, consumers are exerting their agency and playing a crucial role in shaping the globalization process by their choices that affect product successes and failures.

Consumers in Emerging Markets

We focus on the experience of consumers in emerging markets, because they are unique compared to consumers in developed markets in a variety of ways. Many emerging

markets are characterized by dramatic changes to their economic policies, and although economic liberalization has made consumers in these markets increasingly active because their incomes have increased along with modernization (Green, Mandhachitara, and Smith 2001), product variety is still more limited compared to that which is offered in developed countries. Because of the wide variety of goods available in most product categories in developed countries, it is assumed that consumers will be active in their consumption choices. In emerging markets, however, notions of consumer agency have not been as clear due to limited choice (Applbaum 1998).

Most importantly, though, in developed countries, nearly all goods and services are designed with the local culture in mind, and thus there is a relatively good fit between marketers' intended meaning and the dominant culture. In emerging markets, most of the global products available are not designed with the local culture in mind, and hence there may be a much larger gap between local realities and the intended meaning of the good. Thus, meaning transformation on the part of the consumer, which can come about through actual product transformation or otherwise, may be much more common in emerging markets (e.g., Eckhardt and Houston 2002). This is also true for members of subcultures in developed countries, because there may be a large gap here as well between local realities in a subculture and the dominant culture (Ritson, Elliott, and Eccles 1996).

Because *consumer agency* has been defined as the ability to transform meanings, this implies that there may be more pronounced consumer agency in the emerging market context. This, then, gives consumers a more active role than that of being mere "choosers" that Appadurai (1990) characterized them to be. This is contrary to Baudrillard (1983), who argued that when consumers decode messages from a dominant culture vastly different to their everyday lived realities, an unanalyzed rejection occurs. We seek to examine whether this rejection always occurs, and if it does, whether it is indeed unanalyzed. Although it is rather intuitive to think that consumers can transform meanings of goods, the literature has not provided the factors that might systematically contribute to *how* consumers transform meanings of goods and whether any analysis occurs when accepting or rejecting an offering. Our purpose in this article is to address this substantial gap in the literature by identifying factors that affect consumer agency, that is, factors that affect the way consumers transform meaning and therefore accept, transform, or reject goods.

Before presenting our thesis, it is important to define some of the constructs that will be used in developing the framework. *Foreign* is defined as a consumer's perception of foreignness rather than a nondomestic site of production for a good. In other words, a good could be produced in India but still be considered foreign by consumers due to the nature of the product category—pizza, for example. For ease of

reading, we will use the term *foreign offerings*, as described by Friedman (1999), interchangeably with the term *foreign goods*, even if an offering is sometimes not technically a good (i.e., an educational system).

EXAMINING ONE EMERGING MARKET: THE CASE OF INDIA

The Indian Market

India provides an ideal setting to examine consumer agency because of its recent entry into the global economy. India embarked on a path of economic liberalization in 1991 primarily due to the severe economic crisis (soaring inflation, enormous foreign debt) it was facing at the time, a realization that the Soviet Union–style socialism it had been practicing had been holding it back rather than moving it forward, and a belief that India needed to be a part of the integrated international economic system (Emde 1999).

The reforms that have occurred post-1991 include liberalized foreign investment and exchange regimes, significant reductions in tariffs and other trade barriers, reform and modernization of the financial sector, and significant adjustments in government monetary and fiscal policies. Industry and services sectors have been growing in importance and currently account for 26.6 percent and 50.7 percent of GDP, respectively, whereas agriculture contributes about 22.7 percent of GDP. About 25 percent of the Indian population lives below the poverty line, but a large and growing middle class of 320–340 million has disposable income for consumer goods (U.S. Department of State 2004). Economic liberalization made India an attractive market for foreign investors because of the size of its market combined with the apparent purchasing power of its sizable middle class (India is the second most populous country in the world behind China, with a population of 1 billion people).

Along with economic liberalization comes outside cultural influences. India has historically actively resisted global cultural homogenization. One of India's former prime ministers, I. K. Gujral, voiced the concern of many opponents of globalization when he stated his fears in an interview: "Our traditions are a thousand years old. You cannot just let them go like that" (Friedman 1999, 233–34). Yet on the other hand, an often-repeated reply by many to such concerns has often been a stoic response: "India has survived in the past. India will survive." India, an ancient civilization, has existed for more than 4,000 years and during this time has held immense appeal to invaders and explorers alike. From the ancient Aryans, the Greeks, and the central Asian Mughals to the most recent British, India (primarily North India) has had a multitude of cultures invade and make it their home in different periods of time (Basham 1983; Bayly 1983).

After liberalization, many new goods have entered the Indian market, and product variety has also increased

		<i>Transformability of Meaning</i>	
		Low	High
Cultural Compatibility	Low	<p>1 Rejection No meaning transformation occurs—the meaning of the good stays the same as it is in the culture of origin, and that meaning is incompatible with local culture</p> <ul style="list-style-type: none"> • McDonald’s global menu, which is predominantly meat-based 	<p>2 Niche acceptance (for certain occasions or certain populations) Meaning transformation can occur for certain populations and/or in certain circumstances</p> <ul style="list-style-type: none"> • Polyester cloth • Microwave ovens
	High	<p>3 Widespread acceptance (as something foreign) Because of compatibility with local traditions and/or values, goods are accepted in existing form but not transformed into something local</p> <ul style="list-style-type: none"> • British educational system • BBC TV 	<p>4 Assimilation and eventual widespread acceptance Meaning transformation occurs—the meaning of the good does not stay the same as it is in the culture of origin but is rather transformed into something local</p> <ul style="list-style-type: none"> • Designer clothing • MTV India

FIGURE 1 A FRAMEWORK OF CONSUMER ADOPTION BASED ON CULTURAL ADAPTABILITY

manifold due to foreign entrants into the market. Some examples of new offerings are high-technology products such as computers, white goods such as kitchen appliances and washing machines, the explosion of media outlets via cable television and satellite connections, and a proliferation of goods that are sometimes distinguished by their “non-Indianness.” For example, instead of consumers referring to specific toys that are made in China, these goods are generically referred to as “Chinese toys” or “made in China toys.” Mazzarella (2003) noted that before 1991, all products were Indian, so the option to position a product as Indian or non-Indian has only come about in the past decade, and thus consumers are still making sense of what these categories mean. Such a cross-cultural change in the product landscape is bound to have an impact on the market. Again, our emphasis here is to examine how the Indian consumer is negotiating these changes.

The Indian Consumer

Although there has been a surge of foreign products that have become available in the past decade, Indian consumers are still negotiating their choices in this new environment. Indian consumers are typically described as currently in a state of tension (Mazzarella 2003). Although the caste system no longer exists, it has evolved into a social system almost as rigid. Indian consumers use consumption of newly available products to reinforce these deeply ingrained notions of social distinction within Indian society. Yet they also seek to engage in aspirational consumption, and thus the tension Mazzarella (2003) described is created. In addition, the Indian consumer has been characterized as sophisticated and savvy, even when rural and illiterate (Bullis 1997; Venkatesh and Swamy 1994). All of these characterizations imply that Indian

consumers are active in seeking choices in the marketplace, making the Indian context an ideal one in which to explore consumer agency issues vis-à-vis globalization.

CONCEPTUAL FRAMEWORK

We forward a framework (see Figure 1) to provide some guidance to consumer researchers interested in exploring consumer agency tensions in the context of globalization. Our analysis of consumption choices made by the Indian consumer leads us to present a framework based on cultural adaptability. Cultural adaptability is based on two factors: the ease of *transformability of meaning* of a good and the degree to which a good has *cultural compatibility* with the local culture. It is important to make a clear distinction between the two factors. The ease of transformability of meaning is defined as the extent to which the good has the ability to be transformed by consumers so that the meaning becomes local rather than foreign. Cultural compatibility is related to the good’s fit with local culture and is defined as the extent to which consumers interpret the good as fitting in with local traditions and values regardless of whether it remains as something foreign or becomes localized. Hence, the crucial difference between the two factors is that for the first factor, what is important is whether the product actually can be transformed into something local, physically or otherwise. This will depend on such variables as whether the good can fit into preexisting social and cultural structures. For the second factor, the perceived fit of the existing product meanings with the local value system rather than its ability to be transformed is of the essence. This will depend on whether the meaning of the good, even if that meaning is perceived as foreign, is a good fit with local cultural values. When a good is low on

both factors, rejection necessarily occurs; if it is high on both factors, assimilation and eventual widespread acceptance occur. Variable yet distinct levels of meaning transformation occur in the other two cells.

Note that the framework presented here is a tool used to examine how consumer agency manifests itself in the globalization process and how the factors that we have identified interact. Our objective is not to attempt to fit a clearly complex set of issues into a simplistic framework but rather to build theory to increase our understanding of how consumers transform meanings across cultures. As the consumer's role in the globalization process is researched further, other important factors will no doubt be identified and our analysis can be expanded on.

With products that are radically different from existing ones, such as is commonly the case in India with the rapid influx of goods postliberalization, it is a difficult challenge for market research to predict reactions to new products. As meanings are attributed and sometimes transformed by local consumers, the key to good market research is to be able to predict these transformations accurately. A good sociocultural understanding such as that provided by this framework can help a company understand the variables that would lead to these meaning transformations. Moreover, there are numerous examples in the Indian market and other emerging markets that demonstrate how companies spend tremendous effort in market research and yet have their products fail or underperform in these markets, such as Coca-Cola's experience in India. This demonstrates the need to understand the sociocultural factors affecting agency over and above standard market research techniques.

We now turn to expanding at length on the interactions between the two factors we identify in each of the four cells of the framework.

Rejection

In cell 1 of Figure 1, consumers reject the foreign good. The good is interpreted as something incompatible with the culture, and meaning transformation to make it more compatible with the culture does not occur. This typically happens when there is no opportunity for the good to be transformed into something local. For example, in the case of McDonald's, it is quite well-known that McDonald's introduced a radically altered menu in India due to protests against it introducing a foreign fast-food culture in India. Mintz (1997) made the point that a small number of foods prepared in standardized ways can find consumers nearly everywhere around the globe, but McDonald's in India is an exception to this rule with its elimination of all beef products and its addition of vegetarian foods and mutton burgers.

The rejection of beef products by consumers can be understood by beef's inherent incompatibility with a Hindu dominant culture that worships the cow, and thereby beef does not appeal even to the most Westernized consumers (Srinivas

2002). In India, however, there was more than just a rejection of beef. There was also a rejection of the global McDonald's menu model that is predominantly meat based and exists all around the world. Indian consumers did not want the globalized version of McDonald's. This is because there is a large segment of the Indian population that is staunchly vegetarian, and even Hindu consumers who eat nonbeef meat products (chicken, mutton, and seafood) have days of the week on which they do not consume meat, which can be up to four or five days a week. Therefore, McDonald's had to drastically alter its global business model, and some would argue risk some of its brand equity, to accommodate Indian preferences in a way it has not done in any other country. Moreover, some of the vegetarian options that were introduced also have a distinct Indian touch to them to suit the consumer demand for spicier foods. Indians simply will not buy food they consider bland in taste, as KFC found out the hard way.

Narayan (1996) suggested that the Indian consumer is "Indianizing" McDonald's (as opposed to McDonald's "Americanizing" India), and if this is indeed happening, the effects are already starting to be seen. Indians are taking what they like from McDonald's—studies from Watson (1997) would suggest this is the convenience, ambiance, and status associated with a Western lifestyle—and discarding and rejecting what they do not like: the globally standardized menu that includes products considered not spicy enough for the Indian palate, meat offerings, and no vegetarian options. The McVeggie burger developed for the Indian market has been introduced in certain test markets in the United States and nationwide in Canada. Not only have Indian consumers altered the product offerings of a global company to fit in with their own values, beliefs, traditions, and culture by rejecting products that are incompatible to their palate, but they have also gone beyond this to influence the product offerings of the multinational back in the developed world. Ger and Belk (1996, 292) pointed out, "Just as the global informs the local, the local informs the global. Coca-colonization is balanced by banana republicanization." Indian consumers are not necessarily buying into something outside their culture by eating at McDonald's but rather rejecting the elements that are not compatible with the culture.

Thus, because of the inherent incompatibility of the good with cultural values and norms—in this case, because the food is not flavorful enough and does not have enough variety for a dominant vegetarian culture—the fit with local culture is low, and meaning transformation of the product is not possible. Rejection of the product occurs: the consumer simply will not tolerate meat products even being on offer. To combat this rejection, McDonald's adapted its product offerings (by studying Indian consumers' tastes for six years before entering the market) in a way that it has not done in any other country in the world to be able to stay in the Indian market.

Another MNC, KFC, is struggling in India and is down to just one operation from four when it first started. Consumers

rejected not only the chicken on offer at KFC but also the stores themselves, sometimes violently. KFC did engage in market research with Indian consumers and concluded that its unique product would appeal to the Indian market, because Indians do eat chicken on occasion and have an appetite for global brands. They did not, however, radically alter their menu to accommodate vegetarians and a palate used to spicier foods, as McDonald's did. Although the reasons surrounding KFC's rejection are complex, the consumer ultimately rejected it.

When rejection occurs, the only option for the MNC is to introduce new offerings, as McDonald's did. A failure to do so, as in the case of KFC, can cause a weak or nonexistent market presence, thus demonstrating the role that consumers play in shaping the market structure. This rejection cell is the one in which consumers assert the most agency, as they strive actively to keep key elements of their culture intact. In this case, it is manifested in zero tolerance for any meat products whatsoever.

Niche Acceptance

Cell 2 represents the case wherein a new foreign good enters the marketplace and is accepted by certain niche populations and/or in certain situations only. In this case, meaning transformation can occur but does not necessarily occur. For example, polyester cloth has achieved acceptance among a broad spectrum of the population in India but only in situations perceived as nontraditional, such as for everyday wear, and not for religious or social occasions.

Cloth has a long and rich history in India. Joy and Wallendorf (1996, 121) noted that cloth has been used throughout Indian history to assess and evaluate the worth of the individual and the group: "Cloth and cloth transactions acquire meaning because they symbolize status, they record changes in status, and they transform the moral and physical bearing of the wearer." In addition, Costa (1996, 148) noted that to fully understand the meaning of clothing in India today, one must look at the influences of "the role of the British, of Gandhi and Nehru, of Hindu and Islamic beliefs, of caste and class, and of foreign power and industry and local customs and traditions." For example, Gandhi encouraged Indians to purchase Indian-made clothing to support the Indian economy at the time of independence from Britain, and indeed buying homemade cloth became one of the key themes of Indian nationalism (Bayly 1986).

Now, as nonnative fabrics such as polyester are becoming more and more popular in India, and purchasing such fabrics is not evaluated in the context of political freedom as much as in the past, it is becoming quite popular to buy traditional garments such as saris in nonindigenous fabrics such as polyester. As Joy and Wallendorf (1996, 123) noted, however,

The ones [saris] that are preferred are those with traditional colors and prints, which suggests that the incorporation

process is guided by acceptable cultural norms and principles rather than mere emulation. Further, although polyester is used for day-to-day activities, it is not acceptable for ritual activities.

This implies a rejection of foreign influences on clothing in more traditional contexts but an acceptance of the same in more modern contexts, thus allowing the consumer to slip in and out of modernity at will using fabric and clothing in part to do so.

The foreign good—polyester cloth as it is used in traditional saris—is accepted by consumers in certain circumstances only. Although consumers can interpret polyester cloth as compatible with local culture by virtue of it being purchased in traditional prints and patterns for everyday wear, this is not the case for ritual circumstances. This is similar to the pattern of acceptance of English cloth in India in the nineteenth century, when Indians accepted English cloth because it was made of closely woven cottons, a characteristic considered to signify purity in the garment and the wearer, and thus be culturally compatible to local culture. This was not the case for everyone, though, but only for a niche segment of the population—certain higher castes (Bayly 1986). Thus, for polyester cloth, we see niche acceptance for a foreign good, with the niche in this case being a subset of contexts in which the good is used, and for English cloth around the turn of the century, for a niche segment of the population only.

The interpretation of microwave ovens provides an additional context in which we see niche acceptance along with meaning change. The market segment to which microwave ovens appeal, and that can afford microwaves, are upper-middle-class housewives. They have access to inexpensive domestic help to aid with the cooking and thus do not have much demand for a product that reduces kitchen labor time for the help. But they do have a demand for a product that is perceived as Western and that demonstrates their financial and social status, which a microwave does. Thus, for this niche, because of the easy availability of domestic help in the kitchen, there is a low compatibility between the attribute of time saving and local culture. Yet the meaning can be transformed into that of a status symbol, and thus there is acceptance among this niche.

Venkatesh and Swamy (1994, 204) argued that "among many middle-class Indians, this ontological tension (between being traditional or 'westernized') exists regardless of age or gender, signifying the fear of a possible loss of cultural identity in moving away from their imagined notions of Indianness." This fear of loss of cultural identity, however, also allows the consumer to adapt the nonlocal good in question to use it in a manner that makes it Indian. What Ger and Belk (1996) termed *consumption creolization* is happening in this cell. Because polyester can be manufactured in indigenous prints, and because cloth is a good that many Indians

associate with purity and other positive aspects of their culture (Bayly 1986), it has the ability to represent local culture. Similarly, the symbolism of owning microwave ovens can be transformed because of the Western and upper-class images associated with them, which in turn allows them to become a status symbol for the upper-class niche rather than a time-saving device in the local Indian context. Combine this with a low initial fit with local culture, which both of these offerings display, and there occurs the case in which niche acceptance is seen. That is, certain segments of the population accept the good, as we see with microwave ovens, or the good is accepted for niche occasions only, as we see in the case of polyester cloth. The circumstances in this cell imply that there are high levels of agency on the part of consumers in that when and for whom the good is appropriate are actively negotiated.

Widespread Acceptance of Something Foreign

In cell 3, we see widespread acceptance. Although the foreign good continues to be perceived as foreign by consumers even after long periods of time, and hence does not become creolized, because of its compatibility with cultural values it can be assimilated into the Indian milieu and hence enjoys widespread acceptance. This is the case with the Western educational system, because even today, although the system's British origins are acknowledged, it is still the predominant educational system because of its compatibility with Indian values relating to respect for education and training of the mind, which has enabled it to become part of the social fabric.

India's adoption of the Western educational system has its roots in India's colonial past. The British established a judicial, administrative, and educational system that was later retained and adapted when the British left India. Indian civilization in the early ages had a rich history of work in astronomy, mathematics, science, and medicine, to name a few fields. The British imposed a system of education that largely ignored the Indian legacy and introduced Indians to the English model of education (Basham 1983). There was mixed support for these reforms among Indians at the time, with Indian reformists such as Raja Rammohun Roy supporting this system because he felt that such a new type of education would lead to the improvement of both the material and intellectual condition of the people, and other Indians opposing it because of the perceived neglect toward the traditional system (Patra 1987). The first commission on education established by the Indian government after independence—the Radhakrishnan Commission—said in its 1948-1949 report that one of its serious complaints against the system of education at that time was that it neglected India's past and did not provide Indian students with a knowledge of their own culture. The commission also stated that the system had produced, in some cases, the feeling among Indians that they were without roots (University Education Commission,

Government of India, Publications Division 1948-1949). Subsequently, postindependence India has used commissions and committees to adapt and reform the educational system so that elements of Indian history and civics could be taught, but overall the system of education still remains Western in spirit and content, especially in the sciences and mathematics.

The educational system is associated with upward mobility, especially with its main medium of instruction as English, and the infrastructure that was established by the use of this system was used to provide a platform for producing technocrats and scientists in postindependence India. The Indian Institutes of Technology that were established after the British left India provide subsidized technical education and opportunity in engineering and the sciences to India's brightest students and constitute much of India's intellectual capital (Mir, Mathew, and Mir 2000).

Education has held special importance culturally in the Indian subcontinent for millennia. For thousands of years, the Indian subcontinent had honed a system for handing knowledge down the generations known as *guru shishya parampara*. This was a chain for transmitting knowledge from *guru* (teacher or master) to *shishya* (disciple or student), a continuity of transmission down a line of preceptors. The *shishya* learned everything by word of mouth, example, and heart. Everything was taught orally. The system ingrained respect for the guru. One of the holy texts most sacred to Hindus, the Bhagavad Gita, is set in a context in which knowledge is imparted in a question-and-answer format (Magill 1990). Thus, the transmission of knowledge and also teachers are held in very high regard in Indian culture. This traditional mindset with its emphasis on education and the training of the mind allowed the Western educational system to be eventually assimilated by Indians because it provides a structured way of imparting knowledge from the guru to the *shishya*.

Therefore, in this case and in this cell, meaning transformation does not occur. The foreign offering continues to be perceived as foreign. This is because there is very low ability for the meaning of the good to be transformed into something local. In this case, because the English educational system did not incorporate traditional oral Indian learning, and because the structures of each learning institution are so different, it will never be thought of as something local. The English educational system is, however, compatible with local educational values and systems of imparting knowledge, and thus is easily accepted by a large number of Indians.

Another relevant case here is the adoption of the British Broadcasting Corporation (BBC). Indians have a tremendous appetite for news. Before liberalization, the only channel broadcasting news and information was a state-run channel (Doordarshan). The media industry has seen a huge revolution since. The Indian television-viewing market, with 70 million TV households, is the third largest in the world. Liberalization has enabled about 22 terrestrial channels and 100

satellite-based ones. The adoption of BBC for world news by the Indian consumer is an interesting example of how Indians not only view the BBC as a recognizably British offering but also trust its objectivity in giving them the news.

India has indeed had a unique relationship with the BBC dating back many decades, when BBC Radio provided Indians with their only window to the world (Fine 2003). BBC Television has reported a 15 percent increase in viewership in 2003 and enjoys the trust of the Indian viewer when it comes to receiving credible news reports with the accompanying recognition that BBC is a quintessential non-Indian product. Yet there is a good cultural fit and thus no need to transform or creolize the BBC into something Indian, because Indians have a long-standing cultural tradition of seeking out credible and objective news reports, which they perceive the BBC to deliver, even in its foreign British context. The BBC also has a low ability to be transformed into something Indian, because its credibility partially hinges on its being British and thus not subject to the type of (perceived) slanted news such as state-run Doordarshan reports that are quintessentially Indian.

Assimilation and Eventual Widespread Acceptance

Finally, in cell 4, we see assimilation and eventual widespread acceptance. Meaning transformation occurs on a mass scale, and the good is turned into something that reflects local culture. For example, we see the emergence of *fusion fashion*, with the fusion between foreign and local fashion styles occurring because of the ability to transfer meanings easily. Hence, a shirt can now be embroidered to look very Indian while offering the Western style and cut.

To expand, recent Western influences on clothing and fashion in India changed perceptions of what constitutes “designer” clothing. Bullis (1997) reported that India has embraced haute couture but with traditional clothing (i.e., the sari or the salwar-kameez). The face of designer clothing in India has changed to adapt Western influences, and the end product of these Western influences is one that is a mix of the East and the West in what is termed *fusion fashion* in India. Srinivas (2002) noted that fusion that successfully mixes Western influences with culturally familiar Indian types of goods are readily accepted in the marketplace. Fusion fashion incorporates Western styles with Indian fabric (hand-painted trousers), adapts traditional styles to give a Western look (Western-cut shirts to accompany traditional saris), or is a mix in which the lines blur on the East-West divide (Indian-style bead embroidery on a Western-style shirt; Thomas 2001). The fusion aspect of this trend illustrates the adaptation of influences to indigenize them, in which the end product has an ultimately Indian imprint.

In addition, the wholesale adoption of MTV India by the mass population has progressed similarly to that of fusion fashion. When MTV India was first introduced in India in 1991, there was very little localization in programming. After

the initial hype, there was a slump in interest with its target market group. This led MTV India to Indianize its programming in 1997 by adding large elements of programming that include what is called Indi-pop—a whole new genre of music. Cullity (2002) has described this as the audience forcing MTV to indigenize in a stunning display of cultural nationalism. The music videos in this genre have a distinct fusion flavor to them: Indian accents, lyrics, and music with Western beats and visuals. Interestingly, Juluri (2002) noted that part of the Indianization of MTV includes an almost exoticization of Indian culture. For example, promotional ads will feature a fakir getting off a bed of nails to reveal “MTV” on his back. MTV strives to be more Indian than any other channel, yet embodies what Juluri labeled an emerging sense of Indian-Western hybridity. Music videos today have been a favored form to promote nationalism in India, in opposition to official discourses of patriotism, which are seen as inauthentic and paternalistic (Juluri 2002). Thus, the appeal of MTV has been tremendous across the mass market and has made MTV India a vital part of the Indian cultural landscape.

The foreign offerings discussed in this cell have become assimilated into mainstream society by virtue of being transformed to such a degree as to ultimately reflect local society and culture. This is because there is a high ability for the meaning to be transformed. In the case of fashion, this ability is high because Western styles can be interwoven with traditional styles seamlessly. In addition to this, there is also a good cultural fit with the local environment in the first place. Similarly with music, combining Indians’ penchant for Bollywood-style music with Western music preferences to create Indi-pop illustrates an adaptation that appeals to the cultural sensibilities of the local market, and again there is a good cultural fit between the music and the local environment in the first place. Although it is easier for a good to be accepted, the consumer is still active in transforming meaning to ultimately view the product as uniquely local. From the perspective of an MNC, this is the ideal position to be in.

DISCUSSION AND IMPLICATIONS

Chronicling the various ways in which consumers approach consumption decisions in the globalization process, as we have done above, has some important implications. First, it makes overt the subtle distinction between meaning transformation and the actual compatibility of the product with the local culture to enhance theoretical understanding of how consumers negotiate the acceptance process. As our analysis shows, when transformation of meaning occurs, what was at first the global becomes the local—“glocalization” occurs. When consumers are allowed to consume in traditional ways, the good ceases to be exotic and in fact becomes part of the local scenscape. Indeed, Miller (1996, 161) commented, “One of the key problems in academic writing is our failure to address an object such as a

refrigerator as an authentic Indian object." Thus, this glocalization enables consumers in developing countries to receive the benefits of foreign goods (which could be novelty, usefulness, or any of a variety of symbolic benefits) while still upholding traditional values.

Second, the framework implies that construing consumers in emerging markets as active participants in globalization, as this analysis demonstrates, does not necessarily mean pitting the modern against the traditional, a stance argued by some scholars (i.e., Venkatesh and Swamy 1994). Consumers are able to take something new and incorporate it into their traditions, thus embodying both the modern and the traditional. In fact, they are able to use foreign goods to uphold their traditions (i.e., polyester saris are more affordable, and thus more people can use them) and not simply become more like the West by virtue of their use of these goods. Hence, from a theoretical perspective, this framework helps us to understand the role of symbolic meanings in product adoption and to address this issue of the ontological tension between the traditional and the modern that is considered to be a big part of any debate concerning the globalization of developing markets.

Third, our analysis provides more depth in delineating the factors that are important in the actual process of meaning transfer. Although other authors have begun to argue that consumers are active in the globalization process and engage in meaning transformation such as consumption creolization (Ger and Belk 1996; Miller 1996; Wilk 1990), the process of how this occurs had remained unexamined. Our identification of two factors, cultural compatibility and transformability of meaning, and our analysis of their interactive effects on meaning transfer underscore the need to investigate the process of meaning transfer at a much finer level than has previously been seen in the literature, especially from the consumer's perspective.

Finally, the nature of consumer agency in emerging markets is currently a hot topic in cultural anthropology (Applbaum 1998). As mentioned earlier, the literature is inconsistent on whether and how much consumers in emerging markets are active participants in the globalization process. In India, which has gone through the globalization of its marketplace in the past decade or so and thus provides a natural laboratory to examine this process, it is clear from our framework that certain situations lend consumers to be more active than other situations, and our framework also points out the important factors and interactions that lead to these varied situations. Thus, our work contributes to the current debate in the consumer agency literature by identifying factors that might affect agency differentially.

Emerging markets constitute a large proportion of the world's population and have been predicted to show tremendous growth during the next few years. The pace of globalization and offering of global products have been studied in emerging markets by examining secondary data and by application of diffusion of innovation models (e.g., Arnould

1989). Yet markets are created by consumers and shape consumer preferences *while* being shaped by consumer likes and dislikes. This effect of consumer preferences on the shaping of the market in emerging markets has not been given adequate attention. Our work examines the role of cultural preferences that affect consumer agency that then manifests itself by eventually shaping market offerings. In doing so, we are in agreement with Grossbart (2002, 3), who pointed out that "markets are human creations, which are shaped by multiple factors and influence many institutions and facets of life." Consumer preferences and culture in tandem with global players have a shaping effect on competition in markets and the market structure itself. This happens through the forms of acceptance, rejection, or transformation that consumers choose. Thus, consumers play a crucial role in changing the local market under global influences by exerting their sociocultural preferences. Consumers in emerging markets are not blindly emulating the West, and there is a spectrum of responses that consumers can make when foreign goods enter their marketplace. A significant implication for macromarketing is that consumer preferences in relation to local culture are an important factor in any study of market shifts that occur in emerging markets and hence need to be examined very carefully when studying the effects of entry of global products in these markets.

LIMITATIONS AND FUTURE RESEARCH

The framework developed here provides a structured way for consumer researchers to reconcile some of the consumer agency issues *vis-à-vis* globalization within the marketing discipline. To apply this framework in future research, the threshold for determining whether a good can be adapted or whether it is compatible with local values will have to be determined in each cultural context from an emic perspective. Underlying cultural structures such as food beliefs and political associations with products will be important in this determination, as will religious dictums and fundamental cultural values. To be able to put new goods into each cell in the framework, in-depth consumer studies will have to be undertaken in the culture under study.

Another fruitful area for future research is to look further at how the meaning of goods becomes transformed from something foreign to something local. In some cases, the attributes of the goods themselves will change, such as pizza in India being made with paneer rather than mozzarella and with toppings like curry chicken rather than pepperoni. In other cases, meaning transformation will have less to do with variances in the actual good but more to do with product perception changing, such as when a foreign good is associated with iconic Indian symbols through marketing efforts or when certain traditional consumer groups adopt the product to serve an indigenous function different from the function that the good serves in other markets. The complex process

surrounding the transformation of meaning, including interpersonal relationships and interpretations of a variety of communications associated with the good, is another area ripe for research. Finally, although the focus of this article is on consumer agency rather than diffusion of innovations, future research could investigate the relationship between this framework and diffusion of innovation models, building on the work of Arnould (1989) in terms of incorporating cultural influences into diffusion of innovation theories.

Of course, there are other factors besides fit with local culture, ease of transformability of meaning, and consumer agency that may affect how a good is perceived and its eventual acceptance, transformation, or rejection by consumers in an emerging market. Investigating the desire to be part of a global consumer culture (Alden, Steenkamp, and Batra 1999), for example, which could be another important element in the globalization process from the perspective of the consumer, would be a fruitful line of inquiry for future research.

CONCLUSION

Do consumers, as critics of globalization argue, become slaves of multinational goods or, as corporations would have us believe, have a larger variety of goods to choose from and hence are eventually better off? How much agency do consumers exhibit when making consumption choices related to foreign goods, and what are some of the factors contributing to acceptance, transformation of meaning, or rejection? These were the questions that motivated this research.

We forward a framework that demonstrates that consumers evaluate if and to what extent foreign goods are in line with important underlying local traditions and values before choosing to accept or reject them. As evidenced for Indian consumers by the rejection of meat goods sold by McDonald's, if the good radically challenges the nature of the social fabric, dismissal occurs. When the foreign good provides a new medium to uphold traditional values and ways of interacting, the meaning of the good will be transformed from what the multinational has conceptualized the meaning to be to what is appropriate in the local context, either by niche populations in niche circumstances or by the population at large (see also Eckhardt and Houston 2002). The use of polyester in saris and the transformation of McDonald's into a predominantly vegetarian eatery is evidence of this. Finally, when goods do not provide the means for upholding traditional values yet provide novel or utilitarian benefits and are compatible with local culture, they are accepted as foreign and treated as such in the marketplace. Friedman (1999) described the ubiquity of sushi restaurants in many American small towns as an example of this. In India, ethnic eateries such as Chinese restaurants hold the same draw for urban consumers. The challenge for marketers is to assess the important cultural categories that will affect the rejection,

transformation, or acceptance process in the particular market they wish to enter in a similar way to what we have done here with the Indian market to envisage and predict consumer response.

The rules are very clear: You can alienate me a bit from my culture, but you cannot make me a stranger to my culture. The society is much stronger than any company or product. MNCs who want to succeed in India need to remember this.

—Wahid Berenjian, managing director
of US Pizza in India,
Business Line, July 8, 2002

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