Globalization is continuing process which could not be avoided by every nation in this world where the globalization trends contribute big impact toward society life and toward the development of retail industry. The impact of globalization toward society can be seen on the changing in several aspects such as economic, politic and legal, social and culture, and technology as well. Meanwhile the globalization impact toward the development of retail industry can be seen on online retailing activities and on the internalization process of retail operation.

Key word:

1.1 Backgrounds
Backgrounds for this analysis are separated into two main parts; they are globalization trends and the typology of reflexive society.
1.2 Globalization Trends

Globalization or the global exchange of goods and ideas between human populations is a process that has been existed for 2.5 million years, but that has been intensifi ed during the last 500 years, mainly under the infl uence of the Western European expansions. (Schulp, 2006). Every nation in all around the world experiences the process of globalization and its effect on the country and its society, starting from the high developing countries to developing countries and until the under developing countries as well.

Charles (2003) argued that the process of globalization creates a fundamental shift that is occurring in the world economy, from the isolated economy by barriers to cross border trade and investment: by distance, time zones, and language, by national differences in government regulation, culture, and business systems; moving rapidly toward a world in which barriers to cross border trade and investment are tumbling, perceived distance is shrinking due to advances in transportation and telecommunication technology, material culture is starting to look similar the world over, and national economies are merging into an interdependent global economic system.

The processes and the effects of globalization are different from one country to the others based on its condition of the economics, politics, and culture, but in general there is a pattern of the trends of globalization. This analysis will describe the trends of globalization and its impact on the reflexive society and on the development of retail industry.

The first trend of globalization is the emerging of connecting technologies all around the world. Those connecting technologies are computer, information, communication, and transportation. (Kotler and Amstrong, 2004). Computer makes life become easier either in individual activities or in business activities. People meet and use the computer technology in their daily life, starting from the personal computer or notebook, the ATM (Automatic Teller Machine) system and online banking system, the traffic light system on the street, until the cashier system on the stores.
The technology on the computer system can not be separated to the technology of communication and information system, because that kind of technology is one unity in supporting and complementing each other. Computer becomes a media in communicating, searching, and exchanging the information across the limitation of time and space through the internet and through the World Wide Web (www) system. The internet is truly a global phenomenon; the total internet users worldwide in 2005 reach 1.12 billion users or it’s around 18% from the total human population in the world. (Charles, 2003). The technology of computer, communication, and information leads the worldwide into the new era of digital world.

The last connecting of technologies is in transportation field, they are development of containerizations and innovation of jet airplane. Containerizations help individuals or businesses increase the effectiveness and efficiency in transporting goods internationally. This transportation technology brought the world more than US$ 1.2 billion in foreign exchange transaction made everyday. Whereas the innovation of jet airplane helps individuals or business people moving from one place to other places effectively and efficiently.

The second trend of globalization is the declining trade and the investment barriers worldwide. The impacts of this trend can be divided into two components; they are the globalization of market and the globalization of production. The globalization of market refers to the merging of historically distinct and separate national markets into one huge global marketplace. Falling barriers to cross border trade have made it easier to sell internationally. It has been argued for sometime that the taste and preferences of consumers in different nations are beginning to converge on some global norm by offering standardized global product worldwide that help create global market. (Charles, 2003).

While the globalization of production refers to the sourcing of goods and service from location around the globe to take advantage of national differences in the cost and quality of factors of production (labor, energy, capital). For business, the globalization has
increased the opportunities for a firm to expand its revenue by selling around the world and reproducing its costs through production in nations where key inputs are cheap.

1.3 The Typology of Reflexive Society

The word society is meant a conglomerate of people living according to shared norms and value, more or less within the same culture. There are so many names of the society based on the point of view used such as post modern society, post traditional society, reflexive society, post industrial society, service society, and consumer society. (Tjallinks, 2006). This analysis will focus on the typology of the reflexive society by projecting the concept into the society in Indonesia. The consideration in using the projection to a certain society is to help the understanding of the concept of the reflexive society comprehensively. The Indonesian society is chosen because that society is in the transition period from the industrial society into the reflexive society; therefore it is interesting to make that society as the object for study analysis.

Anthony Giddens (1999), an author on globalization issues, described the main points of the typology of the reflexive society as follows; the first point is the reflexive society put communication and information as the important things at the level of the world society and at the level of personal life as well. Communication is become an important thing for Indonesian society, according to Roy Suryo, the Indonesian communication expert, stated that there were 53 million types of cellular phone for 220 million of the total population and the average level of growth in cellular industry is 84% from 1995 to 2002. The cellular phone was luxury good and owned only by rich people in 5 years ago but nowadays it is become like an ordinary goods. Many people from all social class in Indonesian society use the communication technology either for personal or business purposes. (cited in Wiering, 1999).

Information plays an important role in Indonesian society especially in the urban areas; people use the internet, read the newspaper or magazine, and watch news and talk show at television in order to gain the information that they are needed in their daily activities, work and life. Meanwhile there is a very limited of role of information on the people who
lived in the rural areas. This condition occurred because the urban area is more developed in many aspects than rural area.

The second point is the tradition and custom are no longer have the role that they used to have and they are replaced by the reason and argument. Indonesian society and many others society in the eastern countries tend to retain the tradition and custom as the fundamental values and norms in their life and behavior. However the young and well educated generation in Indonesian society is become more open to that change than the old and traditional generation.

The third point is people in the reflexive society more concern about their environment and nature. This concern is established since the children have started their first formal education in the school but on the contrary many Indonesian people especially in the rural and sub urban area only put that concern just as knowledge and didn’t implement it on their daily life. Throwing garbage on the river or gutter and burning the trash is the simple example on that condition. But on the other hand, many of Non Governmental Organization (NGO) started to come forward and struggled for the natural interest.

The fourth point is the equality of treatment and opportunity for everyone in the society. Many years ago there was discrimination for the Chinese people who lived in Indonesia. The discrimination was conducted by the government through the policies and regulation in many aspects such as in education, politic, economy, etc. This situation and condition become worse when the Indonesian (local people) society also discriminated the Chinese in their daily life. Many efforts are done by the Chinese people and also local people who disagree with the discrimination. The result is on July 2006 the government issued the new law in term of citizenship which eliminated the discrimination. This progress is leading Indonesian Society into the reflexive society as well.

The fifth or the last point is the using of dialogue in solving the problem at the society level and at the personal level as well. This approach is becoming popular in Indonesian Society since the reformation era in 1998 when the former authoritarian president
resigned because of the people power. The reformation era bring the democracy in the political development and in the way people express their opinion and aspiration. In politic, people have right to choose the parties that they trust and also have right to express their aspiration through many ways such as public demonstration for example. Another example, in a company whenever there is working conflict between the company and its employee then the dialogue and discussion will be used to solve the problem instead of forcing the employee to commit to organizational interest only (Sukarno and Djati, 2005).

2.1 Analysis of Globalization Trends within the Society
The globalization trends create the changes in macro dimension of the environment of the society such as economic, politic and legal, social and culture, and technology. Below are the detail explanations about the globalization trends on the society.

2.1.1 Economic Analysis
The changes in the economic dimension lead the society enter the world or global economy. The world economy has changed profoundly since World War II. Perhaps the most fundamental change is the emergence of global markets, global competitor, and the integration of the economic. Those fundamental changes bring the reality of the world economy; they are the increasing of volume of capital movements, the concerns of the relationship between productivity and unemployment, and the emergence of the world economy as the dominant economic unit. (Keegan, 2002).

The increasing of the volume of the capital movements is become more popular since the emerging of the integration of the economic such as Europe Union and Free Trade Area Organization worldwide. The effect of that condition is that many multinational and international companies expanded their business outside their origin country. Therefore, nowadays it is easy to the people in the society in experiencing the global products and brands. Many global brands compete with the national and local brands; therefore the companies attempt to attract the customer with all kind of promotion and program
offering. This situation led the society into the consumerism era and it raising the concept of consumer society.

The globalization trends in economy increased the production of manufacturing products but on the other hand it increased the level of unemployment as well. The western companies replaced their manufacturing unit into the eastern countries which offered the higher productivity and the lower costs. Many experts from high developing countries moved to developed countries and fill the good job position in the companies. The people in the society whom aren’t competent and qualified will lost their job or they have less job opportunities.

2.1.2 Political and Legal Analysis
Globalization has changed the political and legal role in its society, in which the government reduced its control over the economics. The integration of economic and the Free Trade Organization are the main reasons behind the situation. (Penar, 1999). However, the government especially in developing and under developing countries still attempted to protect their own local and national economic interests by issuing economic policies and regulation such as taxes, quota, protection, etc.

The imitation and duplication of global brands by local players are the common problem that many multinational and international companies faced in the developing and under developing countries. The regulation in patent and copyright is the main solution to solve these problems.

Another problem related with the emerging of global products and brands is the boycott or the demonstration of the local people in the society whom are in particular business field to the global brands which are evaluated as the cause of the destruction of their business.

The entire situation and condition above made the politicians had to be careful in issuing and establishing the policy or regulation by balancing the international and the national
interests. If they supported more on the national interests than the international ones, consequently the country will face a problem with the international trade law and agreement and perhaps it is possible to be suffered by the international punishment like economic embargo. On the other side, if they supported more on the international interests than the national ones, consequently they will lose the support from the people in the society.

2.1.3 Social and Culture Analysis
Hofstede and Bond (1988) argued that the culture is the collective programming of the mind that distinguishes the members of one category of people from those of another. Anthropologist and sociologist define culture as the way of living in the context of social institution, educational institution, religious institution, governmental institution, and business institution, built up by a group of human beings, which are transmitted from one generation to another. (cited in Keegan, 2002)

Globalization transform the social and culture in the society into the cultural universals, which means that a universal mode of behavior existing in all cultures. The partial list of cultural universal according to George P. Murdock (1945) includes the following athletic sports, body adornment, cooking, courtship, dancing, decorative art, education, ethics, etiquette, family feasting, food taboos, language, marriage, mealt ime, medicine, mourning, music, property rights, religious rituals, residence rules, status differentiation, and trade. (cited in Keegan, 2003).

The cultures of the people in the society begin to disperse and begin to absorb the cultural universal. Mooij (1998) described the global culture as the expression of culture, the symbols, converging eating habits, and global heroes, particularly those who appeal to young. The core values of culture are stable and often what is presented as a new trends or global trends is a newly packaged core value.
2.1.4 Technology Analysis
Technology in communication, computer, and information play the important role in the process of globalization. People in the society are connected and shared information across the boundaries of space and time by using those technologies. The society more depended on the information as their guidance in their daily activities than the culture and custom. The people on the society begin to received the different opinion and insight of others and treat others equally as well (Giddens, 1999, cited in Wiering, 1999).

3.1 The Relationship between Globalization Trends and Development of Retail Industry
The rapid and continuing globalization of the world economy means that globalization of retailing activities is a major management issue for most large retailers today and is likely to intensify in the coming decades. (Varley and Rafiq, 2004). This analysis give some limitation toward the impact of globalization trends on the development of retail industry into two main components, they are the emerging of on line retailing (e-commerce) and the internalization of retail operation. This limitation established in order to make this analysis stay on the focus and in consideration that the on line retailing represent the impact of globalization trends in the technology of computer, communication and information; meanwhile the internationalization of retail operation represent the impact of globalization trends in containerization and the declining of trade barrier worldwide.

The technology of information, computer, and communication create the concept of on line retailing, which means that customers don’t need to visit a store but they can shop a product through the internet from home, working place, school, or elsewhere. According to Boston Consulting Group (1999), on line retailing in total has certainly grown significantly in term of sales from a few million dollars in 1995 to an estimated 36 billion dollars in 1999. However, the pattern of growth is not consistent across all product categories, company types, or indeed, between companies based in different countries. There are many types of product which are commonly offered through the internet like books, clothes, electronic products, insurance products, gifts, etc. (cited in Keegan, 2002)
Kotler and Amstrong (2004) explained that there are several benefits to the retailers which conducted the online retailing. The first benefit is giving the opportunity to the retailers in building customer relationship because the retailers can interact online with the customers to learn about specific needs and wants, moreover the customers can propose questions and give the feedback to the retailers. The second benefit is the reduction in costs and the increasing of speed and efficiency. By implementing online retailing, the retailers avoid the expense of maintaining a store and other operation costs. The third benefit is that retailers can manage its supply chain activities like order processing, inventory handling, delivery, and trade promotion efficiently. The fourth benefit is the greater flexibility for retailers in adjusting the offering to the customer and the last benefit is the opportunity for retailers in connecting to global customers.

On line retailing is truly a big phenomenon in the retail industry worldwide because it changed the way people in doing transaction and it created the concept of non store retailing format. Nowadays, the online retailing become a serious competitor to the fixed store retailing. Therefore many traditional retailers have tried to develop their own presence on the internet (Davies and Ward, 2002).

Another issue regarding the impact of the globalization trends in the development of retail industry is the internalization of retailers which means that the retailers do expansion of its retail operation in order to reach international market. Keegan (2002) pointed out several alternatives in reaching international market that are sourcing, licensing, and investment. The first alternative is sourcing which means that the retailers exported product from the origin country in order to be sold to the other countries. The flows of electronic products are the example where the high developing countries used the technology and after several time they exported its products into the developing countries or under developing countries as well.

The second alternative is licensing which means the contractual arrangement whereby one company (licensor) make an asset available to another company (the licensee) in exchange for royalties, licenses fees or some other form of compensation. (Root, 1994,
cited in Keegan, 2002). This alternative boasted international retailers in expanding their business outside the origin country. Mc Donalds, Pizza Hut, Sport Station, Mango and many others international retailer are the examples of the licensing implementation.

The last alternative is investment which means the retailers invest their funds in certain country outside the origin country. This alternative is more risky than the second alternative because the investment required a great sum of money and has to deal with the macro dimension in the society directly. Many giant international retailers such as Carefour, Wall Mart, etc did investment in developing countries and reached big profit from it.

4.1 Conclusion
Globalization is a continuing process that creates the trends which provide its impacts on the society and on the development of retail industry as well. The emerging of connecting technologies and the declining trade and investment barriers worldwide are the main of the globalization trends. Those trends changed the macro dimension of the society such as economic, political and legal, social and culture, and technology. This changing led the society into the global world where the global products and brands, and global culture become more popular within the society. Meanwhile those trends also influenced much on the development of the retail industry. The retailers begin to enter the new international and global market to serve the global customers in the global competition.
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