



Global standardization in international marketing

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Abstract

Despite being in the era of Globalization has the market patterns become so much similar that standardized marketing strategies can be implemented. However, there are several marketing factors like pricing, place etc. that differs according to developing and developed countries. In this study, we examine that if a product is successful in the home country then should the marketing strategies be standardized or adapted. The only element that can be standardized for some extent is promotional strategies but rather as a whole it can only be a brand that has a strong presence in the global market. We have also taken some examples who have successfully able to adopt either of the two.

Keywords: globalization, patterns, standardized, examine, despite

Introduction

Standardization is the process of developing, promoting and implementing the framework set by the firm or organization in order to ensure their compatibility, interoperability and safety. In current generation we have vast variety of products which further consists of different companies who compete in the same market. Therefore, it leads to key concern that whether multinational firms who deal in various markets should lead to standardization marketing of the product and service or not.

Standardization in marketing in a broader sense is using same strategies or methods of marketing in across all the nation which means the content remains constant rather the only difference is the language. The advantage of standardization in marketing is that it becomes easy for the firm to assess the expenditure which is incurred in the process of promotion of new or existing product. This leads to cost saving for the company only if it has strong presence and similar image in all the countries.

But the hindrance in this whole process could be the cultural aspect of the geographical area where the firm tends to become flexible in order to have a bigger market share and use different methods according to the level of price-sensitization of the country. In some cases it could also be the difference in opinion of the consumers regarding a certain product such as the car washing store is a everyday part of the westerns but when it comes to the developing nations customers may seek it as a luxurious service.

The research paper deals with various aspects of adaption and standardization in international marketing and which is more preferable in the current market. As every firm wants to be globalize themselves by capturing the foreign market but to sustain in the market it is very essential to have two components in your product i. equality product at a low or competitive price which every consumers wants especially in the developing nations.

There are various drawbacks and advantages in both the types of marketing. Marketing is very essential component in the long run of the business. Marketing does not mean only promotion of the product rather it is a process in which a brief research is done before entering in the host country. The

method of marketing is researching, attracting and selling products. The market becomes more competitive when firm wants to expand and increase its target audience. The certain benefits which firm can conceive from marketing is that they can create brand awareness through various advertisements or recommendations which can further lead to creation of potential customers. If the product has a very unique element then it can also have a brand loyalty which companies like Samsung and Apple have created in a certain period of time. Customers always get attracted to the products which have a better reputation than that of its competitors which leads to increase in sales. The consumer behavior is also different in different countries which is a big drawback for a firm which wants a standardization marketing as some may accept the product whereas in other demographic regions may not.

Purpose

- To understand the factors which the successful companies assess before adopting any marketing strategies.
- To understand various advantages or limitations regarding the adaptive marketing or global standardization.
- To understand various strategies adopted by various companies to create brand awareness, consumer trust and brand loyalty.
- To understand how Coca cola has used both kind of marketing to create a strong global presence among the consumers.

Literature Review

Adaption vs. standardization in international marketing the country of origin effect

The research paper depicts the ten major elements that affect the level of country of origin influence on the consumer perceptions on quality. The article shows the different scenarios in which each type of marketing is feasible. When the market differs in terms of culture and consumer behavior then companies should adopt country tailored marketing approach which ultimately means adopting according to the mindset which a specific region has. In terms of global market some argument support standardized marketing because they believe market has been homogenized due to

reduction in the trade barriers between certain countries due to various trade agreements as well as development in overall technological factors. It also mentioned how Internationalization Factors Model has helped the marketers in assessing the level of integration.

Part standardization

In this article Mr. Anderson explains the approach of zero-based standardization and its benefits. Basically, standardization is a process of making all the parts for manufacturing standard i.e. same.

By removing different customized parts from all the factories and trading them with standard parts making all the production standardized. This will create a similar type of product throughout the world.

Standardization promote cost saving as it offers purchasing leverage, lowers material overhead, spontaneous resupply possible. As large scale of operation is magnified. Apart from part standardization there are other tools, feature, raw material, and process standardization.

Standardization offers flexibility, increase resource utilization, and simplify supply chain as raw materials are the same.

Standardized VS Localized Strategy: The Role of Cultural Patterns in Society on Consumption and Market Research

There has long been an argument between globalization and localization. The argument is about which strategy is better in a generation where globalization is currently taking progress. There are various statement which supports globalization by believing that well established organizations have to move from customization to standardization of the product whereas other researchers have different perspective regarding the diversity that the product may fail if they don't customize according to the majority of that geography. Localization basically is an localizing the different aspect of the product as there are different macro-economical factors in different geographies. Consumers in different countries have differences like language, rules and regulations which can lead to conflict if the companies only follow globalization policies. The article specifies the differences in consumption preferences and patterns. The article concludes by creating a successful global marketing strategy which must include some standard as well as customized components in the marketing mix of the product or service.

Standardization & adaptation of international marketing mix activities

The article specifies on different international marketing mix for the firm to survive and prosper in the global market. The difference in domestic and international marketing is discussed. The basic difference arises from the factors that the marketers have to deal with. International marketing requires understanding the people, culture, environment of the different countries where the company operates rather than just the domestic surroundings. This entire process becomes quite complex and needs to be carried out carefully. These factors make understanding the international marketing mix even more important. Different authors have defined international marketing in different ways and the definition has evolved over time. Some authors have talked about the three comparative determinants for understanding of international marketing practices by firms being,

comparative description, comparative explanations and comparative prescriptions. International marketing mix includes the analysis of markets, the planning to create products for them and all aspects relating to understanding and creating a customer base. To study in depth, the furniture sector was studied through purposive sampling technique. The managers in the researched firms said that analysis plays a very important part in marketing.

Product Standardization Understandings and Reasoning of different types of marketing

There are many challenges in relation to expansion of firm in international markets as we have seen many multinational firms making costly errors in a new market setup due to lack of understanding where standardized marketing or adaptive marketing works. They both have different purpose in targeting market such as standardized marketing means a common global strategy whereas adaptive marketing means customization of the product by understanding how competitors survived in the target market. After analyzing the market data either of the two approach will be implemented.

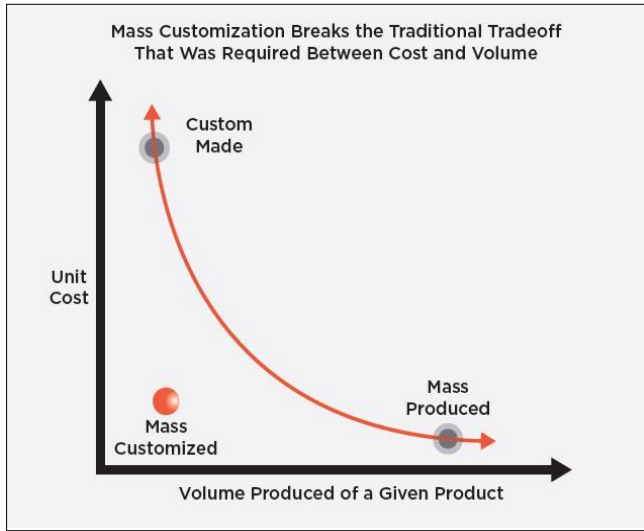
Adaptive marketing

Adaptive marketing is an approach in which the firm actively participates the consumer's interest of a particular geography. It adapts to the marketing mix of the target market. They all data is based on the research data which they collect before into the potential market in which the firm wants to operate. It helps in satisfying the consumer needs. Thus, consumer can connect better with the brand. It helps in improving the brand experience of the consumer and strengthens the consumer loyalty towards the brand.

Coca Cola is the best example for Adaptive marketing. They created Coca Cola Freestyle which is data driven machine which allowed the consumers to mix different flavors from more than 200 coca cola products and create their mock tails. Thus helped the company in better understanding the market as the vending machine tracked the most popular flavor among the consumers. After which Coca cola introduced new products in the market with various vitamins and flavors that were according to the preferences of the consumers.

Advantages of the Adaptive Marketing

- **Consumers Trust:** The consumer prefers to share their personal data to the companies who provide the product or services according to the needs of the consumer. The most important part of company agenda is to create consumers trust.
- **Transparency:** After collecting the consumer data the brand provides consumers with information about how they assess the consumer preferences. If the brand is able to achieve the transparency among the consumers then they can achieve brand loyalty.
- **Information:** The consumer data can be used for many application for a business which is in the growth stage, adaptive market target both actual as well as potential customer after assessing the information they collected the preferences of the consumer.
- **Stronger Identity:** By implementing the adaptive marketing the brands have a potential to create a strong market share. The capacity to constantly change and adopting according to the needs of the consumer brings more value to the brand's identity.



Sources: https://www.google.com/search?Rlz=1C1CHB_F_enIN810IN810&biw=1536&bih=723&tbm=isch&sa=1&ei=g15dXKFOIn8AXSraW4Bw&q=standardization+of+products&oq=standardization+of+products&gs_l=img.3..0i24l6.1399257.1401615.1401754...0.0..0.210.1468.0j9j1.....0....1.gws-wiz-img.....0j Oi5i30.Ie9U11UNF4M#imgdii=c6w Sopp1pnNcCM:&imgcr=GveWVRn4zxFbSM:

Fig 1

Disadvantages of Adaptive Marketing

- **High cost:** Before entering into the market the company spends a huge amount of money on the research work. Research work is generally for understanding the consumer preferences and taste.
- **Time consuming:** A perfect research is very time consuming which sometimes provides other competitors to capture the market share which the firm could have done if they would have entered the market earlier.
- **Difficulty to know what the consumer want:** In some countries consumers are quite hesitant to provide their preferences. Thus makes it difficult for the companies to understand the market trend.

Global Standardization

Global Standardization is type of marketing in which the uses the same marketing strategy which it uses in other countries. It is very much feasible when the product or service has a similar demand globally.

Coca Cola is the best example for Global standardization as they approach international markets with standard brands, packaging, positioning and distribution.

Nike is also the best example of Global standardization as they been able to evolve themselves globally through selection of International sponsorships such as the one with Manchester United. Although the amount spend on sponsorship might be fairly huge and unpredictable but the demand created by this is huge due to the football franchises having huge fan following. They have been able to market themselves better as football is an major sport in most of the countries. By power of design Nike is able to give the customer the opportunity to customize their as they want. It gives them an upper hand against their competitors like Adidas who also have a well established global market.

Advantages of Global Standardization

- **Low Cost:** In this type of marketing the company uses same marketing strategy. Thus they don't have to pay for

any special marketing strategy in other areas which reduces the cost for the firm.

- **Brand:** A strong brand can have the same effect in different geographies around the world. It is to be assumed that a global or multinational firm with strong presence in one country can have the similar in other country as well.

Disadvantages of Global Standardization

- **Sensibility:** In some countries the product or service might be able to capture the market but in other countries the people might have different opinion which sometimes becomes hindrance in the growth of the company if they follow global standardization.
- **Loss of effective advertising:** In a particular country the firm might sell a health product using a sensual advertisement while a more conservative country need more of a rational content in the advertisement.

Findings

Through this research we found out that how coca cola has used both the type of marketing due to their strong presence in various countries and standard product. Coca cola has well presence in approximately around 200 countries which makes it a well-established global brand.

Adaptive marketing has also been used by Frito-Lay with their new flavors of Potato chips. A campaign was started where they engaged their consumers by giving their suggestions regarding the new flavors. It helped them in widening the awareness of the brand by satisfying the needs of the customers according to what they want. It is beneficial for the brand to customize their products according to geographic culture as it helps them it achieving better results in the targeted market.

Global Standardization is using the standard marketing policies internationally. The product can only be successful in this case if they have a strong presence in the international market that means they have standard product globally. Some companies achieve this standardization through sponsorship of various events which have a huge global audience. This helps them in creating a demand in the new market as well as helps them creating awareness in a large scale. The example of Nike is the very specific towards these global strategies which a any company product could achieve by targeting what the majority of public follow or trends in that region which they target.

Conclusions and Suggestions

The successful marketing is about using the correct type of marketing at the right place and time. Marketing mix is a major model in which every element should be careful assessed before the entering or starting the business in the host country. If a company wants to be a successful they have to be price sensitive in the consumer market but quality should not be compromised in this case. The market is all about attracting consumers towards the product. Globalization is also happening but under certain circumstances it might not be possible for Global standardization to be applicable in every region due to differences. The country of origin i.e the place where the product is manufactured is also taken into consumers such as China is having an image of producing goods at cheap price where Germany is known as one of the best automobile manufacturer. An ideal global strategy is where the company

can customize only certain marketing mix elements in the market but keeping the preferences of the consumers in that region.

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