

The Incorporation of Glocalization in Global Brands' Marketing Strategies

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Abstract: Over the years, many corporate companies' marketing strategies have been oriented towards brand globalization, which included strategies like promoting, integrating and selling their standardized, uniform products and services across the global markets. However, in recent days, international brands are fronting new challenges, one of them being to adapt to the conditions like socio-cultural factors and consumers needs within a specific market, to conduct marketing activities based on product particularisation in order to create a connection between the brand and consumers from different cultures and socio-economic backgrounds, thus changing their perspective from, global to local (leading to the—glocal approach). In this paper, the author tries to conceptualise Glocalization of global brands using some of the marketing strategies that some of the global brands have adopted. Thus, the researcher tries to show how adopting a glocal strategy can lead to brand equity increase, as well as sales growth.

Keywords: Globalisation, localisation, global, KFC, McDonalds, Socio-culture factors.

I. INTRODUCTION

The “Glocalization” term is believed to firstly appear in the late 1980s, in a Harvard Business Review article conducted by Japanese scholars, deriving from the Japanese word “dochakuka” and, according to Matusitz, refers to the interface of the global and the local. Globalization can also be defined as the conflation of both universalizing and particularizing tendencies, the dynamics between cultural homogenization and heterogenization and a co-optation of the global and the local. Glocalization emphasizes on particularities and details of a global idea, whereas globalization is based on the omnipresence of corporate processes and worldwide standardization (Zaif, The concept of glocalization and its incorporation in global, 2017). This process eliminates the ethical issues of the country. It is similar to internationalisation. This was the strategy first applied by the Japanese companies in order to expand their companies Overseas that think globally and act as locally (caves, 2004). This concept is applied for the companies with decentralised power so that they can adopt and change their products according to the taste and preferences of that locality (Hofstede, 1994). This concept is first used in agriculture but its uses was not only confined to agriculture and this was spread to other fields as well like politics, teaching, culture, spirituality, religion, organization, morality etc.

II. LITERATURE REVIEW

The article “*The glocal strategy of global brands*” by Luigi & Simona explains how “Glocalization” encourages companies to “think global, act local”, and they could do so by using the global brand, while localizing certain elements of that brand in order to suit a particular country. It also states that a few years ago, globalization was the new paradigm in international business, however from a branding perspective it has lost its initial efficiency giving the fact that consumers do not seem to feel a connection anymore with the standardized products of global corporations, catered to them in mass marketing communication programs. With their centralized decision making, most companies simply stopped having a connection with the new global marketplace and neglected its emergence. Hence, the influence of local characteristics arose, and with that a new term that encapsulates the global and the local – glocal (Dumitrescu, 2010).

The authors' position on this issue is close to the approach of American scientists Cullen and Parboteeah (2009), who believe that in the current economic conditions, companies developing their international strategies shift their attention from the final product that the company offers to a foreign customers, to the business processes by which they develop, manufacture, promote and sell their products. On the other hand, we cannot but admit that the local customers want both global and local brands (Dumitrescu, 2010) and that's why TNC's continue adapting some elements of marketing-mix to the local customers' preferences.

The article "*The concept of glocalization and its incorporation in global brands' marketing strategies*" by Adriana Grigorescu and Alexandra Zaif defines the concept of —glocalization within a theoretical framework, referring to research studies from previously published literature conducted by other authors, while attempting to demonstrate how adopting a glocal strategy (combining a corporation's global strategy and developing products and services customized in order to appeal to the society members of a specific market) can lead to brand equity increase, as well as sales growth. The author also has clearly explained glocalization, and explained why it is important in the field of globalization. They also give examples of some global brands in helping us to understand the impact of glocalization in marketing strategies that are adopted by the global corporate companies. Thus the author concludes by saying that consumers want brands that are both global, and local: to feel like they are part of an international community, (global) and local, so that they feel connected to their culture, respecting it and representing their tastes, feelings and preferences (Zaif, The concept of glocalization and its incorporation in global, 2017)

III. CONCEPT ANALYSIS

Glocalization is utilizing global experiences or a global brand name, and differentiating the offer in order to appeal to local markets. It is important for a brand to grow globally, but reach the local cultural based audience use to be a challenge for many global companies. They operate within a global market and local market niches to bring the attention of these local audiences from different countries, this integrates both globalism and localism and integrating quality and values in a product, that gets sold in large quantities. Increase of high notoriety of the brand will build the expansion of the brand as well, and a glocal product/service can face competition from both local and international brands in a better way because it meets certain local needs or preferences, at lower costs due to the global edge of the company.

Many Global Corporate companies have been struggling in expanding their target audience based on Socio-cultural context. This is where the concept of glocalization comes in, as they try to understand and adapt the product attributes and promotional messages to local preferences. Some of the Global tactics for global strategies have been researched by the other authors, but the researcher will choose to take some of the Glocalization marketing strategies and conceptualise it.

Product-based glocal strategies

- Mc Donalds is a very good example for glocalization and well-known for the brand of the globalization. In India they started releasing Mc Aloo Tikki, Mc Paneer, Mc Spicy which all are the ingredients of Indian delicacies. Thus accordingly from the Cheese burger and normal sausages they introduced these kinds of varieties in India and likely Mexicana and Italian burgers as well.
- For the Indian market, global telephone brand Nokia released offers that would include an anti-dust keypad, to prevent cell phone damages caused by the heavy dust in the region.
- Dunkin Donuts serves dry pork and seaweed donuts in China, Grapefruit Coolatas in Korea, mango Chocolate Donuts in Lebanon and Dunclairs in Russia.
- Lay's Chips meet the preferential tastes of locals from different countries across the world; for instance, in the United Kingdom the most popular flavour is cheese-onions, in Thailand we can find Lemon Lays or Seafood Lays in China.

Price-based glocal strategies

McDonald's and KFC are consider not only fast but cheap food for US market. For Indian market, compared with the local offer they become expensive. That is why the decision was to reduce the price to a range of 20-300 rupees, that still place their offers to as „high price". Similar situation was recorded in Romania at the beginning when McDonald's and KFC offers were considered higher-end family dining like in India or other Asian countries.

Another example, to reach the mass customers in India, Indonesia, Philippines, East European countries at the beginning of 1900s the multinationals creates cheaper price products by small packing, old models using local supplier.

Glocal promoting

Upon entering the U.S market, Tesco, the British multinational grocery and general merchandise retailer decided to take a very careful approach, making the decision to not operate under its usual brand name but as “Fresh & Easy Neighborhood Market”. The decision was unexpected till the original name was successful in countries such as Romania, Hungary, Czech Republic or Thailand.

Distribution

For example, Yves Saint Laurent has launched a limited-edition perfume fragrance named “Magnificent Blossom”, which was only commercialised exclusively in a luxury department store located near the Red Square in Moscow, Russia. The inspiration from this perfume came from the richness and splendour of Russian style.

Initially, when entering the U.S market, H&M located its stores in the suburbs, but, facing price competition, management took the decision of relocating to more upscale, downtown locations, while maintaining the same prices.

IV. CONCLUSION

Adapting and adjusting to global products and services has almost become a requirement for global corporations; as it was demonstrated, global corporations should not adopt standard global marketing strategies, operating as the whole world is a single entity-consumer behaviour that cannot be predicted, especially when aspects such as cultural, socio-economic and political factors are taken into consideration. Marketers must admit these conditions and try to channel their marketing efforts in order to meet consumers’ needs, assimilating each culture particularities into their corporate philosophy. Even brands that were linked with globalization itself had to realise that their strategy had to be redirected to a new approach and customized their products, in order to maintain success and not lose market share.

Consumers go behind brands that are both global, and local: to feel like they belong to an International community, (global) and local, so that it makes them feel connected to their culture, respecting and representing their tastes, feelings and preferences. Thus, the researcher tries to show how by adopting a glocal strategy (merging a corporation’s global strategy and developing products and services personalized in order to appeal to the society members of a specific market) can lead to brand equity increase, as well as sales growth

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