

## **STRATEGIC INSIGHTS: TO STANDARDIZE OR LOCALIZE**

One of the most crucial international business decisions from a strategic point of view is to decide whether to use a standardized or localized approach to marketing and communications.

*Standardization* is commonly defined in the literature as a strategy wherein marketers assume global homogeneous markets and in response offer standardized products and services using a standardized marketing mix<sup>1</sup> (Mooij, 1998; Jain, 1989). The advocates of the standardization approach argue that as technology develops and is globally dispersed, cultural distance will be minimized, leading to convergence of national cultures into a homogenous global culture.

*Localization or Adaptation Strategy* takes into account the inhering diversity that exists in the international market arena and treats individuals as “cultural beings”, whose values and behaviors are shaped by the unique culture in which they live and grow. Localization strategy is geared toward understanding local consumer preferences and then adapting the marketing mix (Products, Price, Place and Promotion strategies) to best satisfy consumer needs and wants.

The argument for the use of either approach is complicated in the context of the World Wide Web as it is a global communication medium, where technology makes mass customization or adaptation possible, while forces of global integration and the emergence of transnational web style (Sackmary and Scalia, 1998) justify the use of a standardized web marketing and communication strategy. In this paper you will learn in detail the advantages, disadvantages, and dangers to be aware of while using either strategy.

For example, the following are some Localization blunders:

- All pictures or symbols are not interpreted the same across the world: Workers at the African port of Stevadores saw the "internationally recognized" symbol for "fragile" (i.e. broken wine glass) and presumed it was a box of broken glass. Rather than waste space they threw all the boxes into the sea (Neil Payne, 2008, [proz.com](http://proz.com)).
- Even a simple thing like use of a number in a culturally inappropriate way can derail your product. A golf ball manufacturing company packaged golf balls in packs of four for convenient purchase in Japan. Unfortunately, pronunciation of the word "four" in Japanese sounds like the word "death" and items packaged in fours are unpopular ([www.kwintessential.co.uk](http://www.kwintessential.co.uk)).
- In August 2002, the British sportswear manufacturer Umbro was denounced as “appallingly insensitive” for naming a running shoe the Zyklon. That’s the same name as the lethal gas used in extermination camps during the Second World War (Yunker, 2002).

The above blunders showcase the importance of carefully localizing offerings across cultures.

Two cases showcasing the real-world application of standardization and localization strategies.

The first case analyzes how a transnational strategy was employed by the 3M Corporation. The second case examines how Kodak used both internationalization and localization practices to achieve an international web presence.

### **3M Case**

This case is based on the study by Bodreau and Watson (2006). They provide an example of 3M implementing a transnational strategy online to tap global online markets. Their analysis of the global and country specific web sites of 3M found that 3M is following a transnational Internet

advertising strategy. The signs of using transnational strategy were apparent because its web sites show a great deal of global integration and also local responsiveness. The case showcases how an organization can emphasize global integration and local responsiveness.

### **Kodak Case**

Initially Kodak adopted the strategy of merely translating its English web pages into different languages, but it soon realized that plain translation was not enough to target and reach out to international users. For example, Terry Lund of Kodak explains that they translated their section on, "Guide to better pictures," (a popular link at Kodak.com) into German and found out that even though the translation was accurate, the Germans did not find it appealing and did not like the writing style (Dana Blenheim, [www.itmanagement.earthweb.com/entdev/article.php/609301](http://www.itmanagement.earthweb.com/entdev/article.php/609301)). Thus, Kodak consulted companies in web globalization business and modeled its globalization efforts on the Web into two parts; first they invested in developing global web templates (a part of the internationalization process), and then sought local country input to locally customize the content in a way appropriate for the country in questions (the localization process).