**Globalization Strategies**

**Global Strategies**

* World is one big Market
* Products and its marketing are uniform across the World
* Key Decisions are centralized at corporate headquarters in the business’s home country
* Strengths
  + Companies take advantage of economies of scale
  + Develop products faster
  + Co-ordinate activities
* Weaknesses
  + Lacks of response to individual cultures
* Ethnocentric view – all people want the same products and will respond in similar fashion to the marketing strategies used in the home market

**Multi-domestic Strategy**

* Customize products, services and marketing to local cultures
  + Effective when cultural differences are prominent
* Decisions about products, services and marketing are decentralized and made with local needs and customs in mind.
* Advantages
  + Less Political and exchange rate risk
  + Increased product differentiation
  + Greater responsiveness to local needs.
* Polycentric view – local management is most capable of determining what is best for the local subsidiary
* Example McDonalds

**Transnational Strategy**

* Combine multi-domestic and global strategies
* Attempts to respect the needs of the local market and maintain the efficiency of a global strategy
* Products manufactured at least expensive source
* Human resources and marketing are achieved at the local level
* Difficult to execute
  + Simultaneous need for strong controls and commitment to local diversity
* Geocentric view – values local differences and what is best for the company

**Types of Globalization Strategies**

|  |  |  |
| --- | --- | --- |
| Strategy | Product or Service | Reason |
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