

INVESTMENT  
OF FOREIGN  
FIRMS IN  
LOCAL  
TALENT

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# Executive Summary

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The global strategy could be traced back since 1957 when it McCloughry and James wrote on war strategies in their book *Global Strategy* (Mohame and Ahmad, 2007). In 1983, Harvard marketing professor Theodore Levitt, argued that world is becoming a common marketplace where people had the same basic needs, wants, desires and tastes no matter where they live. Marketers developed a global marketing strategy and true global brands were sold in one name across the world (Mohame and Ahmad, 2007). The global corporation operated with resolute constancy, as if the entire world was a single entity. The advertising agencies were given the charge to to promote their products globally as with same advertising theme and approach. The global corporation started selling the same things in the same way everywhere (Svensson, 2001).

But the consumers were not able to relate themselves with the global brands due to the cultural differences. There are evidences showing that the global brands like Nike and Coca-cola, were becoming the lightning rods for antiglobalization protests (Holt *et.al*, 2004). regardless of several uncertainties in the political ground and the world seems to be falling apart because we hear of and see countries at war, invasion of the superpowers on the helpless, global terrorism, merciless bombings, nuclear threats etc, there is at least one big comfort brought about by marketers, marketing and advertising professionals i.e. that the world is coming closer together through global marketing (Mohame and Ahmad, 2007).

The MNC's started developing the concepts as well as marketing the products and services based on the country in which the products were sold. The concept was to 'think globally and act locally'. Today, glocal is becoming a buzz word to be used and understood by all professions including politicians.

# Assumptions

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The major assumption in this report is that culture affects the strategy. There are various approaches in which the strategies that are developed reflect the culture in particular country. The decisions that managers have to take and respond to, depends upon different cultures which facilitates the development of new strategies (Christopher, 2006). To succeed in any overseas country it is necessary for the foreign firms to understand the local traditions, customs, habits, culture, etc. (IT News, 2007).

# Introduction

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Several countries opened up to foreign competition as well as many American and Japanese corporations, with global brands and marketing programs, struggled to make a way into those markets. The managers had the idea that multinational companies must standardize products, packaging, and communication in order to achieve positioning which will be effective across culture making low cost investment and consistent customer communication. (Miller, 1986)

As the world economy sustained to integrated, boom of global strategy slowed down because the consumers in most countries had difficulty in relating to the standard products and communications by the companies. Therefore, the merger of two strategies led to emergence of new strategy 'Glocalization'. The executives strove for global backstage activities like technology, production and organization but the product features, promotion; distribution was based on local tastes of the consumers. (Holt *et.al*, 2004)

# Literature review

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Pure, comprehensive standardization of marketing mixes is not feasible due to the differences in language, distribution facilities, topography, climate, regulations that govern market, cultural features are so great. Yet the attempts are made to standardize these strategies in global market (Mesdag, 2000). Globalization develops the marketing strategies as though the world is single entity and marketing standardized product in unchanged manner everywhere (Mohame and Ahmad, 2007). This is a rational analytical approach where the environment and the organization are objective realities that are similarly professed and analysed by managers (Christopher, 2006). Under a global mandate, corporations assign the entire world market to a single unit and no longer subdivide market responsibility by country or region. Companies like Philips, Siemens, Novartis and GE have done this (Mesdag, 2000).

On the other hand, the glocal strategy reflects the purpose of global strategy approach with necessity of local adaptation and tailoring the business activities, hence different type of strategic behaviour (Mohame and Ahmad, 2007). Here the rational analytical approach is a subjective reality as the managers see different things, create different realities and then act consequently (Christopher, 2006).

Irrespective of whether a global or any other approach to international marketing is considered, it is wise to believe that everything in foreign market has to be done in another way as it is done in home country, if not hard proof to the converse has been obtained. Some countries have national afflictions, the reason for failure of French pharmaceutical company in Germany. This company sold its cure for mal au foie disorder of the liver, causing liver pain, due to excessive consumption of wine, to Germans who never think about their livers (Mesdag, 2000).

The cultural assumptions made are relevant to the strategies regarding to external adaptation, as the intention is to line up the organization with its environment. For this there are two cultural models controlling model and adapting model. The former is so called because the strategy is planned in order to achieve control on what is happening inside and outside the organization, whereas, the later has strategy implementation that considers to develop the internal capabilities – knowledge, competencies and learning so as to improve constantly (Christopher, 2006).

The adapting model makes sense for an industry (such as telecommunications) where each nation requires some adaptations of its equipment but the providing companies can also standardize some of the core components. The glocal strategies can be categorised on to four approaches local, international, multinational and glocal strategies (Mohame and Ahmad, 2007).

As far as marketing mix is considered the advertising creativity across the globe is in live with the four glocal strategies. In local strategic approach is a decentralised and differentiated approach, for example, the local ad agencies are promoting since they are more familiar with the local needs, whereas, global approach is a cost saving with centralised decision process and standardised advertising. The regcal/ multinational approach is simply a regional approach, a centralised process with using local adaptation regional basis. For instance, the ASEAN countries are closely knit in terms of culture, religion and tradition, so the creative sense of advertising material is common. Finally, the glocal approach, a decentralised process with standardised approach. It is combination of global and local elements. McDonald's allows the decision making regarding to "locally flavoured" menu to be determined by the local franchise holder (Mohame and Ahmad, 2007).

# Thinking Global, Acting Local

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The international firms develop the marketing mix strategy (product name, product positioning, and advertising) depending upon the culture of country in which the product has to be marketed. Michael Maynard has brought in focus the glocal strategies used by an American company in Japan in 'How Gillette's SensorExcel Accommodates to Japan'. In this review Michael has differentiated the advertising strategy in the *Seventeen* magazine in U.S. and *SEVENTEEN* magazine in Japan. The cross-cultural differences can be observed between the two advertising strategy used in US and Japan. Gillette being an American company, it can be concluded that it is implementing the adapting strategy model as well as subjective rational analytic approach, thinking globally but acting locally.

Introducing The New  
**SensorExcel For Women**

**Feel the difference.**  
You've never felt anything like SensorExcel for Women. It starts with a specially shaped handle, that makes it easier to shave even tricky areas like knees and ankles.

**Feel the no-slip rubber grip for total control.**  
The handle has a soft, textured rubber grip on both sides, so it won't slip when wet. That means more control in the shower or bath.

**Feel the soft microfine protect your skin.**  
They're positioned ahead of the blades to protect your skin from nicks and cuts while gently lifting stubborn hairs, so our spring-mounted twin blades can shave you closer yet, with incredible safety.

**Feel the moisturizing strip for extra smoothness.**  
There's even a unique strip with aloe and extra moisturizers for more comfort and smoothness.

It all adds up to our closest, smoothest, safest shave ever! There's no feeling in the world like the new Gillette SensorExcel for Women.

**Auxiliary Gillette Sateo Cream Shave Gel with rich moisturizers for soft, smooth legs.**

Figure 1: *Seventeen* magazine, U.S. (Maynard, 2003)

きれいが違う、いい感じ。  
ジレットレディーセンサーエクセル



**いい感じ1** ぬれ手に安全、ゴム製になったすべり止め、スリートをオナチが足跡のハズナリに、ゴム製の滑りすべり止めが研ぎました。さらに、滑りやすくぬれた手にもすべりにくく、安全なアッパーストームでも、フロントローキ独立です。

**いい感じ2** 肌にやさしく、しっかりシェーブのソフトなマイクロフィン、刃の裏に付いたマイクロフィンが、肌をやさしくガードしながらムサ毛を立ち上げます。あとは安心して、しっかりきれいにシェービング。肌への優しい思いやりです。

ほかにもこんな、いい感じ

- アロメムリスムーサーで、さらさらシェービング
- ボディーのキープによって長く、自然キープ
- 肌はキープ、敏感肌対応の2段階
- 定額サンデー、ずっと使える
- お風呂の後の保湿効果

もちろん剃るから、きれいが止まる。  
**Gillette Lady Sensor Excel**

**NEW** シェーバー & ジェルで、もっといい感じ。  
レディーセンサーエクセルとオナチが研ぎました。ナナトアミ製、滑りにくく、レディーセンサーエクセルでシェービング。なめらかな、滑り感になり、すべすべに、しかも、剃り残れを防ぎしっかりと剃ることができます。

**NEW** 全質で日本産の原料から、シェービングの時に、肌をいたわる成分が、肌を潤わす効果。さらに滑り感の調整が、シェービングの時に、肌をいたわる効果。

Figure 2: SEVENTEEN magazine Japan (Maynard, 2003).

The ad targeted towards the American market was first featured in the Seventeen Magazine, July 1996 issue (Figure 1). In the same magazine, in June 1997 issue figure 2 shows the features for Japanese market. Depending upon the cross-cultural differences, the purpose of product, publication, timing and target are accommodated differently in Japanese

market, the glocalization approach. The rhetorical structure that is seen in the US ad implores the readers to 'do' something under the four 'feel' headers. In Japanese ad, it asks reader to do nothing; it is indirectly stating what is known obviously. The Japanese language is known for organising sentences in such a way to advance a state of 'becoming'.

The other difference between the two ads is the use of word 'lady' in Japanese ad, because in this culture the word 'Lady' carries positive connotations. But in American culture use of the word lady is considered to be inappropriate and condescending. So in Japanese ad the razor is called Gillette *Lady* SensorExcel whereas in American ad it is called Gillette SensorExcel for *Women*.

The American ad can be treated as the global representation for the introduction of Gillette SensorExcel, while its glocal accommodation is evident in the Japanese ad. The specific changes in the ad other than change in language are the changes in head line, rhetorical structure, call-outs, product name, visualization of product in use and copy emphasis.

## Conclusion

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Thus, glocal approach, integrating global and local strategies, will be useful in marketing the product/service indifferent countries. MNC's can change rather modify its advertisements to practice glocal strategy; hence, it can also reduce the cost of marketing the product. Companies can use similar advertisements in different countries. Decisions regarding the degree of glocalization affect how messages are conveyed in different markets. The consumers of the future will be globally patriotic: open to the world and grounded at the same time (Top News.in, 2009).

## References

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### **Further reading:**

- Michael L. Maynard, From Global to Glocal: How Gillette's SensorExcel accommodates in Japan, Keio Communication Review, No. 25,(2003) pp 57-75.