

GLOCAL FACE OF GLOBAL BUSINESS: GLOCALIZATION STRATEGY TO GRAB PROFIT GLOBALLY

Garima Kakkar, Foot wear Design and development institute, India, (garimaa.kakkar@gmail.com)
Huma Iqbal, Aligarh Muslim University, India, (huma.nikky@gmail.com)

ABSTRACT

This paper attempts to examine the strategic development of globalization to globalization of the branded businesses to make available a product or service that is developed and distributed globally, but is also fashioned to accommodate the user or consumer in a local market. The discussion focuses on and demonstrates through various examples of strategic adaptation of local environments, cultures, financial conditions of a particular country of business, the globalization of business activities and the term 'global strategy'. The widespread use of popular jargon cannot cover the fact that a genuine or true global strategy approach appears to be a managerial viewpoint. The terms "glocal- strategy" and the 'globalization' of business activities are introduced to enhance the accuracy of usage by scholars and by practitioners of the term global strategy and the phenomenon often described as the globalization of business activities. The methodology involved purely depends on secondary data. To collect the statistical data we have used various sources like annual report, research articles from e-journals, reference books, research articles from news papers and off-line journals and sources from Internet etc.

Keywords: Globalization, Glocalization, Localization, Global business

INTRODUCTION

"Globalization" and "Localization" A combination of the words is used to describe a product or service that is developed and distributed globally, The main aim is the adaptation of international products around the particularities of a local culture in which they are sold. The process of "localization" allows integration of local markets into world markets and the term more often used as "Glocalization". It is also fashioned to accommodate the user or consumer in a local market. This means that the product or service tailored to conform to local laws, customs or consumer preferences. Products or services that are effectively "glocalized" are, by definition, going to be of much greater interest to the end user. Bigger brands consider no boundaries, to explore these and reach the worldwide customers glocalization in a strategically adapted step towards building their customer bases and grow revenues

It would be extremely difficult to identify who used the term "globalization" for the first time. According to Malcolm Waters (1995) whose book titled Globalization is a fine primer, Roland Robertson was one of the early users of the term. More recently, Roland Robertson and Kathleen White edited Globalization: Critical Concepts in six volumes is a tour de force, which present some of the most important essays on this subject. No matter who coined it first, at the dawn of the 21st century globalization as a concept, as a slogan, as a term is used more frequently than any other terms. In Singapore, from the inflow of foreign capital, technology, workers or "foreign talents", music, movies, popular culture, almost everything has resonance with globalization. Globalization is a heroic process, globalization is a sinister process, depending on which side of the debate one stands. Some tend to see globalization as a brakeless train crushing everything in its path, others see benefit in getting on board the train towards economic growth and modernization.

OBJECTIVES OF THE STUDY

The research pursued the following objectives:

1. To examine the glocalization concepts;
2. To identify the major differences between globalization and glocalization;
3. To observe the glocalization strategically adaptation by different brands and companies to overcome business challenges;

METHODOLOGY OF THE STUDY

The study has covered various literatures on globalization, localization, glocalization and internationalization of trade based on USA, UK and other developed countries like the European Union countries. A Library research method (Archive) has been used in this study. Different books, journals, periodicals and online papers have been observed by the researcher to find out different issues in global business dimensions in this connection. Mostly secondary data has been compiled in this study and this data has been collected from focused countries' literatures, textbooks, e-journals, government publications etc.

Research Design: Exploratory

Type of data: Secondary data

Sources of data: Books, Journals, Magazines, Internet, etc.

GLOCALIZATION AS A CONCEPT

Glocalization is the adaptation of international products around the particularities of a local culture in which they are sold. The process allows integration of local markets into world markets. The term first appeared in a late 1980s publication of Harvard Business Review. At a 1997 conference on "Globalization and Indigenous Culture," sociologist Roland Robertson stated that glocalization "means the simultaneity --- the co-presence --- of both universalizing and particularizing tendencies."

Definition, History Of The Concept

Glocalization is the adaptation of globally marketed products and services to local markets. Various analogical descriptions have been proposed, including an octopus and its tentacles, a node in a network of social relations, and world encirclement. The concept comes from the Japanese word *dochakuka*, which means global localization. It originally referred to the adaptation of farming techniques to local conditions. It became a buzzword when Japanese business adopted it in the 1980s. The word stems from Manfred Lange, head of the German National Global Change Secretariat, who used "glocal" in reference to Heiner Benking's exhibit: Blackbox Nature: Rubics Cube of Ecology at an international science and policy conference. The term entered use in the English-speaking world via Robertson in the 1990s, Canadian sociologists Keith Hampton and Barry Wellman in the late 1990s. And Zygmunt Bauman. Erik Swyngedouw was another early adopter.

The first view is the "clash of cultures" view expressed in terms of clash of the civilizations by writers like Samuel Huntington. The second notion is best expressed in the phrase of "McDonaldization" of the world (Ritzer, 2000). This view obviously suggests a homogenized world, a world dominated by a single culture that erases differences of local cultures. The third view is that of "hybridization" (or "synthesis"). Much of human evolution of culture can be seen as exchanges, diffusion, etc. where cross-breeding, borrowing and adjusting to the local needs and so on were very common (Khondker, 2004). Therefore, it is possible to refer to a product as being internationalized if it has been developed to meet most of the needs of an international community, but not customized to a specific region. The customization to a specific region is called localization (Robertson J. C., 1999). Glocalization (a neologism of globalization and localization) has emerged as the new standard in reinforcing positive aspects of worldwide

interaction, be it in textual translations, localized marketing communication, socio-political considerations, etc. Its decorum is to serve a negotiated process whereby local customer considerations are coalesced from the onset into market offerings via bottom-up collaborative efforts. Cultural, lingual, political, religious and ethnic affiliations are simultaneously researched and integrated into a unified holistic solution. In this manner, the intended market is given a stake in the overall process and not just the mere end result (Sassen, 2000). However, in the end what is needed is a set of globally valid concepts that will help us examine processes of social transformation that is inextricably connected with global transformation (Khondker, 1994; Castells, 1998; Wade, 1996). Defining globalization as transnational, transregional processes which affects a wide number of local communities. Area studies scholars perhaps failed to recognize the importance of global forces because they misconstrued the geography of cultural areas. (<http://www2.hawaii.edu>).

Macro-localization involves expanding the boundaries locality as well as making some local ideas, practices, institutions global. The rise of worldwide religious or ethnic revivalist movements can be seen as examples of macro-localization. Micro-globalization involves incorporating certain global processes into the local setting. Consider social movements such as the feminist movements or ecological movements or consider new production techniques or marketing strategies, which emerge in a certain local context and over a period these practices spread far beyond that locality into a larger spatial and historical arena. Consider print industry or computer industry with a specific location of its emergence has now become a global phenomena. Overcoming space is globalization. In this view of globalization, globalization is glocalization. Glocalization, however, is radically changing that reality. Increasingly those who leave can return home and maintain the ties of family and nationality that used to characterize them. (<http://www2.hawaii.edu/fredr/diacon>).

DIFFERENCE BETWEEN GLOBALIZATION AND GLOCALIZATION

“Globalization is both an active process of corporate expansion across borders and a structure of cross border facilities and economic linkages that has been steadily growing and changing.” —Edward S.Herman.

“Globalization represents the desire to move from national to a global sphere of economic and political activity”. It seeks to transform the existing international economic system into a unified system of global economics. In the existing system, national economies are the major players. In the new system, the globalized economic and political activity will ensure sustainable development for the whole world. On the other hand, another concept that was derived from Globalization and adopted by Roland Robertson is “Glocalization”. This term was originally coined in Japan, but was made popular by the renowned sociologist Ronald Robertson. He explains, “Glocalization means the simultaneity, the co-presence, of both universalizing and particularizing tendencies” (Quoted in Gordon, 2006). Glocalization is a term whose origins are in the discipline of marketing, to express the global production of the local and the localization of the global. In other words, George Ritzer clarifies in his article, Rethinking Globalization: Glocalization/globalization and something/nothing, that glocalization is “the interpenetration of the global and the local, resulting in unique outcomes in different geographic areas” (2003, p.196). Glocalization has been used to show the human capacity to bridge scales from local to global and vice-versa. Concerning McDonalds, the worldwide fast food chain is not only a symbol of globalization as explained before but is also adopting the concept of glocalization. Actually, McDonalds is “thinking globally and acting locally”. McDonalds has progressed from national (United States of America) to multinational (opening restaurants in different 121 countries), and thus became a global business that has established itself all over the world working with local cultures and needs.

Globalization usually refers to all of the activities required to make a product globally consumable and marketable, above and beyond what is required to sell in just a single area. These might include currency requirements, local legal requirements, cultural appropriateness, and translation, among many other considerations. Localization usually refers to the translation of text to the local language, so localization can be seen as a subset of globalization.

Globalization is a system of integration of economies all over the world. Involving technological, economical and cultural exchange made possible largely by advances in communication, transportation and infrastructure. Glocalization means adopting a business's product or marketing according to the country in which they are operating, in order to meet the demand for that product.

GLOCALIZATION STRATEGICAL ADAPTATION BY DIFFERENT BRANDS AND COMPANIES TO OVERCOME BUSINESS CHALLENGES

Glocalisation=Globalization + Localization.

In simple words, it is adapting a global product or service to a local market but keeping in mind the taste or preferences of the local customer. Below are few examples which highlight the actual examples of Globalization used by various companies in different geographies. We have heard a lot about globalism versus localism over the years. In order to succeed globally, even the biggest multinationals must think locally. A few examples:

DHL – Innovating the logistics in India: The Indian market has compelled DHL to innovate in the area of logistics. This approach is confined to the student's community who travel abroad for higher education. Thousands of young Indian applies for foreign countries to pursue their higher education. There is a hassle when application needs to be sent to the universities both online and offline. But the difficulty comes when you need to send them offline via a postal service. The challenges are the high cost of last mile delivery, cash-on-delivery model, low connectivity and geographical reach.

Hindustan Lever Limited (HLL): HLL identified the importance of rural customers and invented the shampoo sachets priced at almost a rupee which was an instant hit. When HLL (Hindustan Lever Limited) first entered India, it was faced with the challenge to adapt to the Indian way of buying things. The problem was with the 2 P's – pricing and packaging. As seen in other countries it sold bottle sized products but in India it did not work in all the geographic area. The penetration was very less. India had more of rural culture injected to its system than its urban counterpart.

Tesco: When Tesco expanded globally in countries such as Thailand, Hungary and the Czech Republic it kept its usual name and branding. However, when it entered the United States, it named its stores "Fresh & Easy Neighborhood Market".

Ford: In 1904, Ford was one of the first automotive corporations to go International with the opening of Ford Motor Co. of Canada. Even Henry Ford II had opined that in order to further the growth of its worldwide operations, any purchasing activity should be done after considering the selection of sources of supply not only in its own company but also sources located in other countries. When Ford had set up its first plant outside U.S., in Canada, it gained considerably from the geographic and cultural proximity.

Viacom's MTV localized strategy with localized programming: MTV has catered to local taste in East Asia in South Korea, China, India and Japan. E.g. MTV broadcasts on two channels with Chinese music in China and Hindi pop in India. Using joint ventures with local partners, channels are branded accordingly as MTV India, MTV Korea, MTV China and MTV Japan and use more local employees with use of local language.

Whirlpool Corporation: Whirlpool Example 1: Domestic appliance maker, Whirlpool incorporated specially designed agitators into its washing machines when it sold them in India. This helped Indian women wash saris without the five-foot long sari getting tangled. Whirlpool formed a joint venture with a local partner to produce the redesigned washing machine to suit local taste and culture. Whirlpool also makes its refrigerators in bright colors like red and blue as many Asian consumers placed their refrigerator in living rooms as a sign of status. Whirlpool believes in standardizing worldwide what it can and adapting what it cannot. Whirlpool Example 2: As part of Whirlpool's global strategy, the company wanted to develop products based on consumer's tastes and needs. Whirlpool had done extensive research and found that European customers wanted a microwave oven that could brown and crisp food. Whirlpool then designed and introduced the VIP Crisp wave which could fry crispy bacon and cook a pizza with a crisp crust. The product was successful in Europe and later launched in U.S. as well.

KFC – Yum! Restaurants: Global chain, KFC has introduced 'Krushers' in the cold beverages segment in India. The range of flavors of Krushers has been altered and has a vegetarian thali (a mixed meal with rice and cooked vegetables) and Chana Snacker (burger with chickpeas) to cater to vegetarians in India & to suit the Indian taste buds.

Subway: The Subway chain does not have beef in its stores in India.

Taco Bell: The Taco Bell menu in India has crunchy potato tacos and extra-spicy burritos filled with paneer (cottage cheese). Taco Bell has hired employees who explain what burritos and quesadillas are to customers in India.

Coca Cola: In 1955, a Coca-Cola advertisement or documentary (almost 20 mins long) referred to as the “Pearl of the Orient” shows Coca-Cola’s popularity in Philippines and how Coke has merged itself into the Philippines economy and culture.

Heinz: In 2010, Heinz plans to launch packaged food products in India which will suit the Indian taste. Heinz, which entered India in 1994, plans to indianise the flavors offering condiments, juices and snacks to the Indian consumers.

Disneyland Glocalization in Hong Kong: In 2005, Disneyland was not that successful in Hong Kong with park attendance and growth revenues. Disneyland then made an effort to cater to the local Chinese taste by reducing prices, adapting to local Chinese customs and labor practices and also changed the decors and settings. Glocalization was successfully applied to the theme park in Hong Kong.

Dell’s Advertising in Japan and Asia Pacific regions: Dell did not use its American Steven Jackson (referred to as the Dell Dude) commercials in Japan and other East Asian countries after its Global Brand Management team used localized focus groups to gauge the TV character’s cultural acceptance. The attitude of the American character did not gel well with Japanese social etiquette e.g. Know-all display and speaking to strangers without introduction.

Unilever – Marginal Local Adaptation instead of Total Local Adaptation: Unilever took glocalization (local adaptation) to a new level in the 1990s. Instead of adapting products unnecessarily, it adapted products to the local market marginally i.e. the basic product would be fine-tuned instead of expensive total adaptation. E.g. Unilever identified the need for a regional ice cream and was very successful with its Wall’s ice cream adapting it specifically to the Asian taste (different from the rest of the world). In 2000, it had a market share of 41% to Nestlé’s 15%.

Another Unilever ice cream brand Asian Delight was very successful in Asia. Unilever’s Bangkok innovation center redesigned the product and adapted it to local taste (coconut ice cream mixed with fruits and vegetables used traditionally in sweets in the region) and packaging (Thai and English on packaging in Thailand).

Bottega Veneta Italian Luxury Fashion Retail Brands in India: Luxury retail brands like Bottega Veneta, a unit of PPR, and Canali, an Italian men’s fashion brand launched limited-edition of clutch (Knot India) and closed neck jacket the closed neck jacket it was first inspired by the Indian Prime Minister Jawaharlal Nehru. Specifically for the Indian market.

Nokia’s multi-SIM devices in the Indian market: Nokia launched multi-SIM devices (C1 & C2 series) in India, after it realized its potential. Nokia’s dual-sim phones were introduced late in the market after competitors LG and Samsung also introduced similar mobile phones. Nokia lost out on early market share (to competitors who introduced multi-sim devices early in the market) but planned to introduce it in other emerging markets as well.

Lenovo’s LES Lite stores in the Indian market: Lenovo India has customized LES Lite stores to expand into India’s key tier 3-5 cities/towns. These Lite stores are smaller versions (around 150-250 square feet in size) of Lenovo’s exclusive stores and with lower costs & break-even points.

Gillette’s low cost razor for the Indian market: Gillette introduced the low cost razor ‘Gillette Guard’ priced at about 15 rupees (~\$0.33) in the Indian market. Features included easy rinsing (as water is scarce in Indian rural areas) and unique grip design (the way the consumer held the razor).

Piaggio’s Scooter ‘Vespa’ adapted for the Indian market: In 2012, Piaggio & C. S.p.A., the iconic Italian two-wheeler re-entered the Indian market. It adapted its scooter the Vespa to suit the Indian riders and road conditions. E.g. the rear wheel structure was redesigned to facilitate easier changes, the scooter is more efficient than it is in

Europe (62km per liters compared to 35 in Europe), increased ground clearance, slimmer design and a lower footboard to give more legroom to Indian women who ride sitting side-saddle in the back seat.

Starbucks India: Starbucks' first shop in India (opening in October 2012) will have no beef or pork considered taboo by many Indians. The Indian menu has local favorite Chai Tea Latte and the coffee is sourced and roasted locally. Other food items (many meat free options) include baked goods like Konkani Twist or Chatpata Paratha Wrap to adapt its offerings to local vegetarian tastes. There are even separate ovens and counters for vegetarian and non-vegetarian offerings

CONCLUSION

In this paper we discussed how global brands are rethinking their 'one-size- fits-all' strategy, by approaching a glocalization one. As we have seen, even the major brands that used to represent a standard for globalization, like McDonald's and Coca-Cola, Starbucks, Vespa, HLL, DHL and more acknowledged the changes and tailored their products, so that they would not lose market share. Glocal marketing attempts to fill the gap between local culture, preference and the globalization of marketing activities, and tries to re-establish the connection between global brands and different cultures.

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