Study of Various Adaptation Policies by Companies to Compete At a Global Scenario

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Abstract
The purpose of the presented paper is to study how the multinational firms or national firm striving to be multinationals are adopting various international strategies to adapt to the local market for competing at a global scenario. Various examples of firms like McDonalds, Kraft’s Foods have been studied, about the different policies they have adapted accordingly by studying the situation of the emerging markets, external environment and internal institutional factors within emerging markets at a global rate. Many have independent and self-sufficient subsidiaries in the range of countries with decentralizing some key functions like R&D, sourcing etc and for others home region is still the primary base for most functions. A basic study is presented for how and what a company must incorporate in its global marketing strategy in a way to complement the differences via coordinating and integrating activities across multiple markets. Also a case study is done on the adaptation policies of McDonalds and Kraft Food across the globe.

Keywords: Global Market, Adaptation Policy, McDonalds etc

1. Introduction
Marketing faces many challenges in the current scenario but none is more important than the surge of globalisation which impacts current business than any other factor. Under the influence of the sustained pace of economic development, market economy in its apogee is diverging across the world. Due to increasing globalization and global competition, multinationals and other growing companies are faced with a very important marketing decision between standardisation and adaptation of marketing strategies. According to Levit (1983) markets are becoming more similar; tastes, preferences and price-mindedness are becoming increasingly universal, he believes
that the key for survival is a company’s ability to globalize. However, languages, cultures, economy, demographics, society, infrastructures, regulations still differ across national borders. Companies must learn how to enter foreign markets and increase their global competitiveness. Firms should venture abroad and must carefully evaluate all market segments in which they expect to compete. Importance of choosing right strategy according to standardization versus adaptation issue has gained attention due to increasing globalisation and its importance on international business. To compete globally is a strategic decision that fundamentally affects the firm, including its operations and its management. For many companies, the decision to globalize remains difficult option, going abroad can be result of a deliberate policy decision for others; it is a reaction to a certain business opportunities. Emerging markets or growing economies often makes them rewarding or worthwhile markets for multinationals.

McDonalds “think global act local” strategy around the world has achieved success by embracing globalization. Similarly Kraft foods “magic cookie” pertaining to an emotional attachment for the Chinese consumers and the “Made in India” tag for the Indian market suiting the Indian consumers made Kraft food a success story.

2. Adaptation Policies and Steps
The initial step is to understand the international market, particularly the international trade system. Second, the company must consider the proportion of foreign investment, what sales profit ratio to expect. Third step would be to decide whether to do business in a few or many countries and what types of countries to enter. The next step is to decide which particular markets to enter and these needs to evaluate the level of risk and market differences. The company has to decide how to enter an attractive market. Companies must next decide the extent to which their products, promotion, price and distribution should be adapted to individual foreign markets. Finally, the company must develop an effective organization for pursuing international marketing.

2.1 Case study 1: McDonalds
McDonalds advertising campaign “I’m Lovin’ It” is being advertised globally but the characters and the background setting is adapted in accordance with the local culture and customs of the place. Similar is the case with its food offerings and that is the major reason of its success at the global stage. McDonald’s vision is to be the world’s best quick service restaurant experience by providing quality, service, cleanliness and value.

India- McDonald’s is famous for its hamburgers made from beef and pork which the Indian consumers avoid as it is a taboo according to their religions. So in order to evade this problem the menu of McDonald’s was made more Indian by coming up
with chicken, lamb and fish burgers to suit the Indian diet. A few such special Indian delights are McCurry Pan, McSpicy paneer burger, McSpicy paneer wrap, Pizza McPuff. It also introduced Masala Grill burgers, an indigenous version of the burger which consists of either a potato-soya or chicken patty, grilled and seasoned with garam masala and dressed with roasted chilli sauce and onions. McDonald's has also developed variations of its international non-vegetarian products exclusively for the Indian market. The Big Mac burger is sold as the Chicken Maharaja Mac, where instead of beef patties, chicken patties are used. A spicy version of the McChicken, the McSpicy Chicken burger and its Mexican wrap equivalent, the McSpicy Chicken Wrap are also sold.

Morocco- McArabia : Grilled chicken, and grilled kofta (beef with spices). Both are served all wrapped in Arabic style pita bread. During the Islamic holy month of Ramadan, a special menu is offered for the breaking of the fast, including local specialties such as dates, milk, and harira.

Italy- Italian McDonald's began offering a "McItaly" menu in 2010. Products include a burger with "100 percent made-in-Italy meat", extra-virgin olive oil, parmesan cheese, bresaola, and pancetta. The company advertises burgers in several European countries as using Italian beef. On May 24, 2013 McDonald's Italia in cooperation with Barilla began offering a pasta salad with entirely Italian origin.

China- In China chicken burgers use thigh filler rather than breast meat. There is a seasonal Chinese New Year meal available, which includes the Grilled Chicken Burger and curly fries, with a horoscope of the twelve zodiac animals of Chinese astrology.

Egypt- McFalafal, leading from Falafel- a dish originated in Egypt only.

2.2 Case study 2: Kraft Foods
From decent beginnings in a Nabisco bakery in New York City, Oreo grew to a bestselling cookie brand of the 21st century generating $1.5 billion in global annual revenues. “America's Best Loved Cookie” when turned to international markets did committed some mistakes there but learnt correctly from them and ultimately triumphed. Launching Oreo in China was based on the buried assumption that what made it successful in the home made was sufficient enough a skill to make it successful in any international market. After a decade of depressing market share, Kraft decided to research the Chinese market to understand why the Oreo cookie that was so successful in most countries had failed to resonate with the Chinese.

The research showed that the Chinese lacked the emotional attachment with the cookie pertaining to a strange shape, high value and even a taste that wasn’t the best of what they liked. Kraft's Chinese division used this information to formulate a modified recipe, making a cookie prototype of a formula that tasted right. They also introduced different packages, including smaller packets to cater to Chinese buying habits. The changes had a positive impact on sales and prompted the company with an ambition to capture a greater share of the Chinese biscuit market. Later the company launched a product that looked nothing like the original but did served its purpose. A product
tailored for the Chinese market and a campaign to market the American style of pairing Oreos with milk paid off and Oreos became the bestselling cookies of that country.[1]

3. Conclusion
Competition has been increased at the international level due to globalisation. Globalization brings reorganization at the international, national and sub-national levels. As a consequence, the drive for structural change increases, as well as need to adapt environmental policy to changing demands and conditions for policy making.[6] The multinational corporation operates in a number of countries and adjusts its products and practices in each, whereas the global corporation operates with resolute constancy as if the entire world were a single entity. Therefore the world needs that the multinationals must globalise adapting to the new needs. McDonalds offers customers taste and appearance variations according to their culture and religious customs. It has adapted globally to customers taste buds and choices but the structure of its menu has remain standard. Today, Oreo is more than just an American brand. It is present in more than 100 countries, with China occupying the No. 2 slot.[1]

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