

# Information strategy and management

Business, Strategy



While it is important to analyze the existing competition, it is also important to know the future threats in terms of potential new entrants to the industry. For example, if Honda launches its hybrid car in India and Pakistan, it has to take into consideration that MARUTI SUZUKI or TOYOTA might enter that segment fairly soon. Analyzing this threat may assist in supportive strategic planning for retention of the market share, and defining tactical plans to ensure that by the time the new competition arrives, HONDA has already driven its customers to an even higher degree of value, in turn creating a sustainable competitive advantage.

It's all about anticipating any new arrivals or the people jumping in the van for the purpose of gaining market share and profits. Substitutes are considered a broader range of competition. These tend to drive away the potential and existing target markets. For example, introduction of fresh juices may drive away the potential or the existing target market (customers) of soft drinks. Substitutes give a harder time to the actual products. While comparing competition, it is easy to associate product features and attributes.

On the contrary, when it comes to substitutes, it is the nutshell impact that matters the most. In the similar example of fresh juices against soft drinks, the debate starts off with the soft drinks containing citric acid and high levels of sugar. On the contrary, fresh juices are fresh, healthy and hygienic. When the fresh juice industry argues with the soft drink industry, these arguments can be used. However, PEPSI cannot highlight the fact that soft drink isn't good for health while arguing with COKE. Therefore, the tactics and plans change in cross industry argument.

It is, therefore, very important to keep a close check on the potential substitutes and customize the product to such an extent that even the best substitutes cannot compete or take away the market. The main aim of a firm going global is to expand its market, get maximum market share across geographical boundaries, and attain large scale profits. Therefore, it is mandatory that majority of the factors are in favor of foreign investment, inviting internationally competing products and brands to compete with the local ones and provide best quality goods and services to the customers.

It has been witnessed, on a general note, that the products that are relatively customized to meet the customer tastes and preferences to a larger extent are the ones that are successful over a longer period of time. McDonalds is probably the most wide-spreadfast foodchain in the world and is a successful brand. McDonalds has a standardized variety of products and services, however, some localization is adopted when catering to different markets.

Line extension is adopted, i. e. there are some McDonald products that are present in the Asian markets, while not known about in New Jersey. In such a scenario, McDonalds can be a prime example of a successful application of blending globalization and localization. It is by no means meant that maintaining a standardized product line is a bad idea. Microsoft is one of the top ten companies in the world. The major service provided by Microsoft is the MS Office suit and the Windows Operating System. These services are standardized with specified list of features offered across the globe.

That is a prime example of a standardized product line, and is a successful implementation of the same. Localizing Services Industry Services are intangible in nature, and have direct interaction with the customer. Just like the quality of product depends on the consistency of the processes, the quality of service strictly depends on the quality of workforce. As a product interacts with the customer to give the utility, the workforce interacts with the client (consuming the service) to provide the requested service.

The blend of localization has a critical application on services, when rendered abroad. Consider the example of the Call Centre Industry. Much of the call centre jobs have been outsourced to India and Pakistan region in Asia.

Conversely, it can also be said that India and Pakistan are rendering their call centre services to the western world, particularly the US. When the Asians are trained for the Call Centre jobs, their accent is specifically changed to the US style, by different training methods, if the Call Centre provides services to a US based firm.

This is the localizing impact on the services industry. The services rendered have to be in the US accent, therefore, relevant training is provided. A common example of services is the consultancy services. Their advice varies with the nature of the customer. Another common example is of a barber, who provides a hair cut as per the customer demand. In case of a consultancy service or a barber, the nature of the client would provide the variance in service even from the same service provider.

This assures that the nature of customers vary even within a single region. Similarly, it is possible that a customer may demand exactly the same or

exactly the opposite of the service asked by the previous client. This would hold true in the same or a different region. The nature of the service has to be customized as per the local laws and regulations as well; not just anything can be given to the customer that he demands for. Alongside the laws, it is also important to respect the norms, values, customs, culture and tradition of the country.

This assures that the blend of localization holds valid for the service sector as well, and it needs to be customized as per the local needs, desires and preferences, similar to the concept stated for localization in products.

Conclusion This assignment works on explaining the increasing needs of customizing different products and services as per the needs and situations existing with customers across different regions. Another major discussion was the reasoning that leads to such customization.

It is the different STEP scenarios prevailing over different regions, and alongside the 5 forces of Porter that have a huge impact over the product design and development. These two are the major influencing factors on customization of products and services. Going global isn't as easy as starting a business in a hometown, many factors need to be considered, a vast degree of analysis and research work needs to be done to find the customer wants, tastes and desires. These all should be analyzed keeping in mind the customer affordability.

Pricing, therefore, many a times, is the factor that can make the product fail or succeed in a local market. For that matter, the 4 P's are to be designed giving heavy weightage to the international markets and the customers.

## **Works Cited**

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