

Free essay about multi-domestic strategy

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The multi-domestic strategy is a strategy used by companies whereby customizing their product offer and marketing strategy to match different national conditions, they put effort in achieving maximum local awareness. This strategy can also be explained as a type of a marketing approach that focuses on the essentials of a local market rather than taking a more general strategy of the advertising effort. Multi-domestic strategy benefits firm internationalization in various ways. Firm Internationalization is the process where the firm increases its participation of enterprises in international markets. There are various benefits of a multi-domestic strategy to firm internationalization. The process of firm internationalization involves many uncertainties and risks, and it is by the implementation of the multi-domestic strategy that the risks and uncertainties are overcome. Since the multi-domestic strategy focuses on the basics of the local market, it successfully helps to eliminate the risks when it comes to internationalization since it tends to have perfected the firms locally (Ireland, Hoskisson & Hitt, 2008). Another advantage is that a multi-domestic strategy makes great sense when a firm is facing a low need to reduce costs through global integration and this is a benefit to the firm internationalization since costs are reduced when enterprises are involved in international markets. It is normally through global integration. Due to the entrepreneurial spirit there is a high growth potential of the internationalized firms. It is due to the multi-domestic strategy advantages. The multi-domestic strategy has a number of ways that in benefits firm internationalization but also has disadvantages that face this approach. Implementing the strategy tends to be costly hence hindering the process of firm internationalization (Ireland, Hoskisson & Hitt, 2008). In

conclusion, the multi-domestic strategy focus on the essentials of the local market and customize their marketing strategies to different national conditions but in various ways benefit firm internationalization and helps increase its involvement in international markets.

Reference

Ireland, R. D., Hoskisson, R. E., & Hitt, M. A. (2008). Understanding business strategy: Concepts and cases. Mason, OH: South-Western Cengage Learning.